

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Kamuela Associates LLC
Address 735 Bishop Street, Suite 325, Honolulu, HI 96813
Project Name (*): Holo Holo Kū at Parker Ranch
Address: RFD Kamuela, Hawaii 96743

Registration No. 4121

Effective date: October 18, 2001
Expiration date: November 18, 2002

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.
CONTINGENT FINAL: (green) The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date.
X FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
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* as Exhibit H 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.

Changes made are as follows:

- 1 General Discussion: After the effective date of the Contingent Final Public Report, the Developer closed its purchase of the condominium land, documented the necessary access easements, obtained building permits for the apartments and common elements, obtained construction financing, signed contracts for the construction of the apartments and the common elements, and entered into contracts for the sale of apartments to condominium buyers, all consistent with the disclosures set forth in the Contingent Final Public Report.

This Final Public Report and the items listed below reflect these events and some minor changes, none of which will have any material affect on the buyers, their apartments, the common elements, the common expense budget or any other aspects of the project. Each change is discussed more specifically below.

2. Specific Changes from Contingent Final Public Report: (Paragraph numbers referred to specific paragraphs in the Contingent Final Public Report and in this Final Public Report).

I. Persons Connected With The Project: Developer. John P. Spierling has withdrawn as a member of Developer, and in his place, A & B Properties, Inc. has become a new member of Developer. The two members of Developer are Mana Hale, Inc. and A & B Properties, Inc.

II.A. Declaration of Condominium Property Regime. The Developer recorded a First Amendment to the Declaration of Condominium Property Regime, in the State of Hawaii Bureau of Conveyances as Document No. 2001-157672. This amendment made a minor correction to the surveyed legal description of the condominium land to reflect a boundary adjustment in the road access area where it connects to the public highway, at the northerly end of the property. The boundaries of the land containing the apartments and the common elements (other than the northerly end of the access roadway) have not changed.

Also, the description of Lot B on Exhibit D of the Declaration, describing the land which may be included in future development increments, has been changed to reflect a similar boundary change in that portion of the access roadway within Lot B which abuts the condominium land. This does not affect the condominium in any material way.

III.B. Ownership. The fee owner of the condominium land, previously disclosed as Parker Ranch Inc., is now the Developer, as a result of the Developer's closing of its purchase of the land from Parker Ranch Inc. on October 8, 2001 pursuant to the Agreement of Purchase and Sale and Development Lease mentioned in the Contingent Final Public Report.

III.E. Encumbrances Against Title. Attached hereto is a revised Exhibit G which describes the encumbrances against title contained in the updated title report dated October 8, 2001, issued by Title Guaranty of Hawaii, Inc. Additional encumbrances and changes not previously reflected on Exhibit G attached to the Contingent Final Public Report are marked and explained.

The condominium property is now encumbered by the blanket liens set forth in Section III.E.

III.G. Status of Construction and Date of Completion or Estimated Date of Completion. Construction has not yet commenced. Estimated commencement date is October 30, 2001. Estimated completion and turnover of the apartments is scheduled from June 2002 through January 31, 2003.

V.A. Sales Documents Filed With The Real Estate Commission. The Escrow Agreement dated February 8, 1999, between the Developer and Title Guaranty Escrow Services, Inc. summarized on Exhibit J attached to the Contingent Final Public Report, has been amended by Amendment dated September 10, 2001, to make it clear that escrow shall hold all funds deposited by each Buyer until such time as the Buyer's purchase of the ranch home has closed and title has passed to Buyer, and that the Developer shall not have the right to use any of Buyer's escrowed funds for construction or development costs prior to closing.

V.C.3. Construction Financing. The Developer has obtained financing for the acquisition of the land and construction of the project in the total amount of \$12,650,000.00.

EXHIBIT G: Has been revised to include land acquisition documents and financing documents. Individual changes are explained on Exhibit G.

EXHIBIT J: Has been revised to reflect the Amendment to the Escrow Agreement discussed in V.A. above.

SPECIAL ATTENTION:

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.

1. Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.
2. Terminology. In reviewing this report, readers are advised that the terminology used in the condominium documents and in some portions of this public report to describe apartments and other components of the project differs from the technical terms of HRS Chapter 514A. The following terms correspond to the statutory terms as follows:

<u>Developer's Term</u>	<u>Statutory Term</u>
ranchhome	apartment
Community.....	Condominium
Community Plan.....	Condominium Map
private area and private yard.....	limited common elements
common area.....	common element
ranchhome owner.....	apartment owner

This Public Report does not constitute an approval of the Project by the Real Estate Commission or any other government agency, nor does it ensure that all County codes, ordinances and subdivision have necessarily been complied with.

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

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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: Kamuela Associates LLC Phone: (808) 599-6229
Name* (Business)
P.O. Box 2884
Business Address
Kamuela, Hawaii 96743

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

Officers and Directors of Mana Hale, Inc. are: U. J. Rainalter, Jr., President,
Secretary, Treasurer and Director, and Natalie G. Middleton, Vice President.
Officers and Directors of A&B Properties, Inc. are: (see attached sheet)

Real Estate Broker Parker Ranch Realty, Inc. Phone: (808) 885-6266
Name* (Business)
65-1184 Mamalahoa Highway
Business Address
Kamuela, Hawaii 96743

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 887-6020
Name* (Business)
P.O. Box 2380
Business Address
Kamuela, Hawaii 96743

General Contractor Metcalf Construction Co., Inc.** Phone: (808) 331-0903
Name* (Business)
75-240 Nani Kailua Dr., Suite 14
Business Address
Kailua-Kona, Hawaii 96740

Condominium Managing Agent Chaney, Brooks & Company Phone: (808)322-3777
Name* (Business)
78-6831 Alii Drive, #K-8
Business Address
Kailua-Kona, Hawaii 96740

Attorney for Developer: Thomas D. Welch, Jr. Phone: (808) 871-8351
Mancini, Rowland & Welch (Business)
Name*
33 Lono Avenue, Suite 470
Business Address
Kahului, Hawaii 96732

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

** Metcalf will construct buildings only. The General Contractor for site work and infrastructure will be Obayashi Hawaii Corporation, 725 Kapiolani Boulevard, 4th Floor, Honolulu, Hawaii 96813; Phone: 808/593-0000

OFFICERS AND DIRECTORS OF A&B PROPERTIES, INC.

OFFICERS

W.A. Doane	Chairman of the Board
S.M. Kuriyama	Vice Chairman of the Board and Chief Executive Officer
R.K. Sasaki	President
N.M. Buelsing	Executive Vice President
P.W. Hallin	Vice President
C.W. Loomis	Vice President, General Counsel and Assistant Secretary
M.J. Marks	Vice President and Assistant Secretary
T.H. Shigemoto	Vice President
M.K. Vicens	Vice President
T.A. Wellman	Vice President, Treasurer and Controller
A.J. Nakamura	Secretary
L.M. Goo	Assistant Controller

DIRECTORS

J.S. Andrasick
N.M. Buelsing
M.J. Ching
W.A. Doane
S.M. Kuriyama
R.K. Sasaki

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

[] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 2000-164472
Book Page
[] Filed - Land Court: Document No.

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to the Declaration of Condominium Property Regime, recorded in the State of Hawaii Bureau of Conveyances as Document No. 2001-157672.

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

The Condominium Map for this condominium project is:

[] Proposed
[X] Recorded - Bureau of Conveyances Condo Map No. 3188
[] Filed - Land Court Condo Map No.

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

- C. By-Laws 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 By-Laws for this condominium are:

[] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 2000-164473
Book Page
[] Filed - Land Court: Document No.

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

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

The House Rules for this condominium are:

Proposed Adopted 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:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75% *	<u>75% **</u>
Bylaws	65%	<u>65%</u>
House Rules	—	<u>majority of Board of Directors</u>

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

** Certain amendments require mortgagee approval or Developer approval. See Section 17 of the Declaration.

2. **Developer:**

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

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

Developer may amend the documents in certain respects which will not materially and adversely affect the value or use of Buyer's apartment.

Under paragraph 17.1 of the Declaration, the Developer reserves the right to amend the Declaration, the Condominium Map and the By-Laws at any time prior to the first recording of a conveyance or transfer (other than for security) of an apartment and its appurtenances to a party who has not signed the Declaration.

Paragraph 17.1 of the Declaration also permits the Developer to amend the Declaration and the Condominium Map to file the "as-built" verified statement required by the Condominium Property Act at any time before or after the lease, sale or conveyance of any of the apartments.

Under Section 17.2 of the Declaration, for so long as the Developer retains the right to merge the project pursuant to the Declaration, the Developer reserves the right to amend the Declaration, the By-laws and the Condominium Map for the purpose of meeting any requirement imposed by any applicable law, the Real Estate Commission of the State of Hawaii, any title insurance company issuing a title insurance policy on the project or any of the apartments of the project, any institutional lender lending funds on the security of the project or any of the apartments, or any other governmental or quasi-governmental agency; provided, however, that except as provided in Sections 17.6 or 18 of the Declaration or in the Declaration of Merger, no amendment which would change the common interest appurtenant to an apartment or substantially change the design, location or size of an apartment or the apartment's building shall be made without the consent of all persons having an interest in the apartment.

Under Section 17.6 of the Declaration, Developer reserves the right to amend the Declaration (and related condominium documents) from time to time (before or after the sale and transfer of apartments) to (a) change the number of apartments in the condominium, (b) change one or more clusters containing multiple apartments and their limited common elements to substitute one or more single free standing apartments in non-clustered configuration, with their limited common elements, (c) change one or more non-clustered apartments into clustered buildings and their limited common elements or (d) change the floor area of any apartment to reflect the exercise of certain options offered to purchasers to change apartment layout, floor plan and floor area (see Exhibit C of the Declaration). In addition, any such amendment may reallocate the common interest appurtenant to the apartments (based on the change to the respective floor areas of apartments), change the apartment numbers, parking stall assignments, net living areas and other floor areas, and other changes as shall be appropriate under the circumstances.

Under Section 17.7 of the Declaration, Developer reserves the right to withdraw from the Land all or any portion of the strip of land comprising the access corridor north and west of the Gatehouse provided that the Land shall have alternative access to the public highway.

Under Section 18 and Exhibit E of the Declaration, Developer retains the right for 15 years to amend the condominium documents to merge this project with another condominium project.

Developer may amend the Rules and Regulations in any manner prior to election of the first Board of Directors of the Project.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Sub-leasehold: 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 Sub-leaseholds:

- 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 Sub-leasehold:

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: Note: The County has not approved the subdivision of the units and their limited common elements into individual subdivided lots. They are being sold as condominiums only.

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: RFD Kamuela, Hawaii 96743 Tax Map Key (TMK): (3) 6-7-2:1 (formerly (3) 6-7-2:9, 14 & 34 and (3) 6-7-1:25)

Address TMK is expected to change because Developer will obtain official mailing address from United States Post Office. Each ranchhome will have its own mailing address and separate mailbox.

Land Area: 8.528 square feet acre(s) Zoning: GC (general commercial)

Fee Owner: Kamuela Associates LLC
 Name
P.O. Box 2884
 Address
Kamuela, Hawaii 96743

Lessor: n/a
 Name
 Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 52 Floors Per Building: 1 and 2

Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood See Exhibit A for further explanations
 Other _____

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>44</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or By-Laws?

Yes No

5. Special Use Restrictions:

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

Pets: Section 10.7 of the By-Laws restricts household pets to 2 per apartment (provided that a reasonable number of non-poultry type indoor birds, and fish and other aquarium animals may be kept in addition to the 2 household pets) and provides certain additional restrictions.

Number of Occupants: _____

Other: No commercial use, time sharing, rooming house or bed and breakfast uses, or rentals for less than 30 consecutive days are permitted (see Section 8(a) of the Declaration). There are restrictions on exterior alterations and color changes under Sections 8(g), (h) and (i) of the Declaration. Also, Section 8.7(f) of the By-Laws provides that each unit must always have at least two (2) parking stalls available for use, and no owner or occupant shall have more vehicles per unit on the condominium property at any time than can be parked within said unit's designated parking stalls (not including vehicles of temporary guests).

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 28 (one in each Type Cottage C2 and Cottage C3 apartments) (plus one stairway in each optional Type Ranchhouse R2D2 apartment as may be selected in lieu of a Type Ranchhouse R2 by purchasers — maximum of 7) Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf) *</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
Cottage C2	18	2/2 ①	See Exhibit B	See Exhibit B	See Exhibit B
Cottage C3	10	3/2½ ②	See Exhibit B	See Exhibit B	See Exhibit B
Ranchhouse R2	7	2/2 ③	See Exhibit B	See Exhibit B	See Exhibit B
Ranchhouse R3	9	3/2 ④	See Exhibit B	See Exhibit B	See Exhibit B

Total Number of Apartments: 44

- ① Buyer is offered the option to change to 2/3. See Exhibit A.
- ② Buyer is offered the option to change to 3/3½. See Exhibit A.
- ③ Buyer is offered the option to change to 3/3. See Exhibit A.
- ④ Buyer is offered the option to change to 2/2. See Exhibit A.

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

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

Boundaries of Each Apartment:

See Exhibit C.

Permitted Alterations to Apartments:

See Exhibit D.

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has _____* elected to provide the information in a published announcement or advertisement.

*Note: As of the date of this report, Developer has complied with HRS 514A-102 and none of the apartments designed for Owner-Occupants were purchased by Owner-Occupants during the required offering period.

7. Parking Stalls:

Total Parking Stalls: 88*

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>Total</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	1 for C2 + C3 2 for R2 +R3	1 for C2 + C3					88
Guest**	0						
Unassigned							
Extra for Purchase							
Other: _____							
Total Covered & Open	<u>88</u>		<u>0</u>		<u>0</u>		<u>88</u>

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

** Guest parking is located on the grass shoulders of Yutaka Pen Place (and, for the Ranchhouses R2 and R3, guest parking may also be located on the grassy areas of private yards adjacent to driveways).

Commercial parking garage permitted in condominium project.

Exhibit B contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: Gatehouse containing: Mānā Room with kitchen and fireplace; resident manager's living quarters and business office; mailroom; gym with sauna and shower; and men's and women's restrooms.

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

There are no violations. Violations will not be cured.

Violations and cost to cure are listed below: Violations will be cured by _____.
(Date)

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.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>X</u>	<u> </u>	<u> </u>
Structures	<u>X</u>	<u> </u>	<u> </u>
Lot	<u>X</u>	<u> </u>	<u> </u>

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 nonconforming 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:

described in Exhibit E .

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.

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

described in Exhibit F*.

as follows:

*NOTE: Land areas referenced herein are not legally subdivided lots.

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

described in Exhibit B.

as follows:

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

Exhibit G describes the encumbrances against the title contained in the title report dated October 8, 2001 and issued by Title Guaranty of Hawaii, Inc.

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.

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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
(a) First Mortgage to Bank of Hawaii, dated October 8, 2001, recorded as Document No. 2001-157674, in the amount of \$10,500,000.00 together with financing statements recorded as Document Nos. 2001-157675 and 2001-157676, for the purpose of financing construction of the condominium.	In the event of Developer's default in its loan obligations under either of these mortgages and, if as a result the project is not completed, the buyer may lose his or her ranchhome. However, each buyer's funds will be held in escrow and shall not be used for construction costs prior to closing of buyer's purchase. Therefore, buyer's deposits will be returned to buyer by escrow.
(b) Second Mortgage to A & B Properties, Inc., dated October 8, 2001, recorded as Document No. 2001-157678, together with Financing Statement recorded as Document No. 2001-157679, for the purpose of financing project acquisition and construction.	

F. Construction Warranties,

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

1 Building and Other Improvements:

See Section 3 of Exhibit H (The Disclosure Abstract)

2. Appliances:

See Section 3 of Exhibit H (The Disclosure Abstract)

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

Construction has not yet commenced. Estimated completion date is January 31, 2003. Estimated completion and turnover of the apartments is scheduled from June 2002 through January 31, 2003.

H. Project Phases:

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

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

The Developer, at its option, has the right, but not the obligation, to expand the project by merging, through an administrative merger or mergers, the project with one or more condominium projects located or to be located on lands (or a portion or portions thereof) adjacent to or in the vicinity of the project site, and to amend the Declaration to provide for such merger or mergers without obtaining the approval, consent or joinder of any owner, mortgagee or purchaser of any apartment, all as set forth in that certain Declaration of Merger referred to in Section 18 of the Declaration and attached as Exhibit E to the Declaration.

Said Declaration of merger provides, among other things, that Developer reserves easements and the right to grant further easements over the project land for access, utilities and sales activities in connection with any later phases including the right to tie into the project's utility services. The Sales Contract and the Apartment Deed provide that the buyer of each ranchhome in the project waives any claims against the Developer for nuisances and other effects caused by the further development of additional phases in the future. See Section 9 of Exhibit I to this Public Report.

IV. CONDOMINIUM MANAGEMENT

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

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

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

not affiliated with the Developer the Developer or Developer's affiliate
 self-managed by the Association of Apartment Owners 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, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

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

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

C. **Utility Charges for Apartments:**

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

None Electricity Common Elements only _____ Common Elements and Apartments)
 Gas (_____ Common Elements only _____ Common Elements & Apartments)
 Water Sewer Television Cable
 Other Telephone, water and sewer (for resident manager's apartment and Gatehouse only) and water for landscaped portions of common elements and limited common elements; 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 I contains a summary of the pertinent provisions of the sales contract.
- [X] Escrow Agreement dated February 8, 1999; Amendment to Escrow Agreement dated September 10, 2001
Exhibit J 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.

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

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Contingent Final Public Report OR the Supplementary Public Report which has superseded the Contingent 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.

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

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

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

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

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

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

- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- 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 _____

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

This Public Report is a part of Registration No. 4121 filed with the Real Estate Commission on February 8, 1999.

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

YELLOW paper stock WHITE paper stock PINK paper stock GREEN paper stock

C. Additional Information Not Covered Above

1. Project Expansion. The Developer has reserved the right to increase the size of the project by adding additional ranchhomes which may be built in the future on one or more sites located near the project, shown on the condominium map as "Possible Future Project Expansion." These ranchhomes may be added to this condominium by merger or, at the Developer's election, may be contained within one or more separate condominium regimes. In either case, some or all of said ranchhomes will be accorded the right to use the common elements of this condominium including Holo Holo Kū Drive, the gatehouse and the access road to the public highway. This would mean that additional usage of these facilities may occur, along with increased maintenance costs. However, the additional ranchhomes will also share proportionately in the costs of maintenance, operation and replacement.
2. Project Access. As shown on the Condominium Map, the access between Holo Holo Kū Drive and the public highway will be in part over an access road, one-half of which will be included in the common elements of the condominium and the other half of which will be owned by Parker Ranch. Both portions of the roadway are subject to reciprocal easements which permit both Parker Ranch, the ranchhomes in this condominium and additional ranchhomes which may be developed in the future, to use the access roadway on a mutual and cooperative basis, sharing the expenses of ownership and operation.

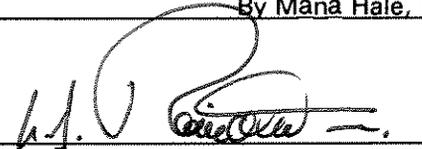
In the future, all or any portion of this access road may be dedicated to the County of Hawaii as a public right-of-way.

3. Construction Financing. As stated above, the Developer has obtained financing for the acquisition of the land and construction of the project in the total amount of \$12,650,000.

- D. The developer declares subject to the penalties set forth in Section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. 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.

Kamuela Associates LLC
Printed Name of Developer

By Mānā Hale, Inc., Its Member

By:  October 12, 2001
Duly Authorized Signatory* Date

U. J. Rainalter, Jr., President
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

**Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.*

EXHIBIT A

DESCRIPTION OF THE RANCHHOMES AND BUILDINGS

1. Description of Ranchhomes*. The ranchhomes are built according to four (4) different floor plans in four (4) different building configurations. The ranchhome types are identified as Cottage C2, Cottage C3, Ranchhouse R2, and Ranchhouse R3. A fifth floor plan, Ranchhouse R2D2, may be substituted in place of the Ranchhouse R2 floor plan at the election of the buyer. The ranchhome types are more particularly described as follows:

Cottage C2:

Cottage C2 ranchhomes have six (6) rooms, including two (2) bedrooms, one (1) full bathroom, one (1) powder room with sink and water closet, one (1) mudroom with shower, and a great room (living/dining/kitchen), all on two floors. Cottage C2 ranchhomes also include a covered lanai, a detached 1-car enclosed garage, and closets, hallways, and storage areas, all as shown on the Community Plan*. At the option of Developer, the floor plan may be altered by amendment to the Declaration and the Community Plan to add a second bathroom upstairs, and/or extend the length of the great room at ground level, and/or add a solarium upstairs.

Cottage C3:

Cottage C3 ranchhomes have seven (7) rooms, including three (3) bedrooms, two (2) bathrooms, one (1) powder room with sink and water closet, and a great room (living/dining/kitchen), all on two floors. Cottage C3 ranchhomes also include a covered lanai, a detached 1-car enclosed garage, and closets, hallways and storage areas, all as shown on the Community Plan. At the option of the Developer, the floor plan may be altered by amendment to the Declaration and Community Plan to add a second bathroom upstairs, and/or extend the length of the great room at ground level, and/or add a solarium upstairs.

Ranchhouse R2:

Ranchhouse R2 ranchhomes have five (5) rooms, including two (2) bedrooms, two (2) bathrooms, and a great room (living/dining/kitchen), all on one level. Ranchhouse R2 ranchhomes also include a covered lanai, attached 2-car enclosed garage, and closets, hallways, and storage areas, all as shown on the Community Plan. At the option of Developer, the floor plan may be altered by amendment to the Declaration and the Community Plan to convert the Ranchhouse R2 floor plan to the Ranchhouse R2D2 floor plan (see below).

Ranchhouse R2D2:

Ranchhouse R2D2 ranchhomes have seven (7) rooms, including two (2) bedrooms, two (2) bathrooms, a great room (living/dining/kitchen), and a studio with bathroom over the garage, all on two floors. Ranchhouse R2D2 ranchhomes also include a covered lanai, attached 2-car enclosed garage, and closets, hallways, and storage areas, all as shown on the Community Plan.

Ranchhouse R3:

* Reference to "ranchhome" means apartment and reference to "Community Plan" means the Condominium Map.

Ranchhouse R3 ranchhomes have six (6) rooms, including three (3) bedrooms, two (2) bathrooms, and a great room (living/dining/kitchen), all on one level. Ranchhouse R3 ranchhomes also include a covered porch, covered lanai, attached 2-car enclosed garage, and closets, hallways, and storage areas, all as shown on the Community Plan.

2. Description of Buildings. There are fifty-two buildings in six (6) building plans, described as follows:

Type Cottage C2:

Building Type Cottage C2 is two stories, and contains one (1) Cottage C2 ranchhome. There are eighteen (18) Buildings Type Cottage C2.

Type Cottage C3:

Building Type Cottage C3 is two stories, and contains one (1) Cottage C3 ranchhome. There are ten (10) Buildings Type Cottage C3.

Type Ranchhouse R2:

Building Type Ranchhouse R2 is single story, and contains one (1) Ranchhouse R2 ranchhome. There are seven (7) Buildings Type Ranchhouse R2, any or all of which may be converted to Building Type Ranchhouse R2D2 at the option of Developer, which shall have two stories as shown on the Community Plan.

Type Ranchhouse R3:

Building Type Ranchhouse R3 is single story, and contains one Ranchhouse R3 ranchhome. There are nine (9) Buildings Type Ranchhouse R3.

Type Cottage Garage:

Building Type Cottage Garage is single story, and contains four (4) enclosed parking spaces each of which is included within a specified ranchhome. There are seven (7) Buildings Type Cottage Garage.

Type Gatehouse:

Building Type Gatehouse is single story, and contains the resident manager's residence with living room, kitchen, two (2) bedrooms, two (2) bathrooms and covered lanai; the resident manager's business office; the mail room; the Mānā Room with fireplace and kitchen; the gym; the sauna; men's and women's bathrooms; and shower room.

3. Locations of Ranchhomes. The ranchhomes are located in the ranchhome buildings as set forth in the Community Plan. The numbers of the ranchhomes correspond with the street address of each ranchhome on Yutaka Pen Place.

4. Materials. The ranchhome buildings and gatehouse are constructed principally of wood framing, cementitious exterior siding, corrugated metal roofing panels, gutters and downspouts, glass and allied building materials, on concrete slab.

EXHIBIT B

RANCHHOME NUMBERS, PARKING STALLS, NET LIVING FLOOR AREAS,
OTHER FLOOR AREAS, AND COMMON INTERESTS

Ranchhome No. ^A	Type	Parking			Ranchhome Square Footage					Common Interest
		No. Stalls in Attached Garage	No. Stalls in Detached Garage	No. Stalls Uncovered	Net Living Area	Covered Lanai/Porch	Gross Living Area	Enclosed Garage	Total Area	
1	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
2	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
3	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
4	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
5	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
6	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
7	C3		1	1	1,262	113	1,375	220	1,595	2.14091%
8	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
11	R3	2			1,442	401	1,843	452	2,295	3.08050%
15	R2	2			1,247	251	1,498	416	1,914	2.56909%
20	C3		1	1	1,262	113	1,375	220	1,595	2.14091%
22	C3		1	1	1,262	113	1,375	220	1,595	2.14091%
24	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
26	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
31	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
33	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
35	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
37	C3		1	1	1,262	113	1,375	220	1,595	2.14091%
40	R2	2			1,247	251	1,498	416	1,914	2.56909%
42	R3	2			1,442	401	1,843	452	2,295	3.08050%
51	R3	2			1,442	401	1,843	452	2,295	3.08050%
53	R2	2			1,247	251	1,498	416	1,914	2.56909%
60	C3		1	1	1,262	113	1,375	220	1,595	2.14091%
62	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
64	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
66	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
71	C3		1	1	1,262	113	1,375	220	1,595	2.14091%
73	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
75	C2		1	1	1,028	113	1,141	220	1,361	1.82683%
77	C3		1	1	1,262	113	1,375	220	1,595	2.14091%
80	C3		1	1	1,262	113	1,375	220	1,595	2.14091%
82	C3		1	1	1,262	113	1,375	220	1,595	2.14091%
84	C2		1	1	1,028	113	1,141	220	1,361	1.82682%
86	C3		1	1	1,262	113	1,375	220	1,595	2.14091%
91	R3	2			1,442	401	1,843	452	2,295	3.08050%
93	R2	2			1,247	251	1,498	416	1,914	2.56909%
100	R2	2			1,247	251	1,498	416	1,914	2.56909%
101	R3	2			1,442	401	1,843	452	2,295	3.08050%
103	R2	2			1,247	251	1,498	416	1,914	2.56909%
111	R3	2			1,442	401	1,843	452	2,295	3.08050%
115	R2	2			1,247	251	1,498	416	1,914	2.56909%
120	R3	2			1,442	401	1,843	452	2,295	3.08050%
121	R3	2			1,442	401	1,843	452	2,295	3.08050%
123	R3	2			1,442	401	1,843	452	2,295	3.08050%
Totals		32	28	28						100.0000%

^A The ranchhome number is its address on Yutaka Pen Place.

1. **Changes in Ranchhomes.** At any time before or after the execution and recording of the Declaration by the Seller in the State of Hawaii Bureau of Conveyances, the Seller may change the number of ranchhomes in the Project, may change one or more clusters containing multiple ranchhomes to substitute one or more single free standing ranchhomes in non-clustered configuration, may change one or more non-clustered ranchhomes into clustered buildings, or may change the floor area or floor plan of any ranchhome.

2. **Effect of Changes in Floor Plans on Common Interest Percentages.** Any change in the floor plan of a ranchhome may change the total floor area included within that ranchhome, which will change the percentage of common interest applicable to that ranchhome and to all other ranchhomes in the Project.

3. **Effect of Merger on Common Interest Percentages.** As provided in the Declaration, the Seller may elect to merge into this condominium future development increments on other property adjacent to or in the vicinity of this condominium. As a result of any merger, the total number of ranchhomes in the condominium will change, the common interest percentages will be reallocated, and the common elements of both increments will be combined into a single condominium.

EXHIBIT C

BOUNDARIES OF RANCHHOMES

Boundaries. Each ranchhome* consists of the space within the boundaries shown on the Community Plan*, which is enclosed by the perimeter walls and the imaginary vertical planes (where there is no perimeter wall), the floor, and the ceiling, as shown on the Community Plan.

What Is Included in Ranchhomes. Each ranchhome shall be deemed to include: (i) all the walls, partitions and components thereof which are not load-bearing within its perimeter walls, (ii) all non-loadbearing, non-structural interior components of the ranchhome's perimeter and party walls, (iii) the interior decorated or finished surfaces of all walls, floors and ceilings including all floor coverings, located within the perimeter walls including any lanai enclosure (provided that the decking material in any enclosed lanai which was installed in the original construction of the ranchhome shall not be considered a floor covering), (iv) all doors, and windows with associated metal frames, which are located along the perimeter walls (including any such doors, windows and frames which are located on the exterior perimeter and the interior perimeter of any enclosed lanai), and the exterior garage door(s), together with associated hardware, (v) all fixtures, appliances, doors, cabinets, countertops, sinks, and associated hardware originally installed in the ranchhome, and (vi) all pipes, plumbing, wiring, fixtures, outlets, circuit breakers and switches which serve only that ranchhome. Each ranchhome designated "C" located within a cluster has included within its total area the non-contiguous enclosed garage bearing the same number as the residential portion of the ranchhome and said ranchhome shall be deemed to include the area within said garage. The ranchhomes shall not be deemed to include: (a) the loadbearing or structural components of the perimeter walls and all exterior components of perimeter walls (including the exterior components of any lanai enclosures), whether or not loadbearing or structural, excepting doors and windows as provided in (iv) above, (b) all loadbearing or structural components of all interior walls and party walls, (c) the undecorated or unfinished surfaces of the walls, floors and ceilings surrounding each ranchhome, including any attic space located above said ceilings, provided, however, that the owner of a ranchhome shall have exclusive right to use said attic space as a private area for storage purposes only as provided in the Declaration, (d) any pipes, shafts, wires, conduits or other utility or service lines running through such ranchhome which are utilized for or serve more than one ranchhome or (e) the finished surfaces which the association shall have the responsibility to maintain as a common expense under Section 5.4 of the Declaration, the same being deemed common elements as provided in the Declaration.

* Reference to "ranchhome" means apartment and reference to "Community Plan" means the Condominium Map.

EXHIBIT D

PERMITTED ALTERATIONS OF RANCHHOMES

1. Subject to the provisions of the Declaration and the Act, and except as otherwise provided in the Declaration and By-Laws, no owner of a ranchhome* shall, without the prior written approval of the Board of Directors of the Association and Developer's architect, make any structural alterations in or additions to his ranchhome or make any alterations in (including painting, awnings, jalousies and screens) or additions to the exterior of his ranchhome or to the ranchhome's building or to the common elements.

2. Developer is offering certain standard optional floor plan changes as shown on the Community Plan* and briefly described in Exhibit A to this Public Report. Elections may be made by buyers (and Developer with respect to any unsold units) which affect floor plans, ranchhome floor areas and the common interest of each ranchhome based on the ratio of its floor area to the aggregate floor area of all ranchhomes.

Standard, pre-approved lanai and porch enclosures and solar hot water heating systems (including roof panels) are also offered and may be constructed at the time of Buyer's purchase of the ranchhome or a later date. Such lanai and porch enclosures and solar systems will not affect the common interest of any ranchhome.

3. Subject to the foregoing, an owner may make certain non-structural alterations and additions solely within his ranchhome, at the owner's sole cost and expense, provided that such alterations or additions do not affect any other ranchhome or other common elements or change the exterior or appearance of the project, and provided, further, that any building permit required for such alterations or additions is first duly obtained and filed with the Board and the proposed alteration or addition will not adversely affect the insurance rating for the ranchhome's building or the project's insurance rating or premiums.

4. The Association and its Board of Directors shall not alter the color scheme, architectural form, footprint or elevation of any building or add any additional building without obtaining the prior written consent of Declarant's architect. The purpose of this restriction is to protect the appearance, architectural concept and ambience of the project in relation to future development phases and surrounding land.

5. Article VIII of the By-Laws contains additional information regarding alterations to the ranchhomes, the common elements and the limited common elements.

6. Refer to Article II Section E of this public report for a discussion of the Developer's right to change the number, types and sizes of ranchhomes.

* Reference to "ranchhome" means apartment and reference to "Community Plan" means the Condominium Map.

EXHIBIT E

DESCRIPTION OF COMMON ELEMENTS

The common elements (referred to in the Declaration as the "common areas") include all other elements of the project not included within any ranchhome*, including but not limited to:

- (a) The land on which the condominium is located in fee simple;
- (b) The limited common elements (see Exhibit F to this Public Report);
- (c) All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roof structures (including without limitation all roof joists, sheathing and roofing materials) which are located outside the ranchhome, and all pumps, ducts, pipes, wires, conduits or other utility or service lines which are utilized for or serve more than one ranchhome, and generally all equipment, apparatus, installations and personal property existing for common use in the buildings or located on the condominium land;
- (d) All pipes, wires, ducts, conduits or other utility or service lines running through any ranchhome which are utilized by or serve more than one ranchhome;
- (e) All roads, driveways and other common ways, all uncovered parking stalls and related areas, all trees (including those which may be located within each private garden), all landscaping (except landscaping owned and maintained by any ranchhome owner pursuant to the gardening privilege as provided in Section 12 of the Declaration), exterior irrigation systems, fences, gates, retaining walls, trash areas, and accessory equipment areas located on the condominium land or in any building;
- (f) The Gatehouse which includes the resident manager's residence and business office, the Mānā_Room with kitchen and fireplace, the mail room, and the gym with sauna, shower, and men's and women's restrooms;
- (g) All distribution systems for water, sewer, electrical, telecommunication and utility services which serve more than one ranchhome and which are not owned by the County of Hawaii or any public utility (and including use meters, if any, whether or not located within the ranchhome);
- (h) All finished surfaces which the Association shall have the responsibility to maintain as a common expense under Section 5.4 of the Declaration.
- (i) Any offsite fencing, planting and irrigation located in adjacent lands. The ownership and maintenance of such features shall be assigned and delegated to the Association by Developer, including the obligation to maintain such features as a common expense and the obligations to indemnify, defend and hold harmless the owner of the land on which such features shall be located from all loss, liability and expense arising out of the installation, operation and maintenance of such features on said land.

* Reference to "ranchhome" means apartment.

EXHIBIT F

DESCRIPTION OF LIMITED COMMON ELEMENTS

Certain of the common elements are set aside and reserved for the exclusive use of certain of the ranchhomes, and such ranchhomes* shall have appurtenant thereto exclusive easements for the use of such limited common elements (referred to in the Declaration as "private areas"), as follows:

(a) As shown on the Community Plan*, each ranchhome (excepting any portion thereof located in a separate parking garage building) is built upon and located within a designated area which defines the grounds associated with said ranchhome (the "private yard") which is a private area appurtenant to and for the exclusive use of said ranchhome. Each private yard includes a "private garden area" which is defined as that portion of the private yard which is devoted to landscaping and which surrounds each ranchhome building. Each private yard also includes an area (referred to as a storage pad) designated on the Community Plan for the storage of any liquid propane tank(s) serving the ranchhome to which the private yard is appurtenant. The private yard of each of the ranchhomes which are not clustered ranchhomes also includes an area (referred to as a storage pad) designated on the Community Plan for the storage of trash cans.

(b) As shown on the Community Plan, certain ranchhomes are grouped together into clusters ("clustered ranchhomes"). Each cluster ("cluster") includes: clustered ranchhomes (including one enclosed garage per ranchhome containing one parking stall and located in a separate detached garage building within the cluster), one private yard per ranchhome, one assigned uncovered parking stall per ranchhome, one designated area (referred to as a storage pad) per ranchhome for storage of trash cans, a motor court with driveway, pathways and landscaped grounds. Within each of the clusters, the motor court with driveway, and the portion of the pathways and landscaped grounds not located within private yards, shall be private areas appurtenant to and for the exclusive use of the ranchhomes located within said cluster, and the uncovered parking stalls and trash can storage pads shall be private areas appurtenant to and for the exclusive use of the ranchhomes to which they are assigned as shown on the Community Plan.

(c) Each ranchhome shall have an attic space located above and accessible from the ranchhome (and, in addition, ranchhomes which include a detached enclosed garage may also have a second such attic space located above and accessible from said enclosed garage). Each such attic space shall be a private area appurtenant to and for the exclusive use of said ranchhome for storage purposes only. A ranchhome attic space shall be deemed to include only that area within the roof trusses located vertically over the ranchhome itself and does not extend horizontally beyond the imaginary vertical extension of the boundaries of the ranchhome below.

(d) Exterior concrete entry pads attached to each ranchhome.

(e) Any other common area of the Community which is rationally related to only one ranchhome shall be deemed a private area appurtenant to and for the exclusive use of such ranchhome.

* Reference to "ranchhome" means apartment and reference to "Community Plan" means the Condominium Map.

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

(underlying indicates changes from Contingent Final Public Report)

1. For real property tax assessment, please refer to the County of Hawaii Department of Finance for further information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. "Subject, however, to the right of access to and from the excluded area over, upon and across the roads and trails and lands conveyed to the Grantee, all as shown on the map prepared by and filed in the Survey Department, Territory of Hawaii as CSF No. 12,243, entitled "Exchange-Hawaiian Homes Commission to Richard Smart, portion of Hawaiian Home Land of Puukapu, Waimea, South Kohala, Hawaii, T.H.", and attached hereto and made a part hereof; and subject also to all other ancient rights that may be appurtenant to the excluded areas or possessed in gross by the owners thereof or by others."; as set forth in EXCHANGE DEED dated July 7, 1966, recorded in Liber 3138 at Page 426.
4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT: CERTIFICATE

DATED: July 16, 1987

RECORDED: Liber 20937 Page 300

BY: RICHARD SMART REVOCABLE PERSONAL TRUST, an unregistered trust, recorded in Liber 13394 at Page 755, filed as Land Court Document No. 917062, "Petitioner"

RE: Reclassification of land from agricultural to urban district

Said Certificate was amended by instrument dated August 7, 1987, recorded in Liber 21006 at Page 35.

5. Existing Easement "D-1" for drainage purposes, as shown on survey map prepared by Kendall N. H. Hee, Licensed Professional Land Surveyor, with Engineers Surveyors Hawaii, Inc., dated July 27, 1999.
6. Existing Pipeline Easement (C.S.F. No. 14700), as shown on survey map prepared by Kendall N. H. Hee, Licensed Professional Land Surveyor, with Engineers Surveyors Hawaii, Inc., dated July 27, 1999.
7. Easement "2", containing an area of 1.468 acres, more or less, for access and utility purposes, as shown on survey map prepared by Kendall N. H. Hee, Land Surveyor with Engineers Surveyors Hawaii, Inc., dated December 27, 2000, filed with the Planning Department of the County of Hawaii, State of Hawaii, under Subdivision Number 7368 approved on January 26, 2001, and being more particularly described in Exhibit "D" attached hereto, as per survey of Miles S. Horie, Land Surveyor, with Engineers Surveyors Hawaii, Inc., dated September 14, 2001.

8. Easement "3", containing an area of 0.273 acre, more or less, for access and utility purposes, as shown on survey map prepared by Kendall N. H. Hee, Licensed Professional Land Surveyor, with Engineers Surveyors Hawaii, Inc., dated December 27, 2000, filed with the Planning Department of the County of Hawaii, State of Hawaii, under Subdivision No. 7368, approved on January 26, 2001, and being more particularly described in Exhibit "A" attached to Declaration of Property Regime of "HOLOHOLO KŪ AT PARKER RANCH", as amended by First Amendment of Declaration of Condominium Property Regime of "HOLOHOLO KŪ AT PARKER RANCH."

NOTE: This is the same easement as Easement "1" described as item 8 on Exhibit G attached to the Contingent Final Public Report. It has merely been redesignated on a newer survey, without any change in its description.

9. Matters arising out of the failure to have a patent to have issued on Land Commission Award 4198 to Kaaunahi. This is a technical matter which does not impair title. This item will be removed not later than the closing of the sale of the first ranchhome.

10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : AGREEMENT

DATED : October 13, 2000

RECORDED : Document No. 2000-147794

PARTIES : PARKER RANCH, INC., a Hawaii corporation and COUNTY OF HAWAII, a municipal corporation

Allocation of Affordable Housing Credits and Satisfaction of Affordable Housing Requirement dated September 28, 2001, recorded as Document No. 2001-157668, made by Parker Ranch Inc., a Hawaii corporation.

NOTE: The recording of this allocation confirms for the record that the affordable housing requirements set forth in the above Agreement have been satisfied by Parker Ranch Inc. and that the above Agreement will have no affect on the use or development of the condominium or any apartments.

11. GRANT

TO : HAWAII ELECTRIC LIGHT COMPANY, INC. and VERIZON HAWAII INC.

DATED : October 5, 2000

RECORDED : Document No. 2000-162778

GRANTING : a perpetual right and easement for utility purposes as shown on the map attached thereto

12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : TRUSTEE'S LIMITED WARRANTY DEED
DATED : NOVEMBER 9, 2000
RECORDED : Document No. 2001-1664470

Said deed was amended by instrument dated --- (acknowledged September 28, 2001), recorded as Document No. 2001-157666.

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR
"HOLOHOLO KŪ AT PARKER RANCH" CONDOMINIUM PROJECT
DATED : November 1, 2000
RECORDED : Document No. 2000-164472
MAP : 3188 and any amendments thereto

Joinder in Condominium Documents executed by PARKER RANCH, INC., dated November 1, 2000, recorded as Document No. 2000-164474.

Said Declaration was amended by instrument acknowledged October 1, 2001, recorded as Document No. 2001-157672. NOTE: This is the First Amendment to the Condominium Declaration discussed under item II.A. above.

14. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS
DATED : November 1, 2000
RECORDED : Document No. 2000-164473

Joinder in Condominium Documents executed by PARKER RANCH, INC., dated November 1, 2000, recorded as Document No. 2000-164474.

15. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF COVENANTS (Pasture Land)
DATED : November 1, 2000
RECORDED : Document No. 2000-164475

16. GRANT

TO: MELVIN B. HEWETT, CARL A. CARLSON, JR., and THOMAS P. WHITTEMORE, Trustees of the Richard Smart Revocable Personal Trust, by Trust Agreement Dated August 3, 1978, recorded in Liber 13394 at Page 755, as amended.

DATED : November 26, 1999

RECORDED : Document No. 99-191985

GRANTING : a perpetual non-exclusive easement for the pipeline transmission of water over and across a 20 foot wide strip of land (the "easement area")

17. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : AGREEMENT OF PURCHASE AND SALE AND DEVELOPMENT LEASE

DATED : November 1, 2000

RECORDED : Document No. 2000-164471

PARTIES: PARKER RANCH, INC., a Hawaii corporation, "Lessor", and KAMUELA ASSOCIATES LLC, a Hawaii limited liability company, "Lessee".

Said Agreement was amended by Agreement Re: Termination of Lease and Survival and Subordination of Covenants dated September 28, 2001, recorded as Document No. 2001-157669.

NOTE: The affect to this amendment is to terminate the Developer's lease of the property from Parker Ranch, Inc. and confirms that any right of Parker Ranch, Inc. to receive certain future payments from Developer will not affect or encumber the title to any buyer's ranchhome.

Subordination dated September 28, 2001, recorded as Document No. 2001-157680, by and among Parker Ranch, Inc., Bank of Hawaii, and Kamuela Associates LLC, including, but not limited to, the subordination of Development Payment Rights described therein and any lien or encumbrance on the land which may exist by virtue of the Development Agreement described therein, to the lien of that certain First Mortgage, Security Agreement and Financing Statement recorded as Document 2001-157674.

18. NOTICE OF DEDICATION

DATED : March 19, 2001

RECORDED : Document No. 2001-063280

RE : dedication of the land described herein to non-speculative residential use for a period of twenty (20) years, effective July 1, 2001

NOTE: This Notice was recorded in error by Parker Ranch, Inc. against Lot A-1. This will be removed from title and the County of Hawaii Department of Finance has indicated that it will cooperate in correcting this error. Until it is removed, Title Guaranty of Hawaii, Inc. has agreed to provide an endorsement in each title insurance policy to be issued on any ranchhome or the property as a whole, insuring against any loss or damage arising out of this Notice appearing on record.

22. FIRST MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGE: KAMUELA ASSOCIATES LLC, a Hawaii limited liability company

MORTGAGEE: BANK OF HAWAII, a Hawaii corporation

DATED: October 8, 2001

RECORDED: Document No. 2001-157674

AMOUNT: \$10,050,000.00

23. FINANCING STATEMENT

DEBTOR: KAMUELA ASSOCIATES LLC,

SECURED

PARTY: BANK OF HAWAII

RECORDED: Document No. 2001-157675

RECORDED ON: October 8, 2001

24. FINANCING STATEMENT

DEBTOR: KAMUELA ASSOCIATES LLC,

SECURED

PARTY: BANK OF HAWAII

RECORDED: Document No. 2001-157676

RECORDED ON: October 8, 2001

25. REAL PROPERTY MORTGAGE; SECURITY AGREEMENT; ASSIGNMENT OF RENTS; AND FINANCING STATEMENT

MORTGAGOR: KAMUELA ASSOCIATES LLC,

MORTGAGEE: A & B PROPERTIES, INC., a Hawaii limited liability company

DATED: October 8, 2001

RECORDED: Document No. 2001- 157678

AMOUNT: \$2,600,000.00

CONFIRMATION OF SUBORDINATION AND AGREEMENT DATED October 8, 2001,
recorded as Document No. 2001-157677, by and among A & B PROPERTIES, INC., a Hawaii
corporation, KAMUELA ASSOCIATES LLC, a Hawaii limited liability company, and BANK OF
HAWAII, a Hawaii corporation.

26. FINANCING STATEMENT

DEBTOR: KAMUELA ASSOCIATES LLC

SECURED
PARTY: A & B PROPERTIES, INC.

RECORDED: Document No. 2001- 157679

RECORDED ON: October 8, 2001

CONFIRMATION OF SUBORDINATION AND AGREEMENT DATED October 8, 2001,
recorded as Document No. 2001-157677, by and among A & B PROPERTIES, INC., a Hawaii
corporation, KAMUELA ASSOCIATES LLC, a Hawaii limited liability company, and BANK OF
HAWAII, a Hawaii corporation.

EXHIBIT H

CONDOMINIUM PUBLIC REPORT ON
HOLO HOLO KŪ AT PARKER RANCH

DISCLOSURE ABSTRACT

1. (a) PROJECT: Holo Holo Kū at Parker Ranch
Kamuela, Hawaii
 - (b) DEVELOPER: Kamuela Associates, LLC
735 Bishop Street, Suite 235
Honolulu, Hawaii 96813
Telephone: (808) 599-6229
 - (c) REAL ESTATE BROKER: Parker Ranch Realty, Inc.
65-1184 Mamalahoa Highway
Kamuela, Hawaii 96743
Telephone: (808) 885-6266
 - (d) PROJECT MANAGER: Chaney Brooks & Company
78-6831 Alii Drive, #K-8
Kailua-Kona, HI 96740
Telephone: (808) 322-3777
2. USE OF APARTMENTS:
 - (a) Number of Apartments ("ranchhomes") in Project for Residential Use: 44
 - (b) Proposed Number of Apartments in Project for Hotel Use: -0-
 - (c) Extent of Commercial or Other Nonresidential Development in Project: None

3. WARRANTIES:

Developer is referred to herein as "Seller".

a. Inspection. Inspection of ranchhomes for building defects and deficiencies will take place on dates and at times as determined by Seller upon the phased completion of construction. Buyer will receive written notice of the date and time of the inspection of Buyer's ranchhome prior to such inspection.

b. Limited Warranty by Seller and Procedure for Inspection. If Buyer cooperates in the inspection program to be instituted by Seller and Buyer's ranchhome is inspected on the date and at the time specified by Seller, Seller warrants to Buyer that Seller shall exercise its best efforts to have all legitimate defects or damages listed by Buyer on the inspection sheet furnished by Seller corrected by the Seller's general contractor within a reasonable time thereafter. This warranty (called "Seller's Limited Warranty") shall survive the closing. Seller's Limited Warranty is conditioned on Buyer's full cooperation in making the inspection pursuant to Seller's inspection program. See Section 4.2 of the Deposit Receipt and Sales Contract.

c. Contractor's Warranty. The Seller will enter into an agreement with the general contractor for the project whereby the general contractor will agree to provide, for the benefit of the Seller, the Buyer and the Association, the customary AIA warranty to correct any defects in workmanship or materials of which general contractor or Seller shall have received notice from Buyer within one (1) year after the date of substantial completion of each ranchhome (as such terms are defined in the construction contract) (called the "Contractor's

Warranty"). The Seller does not make this warranty but merely passes on the Contractor's Warranty to the Buyer and the Association. The Seller's obligations with respect to any defects (other than those listed on the inspection sheet described in Section b. above) will be limited to assisting the Association or Buyer in presenting to the general contractor any claims based on such warranty; it being understood that such Contractor's Warranty is limited to defects reported in writing to the Seller or contractor within the first year following the phased dates of substantial completion of the work. In the event of the breach of any of the subcontractors', suppliers' or manufacturers' warranties, Buyer shall have no claim against Seller on account of such breach, but Buyer's sole remedy shall be against such subcontractors, suppliers and manufacturers.

d. The Condominium Map Is Not a Warranty. The Condominium Map for the Project is intended to show only the layout, location, apartment numbers and dimensions of the apartments in the Project. BUYER AGREES THAT THE CONDOMINIUM MAP IS NOT INTENDED TO BE AND IS NOT A WARRANTY OR PROMISE OF ANY KIND BY SELLER.

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

Attached to this Disclosure Abstract as Exhibit "1" is a breakdown of the annual maintenance charges and the monthly estimated cost for each ranchhome in the Project, prepared by the Project Manager for the one-year period commencing January 1, 2002 and certified to have been based on generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each ranchhome is subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Project Manager, ranchhome owner delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments. As footnoted on Exhibit "1", the breakdown of the estimated maintenance cost for each ranchhome contained in this Disclosure Abstract does not include individual charges for sewer fees, twice-weekly trash removal, cable TV or any metered utilities or the Buyer's obligation for real property taxes and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

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

5. TEMPORARY ASSUMPTION BY DEVELOPER OF ACTUAL COMMON EXPENSES.

The Developer will assume all the actual common expenses of the project (and therefore a ranchhome owner will not be obligated for the payment of his respective share of the common expenses) until such time as the Developer files with the Real Estate Commission of the State of Hawaii an amended Disclosure Abstract which states that after a date certain, the respective ranchhome owner shall thereafter be obligated to pay for his respective share of common expenses that is allocated to his ranchhome; provided, however, that such amended Disclosure Abstract shall be filed at least 30 days in advance with the Real Estate Commission, with a copy thereof being delivered either by mail or personal delivery after the filing to each of the ranchhome owners whose maintenance expenses were assumed by the Developer. The Developer shall have no obligation to pay any start-up fees or to pay for any cash reserves or any other reserve amounts with respect to or attributable to the period during which the Developer assumes the actual common expenses of the Project.

HoloHolo Ku
(Phase 1, 44-Units)

Estimate of Maintenance Fee Disbursements:

	<u>Monthly x 12 =</u>	<u>Yearly Total</u>
Utilities and Services		
Electricity (common area only)	\$ 600.00	\$ 7,200.00
Refuse Collection (common area only)	\$ 100.00	\$ 1,200.00
Water/Sewer (common area only)	\$ 1,032.00	\$ 12,384.00
TV Cable (common area only)	\$ 17.50	\$ 210.00
Telephone (common expense only)	\$ 150.00	\$ 1,800.00
Maintenance, Repairs and Supplies		
Buildings	\$ 358.33	\$ 4,300.00
Grounds	\$ 829.17	\$ 9,950.00
Management		
Management Fee	\$ 937.50	\$ 11,250.00
Payroll and Payroll Taxes	\$ 3,223.57	\$ 38,682.84
Office Expenses	\$ 450.00	\$ 5,400.00
Insurance	\$ 3,012.48	\$ 36,149.76
Reserves (*)	Not yet determined. See NOTE**Below	
Taxes and Government Assessments	\$ 0.00	\$ 0.00
Audit Fees	\$ 158.33	\$ 1,899.96
TOTAL	\$ 10,868.88	\$130,426.56

NOTE: In addition to the common area utilities shown in this budget, each apartment (ranchhome) will be billed separately for the following utilities: sewer service (\$32/mo); twice weekly refuse collection (\$13.60/mo); and standard TV cable service (\$17.50/mo).

I, Randall M. Stingel, employed by Chaney, Brooks & Company, the condominium managing agent for HoloHolo Ku at Parker Ranch condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.


Signature

11/27/00
Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this Exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.8, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

**NOTE: Reserves are not yet determined and the Developer has not performed a reserve study in accordance with §514A-83 HRS. This will be performed by the Association. The Developer estimates that assessments for reserves will be \$2,000 per month, or \$24,000 per year. This will add an average of \$46 (approximately) to each ranchhome's monthly common expense assessment. The start-up fees collected from Buyers at closing are estimated to total approximately \$21,000. This amount will be placed in the Association's reserve account as closings occur.

Common Interest and Estimated Common Expense

<u>Ranchhome No.</u>	<u>Common Interest</u>	<u>Estimated</u>	
		<u>Monthly</u>	<u>Annually</u>
1	1.82682%	\$199	\$2,383
2	1.82682%	\$199	\$2,383
3	1.82682%	\$199	\$2,383
4	1.82682%	\$199	\$2,383
5	1.82682%	\$199	\$2,383
6	1.82682%	\$199	\$2,383
7	2.14091%	\$233	\$2,792
8	1.82682%	\$199	\$2,383
11	3.08050%	\$335	\$4,018
15	2.56909%	\$279	\$3,351
20	2.14091%	\$233	\$2,792
22	2.14091%	\$233	\$2,792
24	1.82682%	\$199	\$2,383
26	1.82682%	\$199	\$2,383
31	1.82682%	\$199	\$2,383
33	1.82682%	\$199	\$2,383
35	1.82682%	\$199	\$2,383
37	2.14091%	\$233	\$2,792
40	2.56909%	\$279	\$3,351
42	3.08050%	\$335	\$4,018
51	3.08050%	\$335	\$4,018
53	2.56909%	\$279	\$3,351
60	2.14091%	\$233	\$2,792
62	1.82682%	\$199	\$2,383
64	1.82682%	\$199	\$2,383
66	1.82682%	\$199	\$2,383
71	2.14091%	\$233	\$2,792
73	1.82682%	\$199	\$2,383
75	1.82683%	\$199	\$2,383
77	2.14091%	\$233	\$2,792
80	2.14091%	\$233	\$2,792
82	2.14091%	\$233	\$2,792
84	1.82682%	\$199	\$2,383
86	2.14091%	\$233	\$2,792
91	3.08050%	\$335	\$4,018
93	2.56909%	\$279	\$3,351
100	2.56909%	\$279	\$3,351
101	3.08050%	\$335	\$4,018
103	2.56909%	\$279	\$3,351
111	3.08050%	\$335	\$4,018
115	2.56909%	\$279	\$3,351
120	3.08050%	\$335	\$4,018
121	3.08050%	\$335	\$4,018
123	3.08050%	\$335	\$4,018
Totals	100.00000%	\$10,869	\$130,427

CERTIFICATE

I, the undersigned certify as follows:

1. That I am the President of Mānā Hale, Inc., a member of Kamuela Associates LLC, a Hawaii limited liability company, the Developer of HoloHolo Kū at Parker Ranch condominium project (the "Project").

2. That I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each ranchhome in the Project, as set forth in Exhibit "1" attached hereto and hereby incorporated herein by reference, were not determined pursuant to a reserve study conducted in accordance with Section 514A-83.6 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, but are reasonable estimates by the Project Manager, Chaney Brooks & Company, for the one-year period commencing January 1, 2002, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 28th day of November 2000.



U. J. Rainalter, Jr.

EXHIBIT I

SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT

A specimen Deposit Receipt and Sales Contract (the "Sales Agreement"), has been submitted to the Real Estate Commission and is available in the Sales Office of the Developer ("Seller"). ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES AGREEMENT IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of its provisions. The Sales Agreement, among other things, covers in more detail the following items:

1. Merger. That certain Declaration of Merger attached to the Declaration as Exhibit E (hereinafter called the "Declaration of Merger"), among other things, gives Seller the right, in its sole and absolute discretion, to cause and effect an administrative merger or mergers of the Project with a condominium project or projects to be located on lands (or a portion or portions thereof) adjacent to or in the vicinity of the Project, as part of the same incremental plan of development of the Project, such that the use of the respective common elements, the respective common expenses and the management of the respective affairs of the Project and the additional phases are shared, and the administration of the Project and the additional phases is unified under one association of apartment owners, but the ownership interest of the ranchhome owners of the Project and the additional phases are not altered or affected.

Nothing herein will be deemed to require Seller to develop the additional phases or to merge the additional phases into the Project, or to prohibit Seller or Parker Ranch from dealing with any lands adjacent to the Project not merged with the Project, including without limitation, developing all or any part of such lands for purposes inconsistent with the merger of such lands into the Project.

2. Lender Priority. Seller has given to and/or may give to one or more lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment of loan(s) and covering Seller's ownership rights in the Project, including the individual ranchhomes. All of the rights and interests which Seller gives to the lender or lenders will have priority over the buyers' rights and interests under the Sales Agreements. This applies to any changes in the loan or loans or the mortgage or mortgages, security agreement or agreements or other instruments (including, among other things, extensions, renewals and other changes). The buyers give up and subordinate the priority of their rights and interests under the Sales Agreements in favor of the rights and interests of Seller's lenders until the final closing and delivery of signed apartment deeds to the buyers. If Seller's lender or lenders ask the buyers to do so, the buyers will sign other documents to confirm the promises and agreements mentioned above.

3. Buyer's Failure to Obtain Loan Approval. Seller may (but does not have to) cancel the Sales Agreement (a) if the buyer's mortgage loan application is rejected or not approved within 30 days after application, or (b) if the buyer plans to pay the purchase price in cash but Seller is not satisfied for any reason with the buyer's ability to make the cash payments.

4. Warranties. The limited warranties are set forth. These are described in Exhibit H (Disclosure Abstract) to this Public Report.

5. REPRESENTATIONS. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS REPRESENTED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S RANCHHOME. IF BUYER WANTS TO RENT OR SELL THE

RANCHHOME, HOW BUYER DOES IT WILL BE UP TO BUYER SUBJECT TO THE RESTRICTIONS CONTAINED HEREIN AND IN THE DECLARATION, THE BY-LAWS, AND ANY OTHER DOCUMENTS AFFECTING THE PROPERTY. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE RANCHHOME OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE RANCHHOME OR ABOUT THE TAX EFFECTS OF BUYING THE RANCHHOME.

6. Closing Costs. Buyer will pay for the following closing costs: 50% of the Escrow fee, all Buyer's notary fees, all appraisal fees, all recording costs (except for documents to clear Seller's title), all charges for buyer's credit report, all costs of preparing any mortgages and promissory notes, and 40% of the standard coverage title insurance premium. Buyer will also pay all mortgage costs. Buyer will also pay a nonrefundable start-up fee which will be held and used by the Seller and the first Managing Agent of the Association as a working capital fund for the benefit of all the apartment owners. Buyer agrees that Seller does not have to pay any start-up fee for any ranchhome in the Project, but Seller will cause all buyers to pay the start-up fee when ranchhomes are sold and closed in escrow. Proration of real property taxes will be made as of the scheduled Closing Date. Proration of maintenance charges will be made as of the scheduled Closing Date or later at Seller's option.

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

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

(b) Seller may file a lawsuit for damages.

(c) Seller may file a lawsuit for "specific performance" (in other words, a lawsuit to make buyer keep all of Buyer's promises and agreements, including, without limitation, closing the purchase of the Property).

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

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

8. Seller's Default. If Seller fails to keep any of Seller's promises or agreements contained in the Sales Agreement, Buyer may require Seller to go through with the Sales Agreement, or Buyer may cancel the Sales Agreement. If Buyer cancels the Sales Agreement because of Seller's default, Seller will repay to Buyer all sums paid by Buyer to Seller or Escrow under the Sales Agreement, without interest (unless Buyer is entitled to the interest pursuant to Section 2.1 of Exhibit A of the Sales Agreement).

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

9. Certain Acknowledgments and Waivers by Buyer. The Buyer acknowledges and agrees to the following:

(a) Utility Effects. The Project is or may be located adjacent to or in the vicinity of electric, water and other utilities and public roads and thoroughfares, including, without limitation, such things as water pump stations, water tanks, sewer pump stations and reservoirs which may result in nuisances, such as noise and dust, disturbances or hazards (collectively, the "Utility Effects") to persons and to property within the Project. Neither Seller nor Parker Ranch is insuring or guaranteeing the health of Buyer or other occupants or users of the Project and disclaims liability for personal injury, illness or any other loss or damage caused by or arising from the Utility Effects including, without limitation, the presence or malfunction of any utility distribution systems that may be located adjacent to, near, or over any part of the Project;

(b) Development Effects. The Project is or may be located adjacent to or in the vicinity of other development phases and various construction activities, including, but not limited to, ongoing residential or commercial and related construction, proposed construction of future residential subdivisions and commercial facilities and roads, utility services, land development activities and other construction and development projects by Seller, Parker Ranch or third parties (collectively, the "Development"). Construction of any Development will or may result in noise, dust, vibration, blasting and other nuisances, disturbances or hazards to Buyer and to persons and property on or within the Project, and may inconvenience Buyer's access to the Project. When completed, traffic, lights, noise, dust, vibration and other nuisances, disturbances or hazards to persons and property on or within the Project may be generated from the Development. No representations or warranties are made by Seller or Parker Ranch or their respective employees or agents concerning plans, or the absence of plans with respect to future development of adjacent or nearby properties, and any plans for the future development of adjacent and nearby properties by Seller, Parker Ranch or others are subject to change in the sole and absolute discretion of the Seller, Parker Ranch or others, including, without limitation, changes in the type, location and quality of any development to occur. Seller makes no representations regarding the view from the ranchhome or the Project or any view easements or rights; and the views are not guaranteed and may be altered, blocked or impaired by the future development of adjacent or surrounding properties. All of the effects described in this paragraph (b) are hereinafter collectively called the "Development Effects"); and

(c) Waiver, Release and Indemnity. Buyer represents and warrants to Seller and Parker Ranch that Buyer, in Buyer's sole discretion, has determined that the benefits of owning and enjoying the ranchhome outweigh the risks of the Utility Effects and the Development Effects (collectively, the "Property Conditions"). Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Property Conditions. Buyer hereby covenants and agrees to assume all risks of impairment of Buyer's use and enjoyment of the ranchhome and the Project, loss of market value of the ranchhome, and property damage or personal injury arising from the Property Conditions, and Buyer, for the Buyer and the Buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, and those who use the Project through the Buyer for any period of time (collectively, the "Occupants"), hereby waives any claims or rights of action or suits against Seller, its successors and assigns, arising from such impairment of the Occupants' use and enjoyment of the ranchhome or the Project, loss of market value of said property, and property damage or personal injury arising from one or more of the Property Conditions. Buyer further covenants that Buyer will notify all Occupants and transferees of the ranchhome of the risks of the Property Conditions.

(d) Other Rights. Seller has also reserved certain easement rights affecting the project land and common elements for access and utility services in connection with the future development of lands in the vicinity of the Project.

10. Landscaping. Buyer understands and agrees that (i) Seller's obligation to provide landscaping within the common elements (including limited common elements) of the Project will be deemed fully satisfied upon planting of the plant materials (which need not be in full coverage and maturity) and installation of the irrigation system pursuant to Seller's landscaping plans, as the same may be amended from time to time in Seller's sole discretion; (ii) installation of the plant materials and irrigation system may be completed after the Closing Date; (iii) full maturity of the plant materials will only be reached over an extended period of time and Seller is not responsible for providing landscaping maintenance to reach full coverage and maturity; and (iv) the association of apartment owners of the Project will be responsible for maintaining the landscaping after installation thereof, even if the landscaping has not reached full coverage or maturity.

11. Sewer. Buyer understands and acknowledges that sewer service shall be provided to ranchhomes and common elements and other properties in this area by Parker Ranch or an affiliate pursuant to terms and conditions established by the Public Utilities Commission of the State of Hawaii. Seller assumes no responsibility or liability for any interruption or failure of sewer service by Parker Ranch for any reason, or for any failure of Parker Ranch or its affiliate to comply with law or with PUC regulations.

12. Project Termination and Changes. Developer reserves the right to terminate the Project and terminate all sales contracts prior to the transfer of a ranchhome title to a Buyer. Buyer shall be entitled to a refund of all moneys paid hereunder together with any interest as provided in Section 2.2 of the Sales Agreement. The parties shall then be released from all obligations and liability hereunder.

Also, Seller reserves the right to make changes to the Project as more particularly described in Section II.E.2 of this report.

13. Price Increases. If seller determines that certain conditions have occurred which increase Developer's development and construction costs, then Seller may increase the Purchase Price for the ranchhome by an amount not in excess of the ranchhome's proportionate share (based, approximately, on the Seller's price list for all ranchhomes in effect at the time of the Preliminary Public Report) of the total amount of such increases in development costs, and Buyer hereby acknowledges that this contract will be deemed to be amended to incorporate the increased Purchase Price upon Seller's giving notice to Buyer of the amount of the increased Purchase Price, and Buyer shall be deemed to have approved and accepted this contract, as amended, and hereby agrees to pay such increased Purchase Price; provided, however, upon receipt of the notice from the Seller of the amount of the increased Purchase Price, Buyer shall have thirty (30) days from the date of the notice to cancel this contract by written notice to Seller and upon such notice to receive a refund of deposits together with interest as provided in Section 2.2 of the Sales Contract.

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

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

DOES NOT ALTER OR AMEND THE SALES AGREEMENT IN ANY MANNER.

The Deposit Receipt and Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Deposit Receipt and Sales Contract states:

- (a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.
- (b) That the purchaser acknowledges having received and read a public report (either preliminary or final) for the Project prior to signing the Deposit Receipt and Sales Contract.
- (c) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.
- (d) Requirements relating to the purchaser's financing of the purchase of an apartment.
- (e) That the apartment and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.
- (f) That the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.
- (g) That the Project may be subject to ongoing sales activities which may result in certain annoyances to the purchaser.
- (h) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

The Deposit Receipt and Sales Contract contains various other important provisions relating to the purchase of an apartment in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen Deposit Receipt and Sales Contract on file with the Real Estate Commission.

EXHIBIT J

SUMMARY OF ESCROW AGREEMENT

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

- (a) Escrow will let the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.
- (c) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.
- (d) Developer may not withdraw Buyer's deposits to pay for Project construction costs until the closing of the Buyer's purchase and the transfer to Buyer of title to the ranchhome.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.