

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer Kamuela Associates LLC
Address 735 Bishop Street, Suite 325, Honolulu, Hawaii 96813

Project Name(*): Holoholo Kū at Parker Ranch
Address RFD Kamuela, Hawaii 96743

Registration No. 4121

Effective date: May 10, 1999

Expiration date: June 10, 2000

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 governmental 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:

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

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

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

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

(*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892/0197/1098

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required-Disclosures covered in this report.

Summary of Changes from Earlier Pubic 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:

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.

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.

1. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASE WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. The Purchaser shall consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit, or any other type of structure, on the property.
2. Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgrades 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.
3. The land may be subject to rollback real property taxes. The failure of an owner to observe restrictions on the use of the land may cancel the County dedication and special real property tax assessment. Please refer to the Director of Finance, County of Hawaii, for further information.

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

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)
735 Bishop Street, Suite 325
Business Address
Honolulu, Hawaii 96813

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

U. J. Rainalter, Jr. President, Secretary and Treasurer of Mānā Hale, Inc.,
Member of Developer
Natalie G. Middleton, Vice President of Mānā Hale, Inc.
John P. Spierling, Member of Developer

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) 885-5966
Name (Business)
Waimea Town Center, Suite 5
Business Address
Kamuela, Hawaii 96743

General Contractor: _____ Phone: _____
Name (Business)

Business Address

Condominium Managing Agent: Chaney, Brooks & Company Phone: (808) 544-1600
Name (Business)
606 Coral Street
Business Address
Honolulu, Hawaii 96810

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

* Oahu Broker is: Plumb, Level & Square, Ltd. dba The Harris Company, 1605 Quincy Place, Honolulu, Hawaii 96816; Phone : (808) 735-1891

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 interest, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
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]:

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. _____

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

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

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

The House Rules for this condominium are:

Proposed Adopted 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:

Under Section 3.2 of the Deposit Receipt and Sales Contract, Developer reserves the right to change the condominium documents in any manner in Developer's discretion at any time before the contract becomes binding after the issuance of a Final Public Report. Under Section 3.3 of said contract, after the date of the Final Public Report, 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 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 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 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 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 buildings(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are the 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: 17 (portion)

[X] Address [X] TMK is expected to change because project site will be subdivided from surrounding land and Developer will obtain official mailing address from United States Post Office.

Land Area: 7.773 [] square feet [X] acre(s) Zoning:GC (general commercial)

Fee Owner: Warren J. Gunderson,
Melvin Hewett and
Carl Arthur Carlson, Jr., as
Trustees of the Richard Smart Revocable Personal Trust
 Name
c/o Parker Ranch, Inc., P.O. Box 458
 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: 16 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:

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

5. Special Use Restrictions:

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

Pets: Section 10.7 of the By-Laws restricts pets to 2 per apartment and provides certain additional restrictions.

Number of Occupants: _____

Other: No commercial use, time sharing, rooming house 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) and (h) of the Declaration. Also, Section 8.7(e) of the Bylaws provides that each unit must always have at least two (2) parking stalls available for use, and owner or occupant shall have more than two (2) vehicles per unit on the condominium property at any time (not including vehicles of temporary guests).

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 36 (one in each Type B,B1,C,E and E1 apartments)
 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>
<u>A</u>	<u>8</u>	<u>3/2 ①</u>	<u>See Exhibit B</u>	<u>See Exhibit B</u>	<u>See Exhibit B</u>
<u>B</u>	<u>16</u>	<u>3/2 ②</u>	<u>See Exhibit B</u>	<u>See Exhibit B</u>	<u>See Exhibit B</u>
<u>B1</u>	<u>4</u>	<u>3/2 ③</u>	<u>See Exhibit B</u>	<u>See Exhibit B</u>	<u>See Exhibit B</u>
<u>C</u>	<u>6</u>	<u>3/2 ④</u>	<u>See Exhibit B</u>	<u>See Exhibit B</u>	<u>See Exhibit B</u>
<u>E</u>	<u>6</u>	<u>2/2 ½</u>	<u>See Exhibit B</u>	<u>See Exhibit B</u>	<u>See Exhibit B</u>
<u>E1</u>	<u>4</u>	<u>2/2 ½</u>	<u>See Exhibit B</u>	<u>See Exhibit B</u>	<u>See Exhibit B</u>

Total Number of Apartments: 44

- ① Option to change to 2/2. See Exhibit A
- ② Option to change to 2/2, 2/2 ½, or 3/2 ½.
- ③ Option to change to 2/2 up to 5/4 ½.
- ④ Option to change to 2/2.

*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 how the floor area may have been used.

Boundaries of Each Apartment:

See Exhibit C.

Permitted Alterations to Apartments:

See Exhibit D.

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 non-conforming structure that is destroyed or damaged cannot be reconstructed.

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

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

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

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:

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

December 30, 1998 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
First Mortgage to First Hawaiian Bank dated July 31, 1995, recorded as Document No. 95-098743, as amended.	Buyer's may lose his or her ranchhome, but Buyers deposit to be refunded, less any escrow cancellation fees.

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 shall be July, 2000.

H. Project Phases:

The developer 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 the 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 Refuse collection, telephone, water (for resident manager's apartment only)

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:

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit I contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated February 8, 1999
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.

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 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, Hawaii 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.

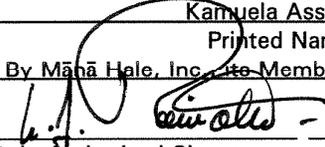
Reproduction of Report. When reproduced, this report must be on:

[X] YELLOW paper stock [] WHITE paper stock [] PINK paper stock

C. Additional Information Not Covered Above

None.

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

Kamuela Associates LLC
Printed Name of Developer
By Mānā Hale, Inc. its Member
By:  - 5-FEBRUARY-1999
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 six (6) different floor plans in four (4) different building configurations. The ranchhome types are identified as Type A (end unit), Type B (end unit), Type B1 (interior unit), Type C (interior unit), Type E (end unit) and Type E1 (interior unit). The ranchhome types are more particularly described as follows:

Type A (end unit):

Type A ranchhomes have six (6) rooms, including three (3) bedrooms, two (2) bathrooms, and a great room (living/dining/kitchen), all on one level. Type A units also include a covered lanai, enclosed 2-car garage, and closets, hallways, and storage areas, all as shown on the Condominium Map. At the option of Declarant, the floor plan may be altered by amendment to the Declaration and the Condominium Map to convert the kitchen area to a country kitchen configuration and convert bedroom no. 2 to a den or combine bedroom no. 2 into the master bedroom, with related, additional changes.

Type B (end unit, covered porch and covered lanai):

Type B ranchhomes have six (6) rooms, including three (3) bedrooms, two (2) bathrooms, and a great room (living/dining/kitchen), all on two floors. Type B units also include a covered porch, covered lanai, enclosed 1-car garage and closets, hallways and storage areas, all as shown on the Condominium Map. At the option of the Declarant, the floor plan may be altered by amendment to the Declaration and Condominium Map to convert the kitchen area to a country kitchen configuration and/or to add a half bath to the ground floor under the stairs and/or to convert the second floor plan to a one bedroom, one bath, master suite.

Type B1 (interior unit):

Type B1 ranchhomes have seven (7) rooms, including three (3) bedrooms, two (2) bathrooms, an entry foyer, and a great room (living/dining/kitchen), all on two floors. Type B1 units also include a covered porch, covered lanai, enclosed 1-car garage, and closets, hallways, and storage areas, all as shown on the Condominium Map. At the option of Declarant, the floor plan may be altered by amendment to the Declaration and the Condominium Map to convert the two bedrooms and bath located on the second floor to a one bedroom/one bath master suite, and/or to add either a sleeping loft without bath or an additional bedroom and bath to the second floor, and/or to add a half bath on the ground floor under the stairs and/or to add an additional enclosed 1-car garage to the ranchhome (and, if so, to convert the kitchen area to a country kitchen configuration by encroaching on the garage, and/or to convert the garage area to guest quarters/office with bath, with related, additional changes.

Type C (interior unit):

Type C ranchhomes have six (6) rooms, including three (3) bedrooms, two (2) bathrooms, and a great room (living/dining/kitchen), all on two floors. Type C units also include a covered porch, covered lanai, enclosed garage, and closets, hallways, and storage areas, all as shown on the Condominium Map. At the option of Declarant, the floor plan may be altered by amendment to the Declaration and the Condominium Map to convert the kitchen area to a country kitchen configuration, and/or to convert the second floor plan to a one bedroom/one bath master suite, with related, additional changes.

Type E (end unit):

Type E ranchhomes have six (6) rooms, including two (2) bedrooms, two (2) bathrooms, one (1) half bath, and a great room (living/dining/kitchen), all on two floors. Type E units also include a covered lanai, enclosed 1-car garage, and closets, hallways, and storage areas, all as shown on the Condominium Map. At the option of Declarant, the floor plan may be altered by amendment to the Declaration and the Condominium Map to convert the kitchen area to a country kitchen configuration and/or to convert bedroom 1 into an unpartitioned study with sliding partition doors, with related, additional changes.

Type E1 (interior unit):

Type E1 ranchhomes have seven (7) rooms, including two (2) bedrooms, two (2) bathrooms, one (1) half bath, an entry foyer, and a great room (living/dining/kitchen) all on two floors. Type E1 units also include a covered lanai, a covered porch, enclosed 1-car garage, and closets, hallways and storage areas, all as shown on the Condominium Map. The same conversion options apply as for the Type E units.

2. Description of Buildings. There are fifteen (15) buildings in four (4) building plans, described as follows:

Type I:

Building Type I is single story, and contains two (2) Type A ranchhomes, including two (2) enclosed 2-car garages. There are four (4) buildings Type I.

Type II:

Building Type II is two stories, and contains two (2) Type B ranchhomes and one (1) Type B1 ranchhome, including four (4) enclosed 1-car garages. There are four (4) Buildings Type II.

Type III:

Building Type III is two stories, and contains two (2) Type C ranchhomes and two (2) Type E ranchhomes, including four (4) enclosed 1-car garages. There are three (3) Buildings Type III.

Type IV:

Building Type IV is two stories, and contains two (2) Type B ranchhomes and one (1) Type E1 ranchhome, including three (3) enclosed 1-car garages. There are four (4) Buildings Type IV.

3. Locations of Ranchhomes. The ranchhomes are located in the ranchhome buildings as set forth in the Condominium Map. 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, wood exterior siding, corrugated metal roofing panels, gutters and downspouts, glass and allied building materials, mostly on concrete slab.

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

Ranchhome No. ^A	Bldg. Type	Type	Loca- tion in Bldg.	Parking		Ranchhome Square Footage					Common Interest	
				No. Stalls in Attached Garage	Assigned Uncovered Stall No.	Net Living Floor Area	Covered Lanai Area	Covered Porch Area	Attached Garage Area	Total Area		
1	B	II	End	1	1	1446	248	114	260	2068	2.56925%	
3	B1	II	Interior	1	3	1497	165	48	250	1960	1.67936%	
5	B	II	End	1	5	1446	248	114	260	2068	2.56925%	
6	B	IV	End	1	6	1446	248	114	280	2088	2.59410%	
8	E1	IV	Interior	1	8	1252	186	48	242	1728	1.48057%	
10	B	IV	End	1	10	1446	248	114	280	2088	2.59410%	
11	B	II	End	1	11	1446	248	114	260	2068	2.56925%	
15	B1	II	Interior	1	15	1497	165	48	250	1960	1.67936%	
17	B	II	End	1	17	1446	248	114	260	2068	2.56925%	
20	E	III	End	1	20	1206	235	0	257	1698	2.10957%	
22	C	III	Interior	1	22	1276	160	110	257	1803	1.54483%	
24	C	III	Interior	1	24	1276	160	110	257	1803	1.54483%	
26	E	III	End	1	26	1206	235	0	257	1698	2.10957%	
31	E	III	End	1	31	1206	235	0	257	1698	2.10957%	
33	C	III	Interior	1	33	1276	160	110	257	1803	1.54483%	
35	C	III	Interior	1	35	1276	160	110	257	1803	1.54483%	
37	E	III	End	1	37	1206	235	0	257	1698	2.10957%	
40	B	II	End	1	40	1446	248	114	260	2068	2.56925%	
42	B1	II	Interior	1	42	1497	165	48	250	1960	1.67936%	
44	B	II	End	1	44	1446	248	114	260	2068	2.56925%	
51	B	II	End	1	51	1446	248	114	260	2068	2.56925%	
53	B1	II	Interior	1	53	1497	165	48	250	1960	1.67936%	
55	B	II	End	1	55	1446	248	114	260	2068	2.56925%	
60	E	III	End	1	60	1206	235	0	257	1698	2.10957%	
62	C	III	Interior	1	62	1276	160	110	257	1803	1.54483%	
64	C	III	Interior	1	64	1276	160	110	257	1803	1.54483%	
66	E	III	End	1	66	1206	235	0	257	1698	2.10957%	
71	B	IV	End	1	71	1446	248	114	280	2088	2.59410%	
73	E1	IV	Interior	1	73	1252	186	48	242	1728	1.48057%	
75	B	IV	End	1	75	1446	248	114	280	2088	2.59410%	
80	B	IV	End	1	80	1446	248	114	280	2088	2.59410%	
82	E1	IV	Interior	1	82	1252	186	48	242	1728	1.48057%	
84	B	IV	End	1	84	1446	248	114	280	2088	2.59410%	
91	A	I	End	2		1413	540	0	453	2406	2.98917%	
93	A	I	End	2		1413	540	0	498	2449	3.04260%	
101	A	I	End	2		1413	540	0	453	2406	2.98917%	
103	A	I	End	2		1413	540	0	498	2449	3.04260%	
111	A	I	End	2		1413	540	0	453	2406	2.98917%	
115	A	I	End	2		1413	540	0	498	2449	3.04260%	
121	A	I	End	2		1413	540	0	453	2406	2.98917%	
123	A	I	End	2		1413	540	0	498	2449	3.04260%	
130	B	IV	End	1	130	1446	248	114	280	2088	2.59410%	
132	E1	IV	Interior	1	132	1252	186	48	242	1728	1.48057%	
134	B	IV	End	1	134	1446	248	114	280	2088	2.59410%	
Totals				52	36							100.00000%

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

1. Changes in Unit Mix. At any time prior to the issuance of the Final Public Report, the Seller may change the number of units or buildings in the Project, may change the combination of unit types within one or more buildings and may rearrange the location of units and unit types within one or more buildings. See Section 3 of Exhibit A of the Sales Contract concerning the Seller's right to amend the condominium documents in this respect.

2. Effect of Standard Options on Common Interest Percentages. The Buyer and other buyers of ranchhomes in the condominium may have the right to elect among certain standard floor plan modifications being offered by Seller. Any such modification may change the total floor area included within that ranchhome and the building in which it is located and the common interest percentage applicable to each ranchhome.

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 Condominium Map, which is enclosed by the perimeter walls and/or the imaginary vertical planes (where there is no perimeter wall), the floor, and the ceiling as shown on the Condominium Map.

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 floor coverings, (iv) all doors, door frames, windows, window frames and panels along the perimeters and the exterior garage door, (v) all fixtures originally installed in the ranchhome and (vi) all pipes, plumbing, wiring, fixtures, outlets and switches which serve only that ranchhome. 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, whether or not loadbearing or structural, (b) all loadbearing or structural components of all interior walls and party walls, (c) the undecorated or unfinished surfaces of the floors and ceilings surrounding each ranchhome, including any attic spaces above the ceiling, (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 painted finished surfaces of the lanais (including adjacent exterior wall surfaces of the ranchhome), porches and garage doors which are visible from outside the ranchhome and which the association shall have the responsibility to maintain under Section 5.4 of the Declaration, the same being deemed common elements.

EXHIBIT D

PERMITTED ALTERATIONS OF RANCHHOMES

1. Subject to the provisions of the Declaration and the Act, and except as otherwise provided in the Bylaws, 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 Condominium Map and briefly described in Exhibit A to this Public Report. All elections will be made by buyers (and Developer with respect to any unsold units) which affect floor plans, ranchhome floor areas and common interest percentages before the final Declaration and Condominium Map shall be recorded in the State of Hawaii Bureau of Conveyances and before the Final Public Report shall be issued.

Standard, pre-approved lanai enclosures are also offered and may be constructed at the time of Buyer's purchase of the ranchhome or a later date.

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 Bylaws contains additional information regarding alterations to the ranchhomes, the common elements and the limited common elements.

EXHIBIT E

DESCRIPTION OF COMMON ELEMENTS

The common elements 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 all attic spaces, roof joists, sheathing and roofing materials), pumps, ducts, pipes, wires, conduits or other utility or service lines which are located outside the ranchhome or 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 spaces and areas, all trees (including any trees located within any 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, mailboxes and mailbox areas, 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, and the gym, sauna with shower, and men's and women's restrooms;
- (g) All distribution systems for water, sewer and utility services not located within any ranchhome and not owned by the County of Hawaii or any public utility (and including use meters, if any).

EXHIBIT F

DESCRIPTION OF LIMITED COMMON ELEMENTS

Certain of the common elements are hereby 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 as follows:

(a) Each ranchhome shall have two parking stalls. Some ranchhomes have two stalls within the garage which is included within the ranchhome and other ranchhomes have one stall located in its garage. Each of said ranchhomes with one garage stall shall have appurtenant thereto, as a limited common element, one uncovered stall assigned to such ranchhome as shown on the Condominium Map and designated with a number which is the same as the number of the ranchhome to which it is appurtenant. Uncovered parking stalls which are limited common elements may not be transferred from ranchhome to ranchhome.

(b) As shown on the Condominium Map each ranchhome building is located within a fenced area (the "fenced grounds") which defines the grounds associated with said building. The area within said perimeter fence on the front, sides and rear of each ranchhome building and between said ranchhome building and the road shall be a limited common element appurtenant to and for the exclusive use of the ranchhomes in said building.

(c) As shown on the Condominium Map, within each fenced grounds and adjacent to each ranchhome is an area (the "exclusive yard area") reserved for the exclusive use of said ranchhome which shall be a limited common element appurtenant to and for the exclusive use of said ranchhome. The exclusive yard area shall be set back 5 feet from the perimeter fence of the fenced grounds to create a 5 foot wide walking trail along the perimeter fence for the benefit of all ranchhomes located in the ranchhome building within said fenced grounds.

(d) There shall be a private garden area (the "private garden area") as shown on the Condominium Map adjacent to each ranchhome within the ranchhome's exclusive yard area which shall be a limited common element appurtenant to and for the exclusive use of said ranchhome.

(e) Any other common element of the Property which is rationally related to only one ranchhome shall be deemed a limited common element appurtenant to and for the exclusive use of such ranchhome (but attic areas shall not be limited common elements).

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes not yet due
2. Matter arising out of the failure of a patent to have issued on Land Commission Award 3682 to Mahu.
3. Matters arising out of the failure of a patent to have issued on Land Commission Award 4198 to Kaounahi.
4. Unrecorded Grant of Easement by Richard Smart to Hawaii Electric Light Company, dated May 1, 1972, as mentioned in instrument recorded in the State of Hawaii Bureau of Conveyances at Liber 9167 at Page 2.
5. Certificate relating to reclassification of land from agricultural to urban district, dated July 16, 1987, recorded in said Bureau in Liber 20937 Page 300, as amended by Amended Certificate dated August 7, 1987, recorded in said Bureau in Liber 21006 Page 35.
6. Mortgage by the Trustees of the Richard P. Smart Revocable Personal Trust to First Hawaiian Bank, dated July 31, 1995, recorded in said Bureau as Document No. 95-098943, as amended and affected by instruments recorded as Document Nos. 95-112267, 95-136121, 95-138870, 95-149584 and 96-076335.

CONDOMINIUM PUBLIC REPORT ON
HOLOHOLO KŪ AT PARKER RANCH

EXHIBIT H

DISCLOSURE ABSTRACT

1. (a) PROJECT: Holoholo Kū at Parker Ranch
Kamuela, Hawaii
 - (b) DEVELOPER: Kamuela Associates, LLC
735 Bishop Street, Suite 235
Honolulu, Hawaii 96813
Telephone: (808) 599-6221
 - (c) PROJECT MANAGER: Chaney Brooks & Company
606 Coral Street
Honolulu, Hawaii 96813
Telephone: (808) 544-1600
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 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 the work (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 date 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, 2001 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 are subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Project Manager, ranchhome owner delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments. The breakdown of the estimated cost for each ranchhome contained in this Disclosure Abstract does not include 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.

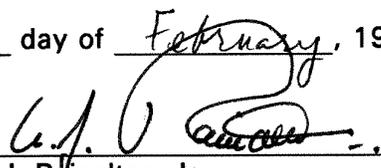
CERTIFICATE

I, the undersigned certify as follows:

1. That I am the President of Mānā Hale, Inc., the managing 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 Brook & Company, for the one-year period commencing January 1, 2001, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 5th day of February, 1999.



U.J. Rainalter, Jr.

\February 5, 1999

26512\1\41490.1\TDW

Exhibit 1
HOLO HOLO KU

(Phase 1, 44 units)

Estimate of Maintenance Fee Disbursements:

	<u>Monthly x 12 months =</u>	<u>Yearly Total</u>
Utilities and Services		
Electricity (common area only)	600	7,200
Refuse	265	3,180
Water/Sewer	1,808	21,696
Cable	56	672
Maintenance, Repairs and Supplies		
Buildings	766	9,200
Grounds	350	4,200
Management		
Management Fee	900	10,800
Payroll and Payroll Taxes	3,681	44,172
Office Expenses	304	3,650
Insurance	1,857	22,292
Reserves (*)	2,000	24,000
Taxes and Government Assessments	2	20
Audit Fees	159	1,900
TOTAL	12,748	152,981

I, Kerry Gorse, as agent for/and/or employed by Chaney, Brooks & Company, the condominium managing agent/developer for the Holo Holo Ku 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.

Kerry Gorse
Signature

2/3/99
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-83.6, 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.

Common Interest and Estimated Common Expense

<u>Ranchhome No.</u>	<u>Common Interest</u>	<u>Estimated Common Expense</u>	
		<u>Monthly</u>	<u>Annually</u>
1	2.56925%	\$ 328	\$ 3,930
3	1.67936%	\$ 214	\$ 2,569
5	2.56925%	\$ 328	\$ 3,930
6	2.59410%	\$ 331	\$ 3,968
8	1.48057%	\$ 189	\$ 2,265
10	2.59410%	\$ 331	\$ 3,968
11	2.56925%	\$ 328	\$ 3,930
15	1.67936%	\$ 214	\$ 2,569
17	2.56925%	\$ 328	\$ 3,930
20	2.10957%	\$ 269	\$ 3,227
22	1.54483%	\$ 197	\$ 2,363
24	1.54483%	\$ 197	\$ 2,363
26	2.10957%	\$ 269	\$ 3,227
31	2.10957%	\$ 269	\$ 3,227
33	1.54483%	\$ 197	\$ 2,363
35	1.54483%	\$ 197	\$ 2,363
37	2.10957%	\$ 269	\$ 3,227
40	2.56925%	\$ 328	\$ 3,930
42	1.67936%	\$ 214	\$ 2,569
44	2.56925%	\$ 328	\$ 3,930
51	2.56925%	\$ 328	\$ 3,930
53	1.67936%	\$ 214	\$ 2,569
55	2.56925%	\$ 328	\$ 3,930
60	2.10957%	\$ 269	\$ 3,227
62	1.54483%	\$ 197	\$ 2,363
64	1.54483%	\$ 197	\$ 2,363
66	2.10957%	\$ 269	\$ 3,227
71	2.59410%	\$ 331	\$ 3,968
73	1.48057%	\$ 189	\$ 2,265
75	2.59410%	\$ 331	\$ 3,968
80	2.59410%	\$ 331	\$ 3,968
82	1.48057%	\$ 189	\$ 2,265
84	2.59410%	\$ 331	\$ 3,968
91	2.98917%	\$ 381	\$ 4,573
93	3.04280%	\$ 388	\$ 4,655
101	2.98917%	\$ 381	\$ 4,573
103	3.04280%	\$ 388	\$ 4,655
111	2.98917%	\$ 381	\$ 4,573
115	3.04280%	\$ 388	\$ 4,655
121	2.98917%	\$ 381	\$ 4,573
123	3.04280%	\$ 388	\$ 4,655
130	2.59410%	\$ 331	\$ 3,968
132	1.48057%	\$ 189	\$ 2,265
134	2.59410%	\$ 331	\$ 3,968
Totals	100.00000%	\$ 12,748	\$ 152,981

CONDOMINIUM PUBLIC REPORT ON
HOLOHOLO KŪ

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. 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. 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. 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 50 days in the case of an owner-occupant), 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. The limited warranties are set forth. These are described in Exhibit H (Disclosure Abstract) to this Public Report.

5. 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. 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 maintenance charges and other common expenses, and real property taxes will be made as of the scheduled Closing Date.

7. 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. 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. 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. 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. 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 If, because of the enactment or amendment of any law, or due to any fire, earthquake, act of God, the elements, war, civil disturbances, strike or other labor disturbance, or economic controls making it impossible to obtain the necessary labor or materials, or any other event, matters or conditions beyond the control of Seller, including any litigation or threat of litigation concerning the Project or any significant increase in Seller's construction cost or other projected Project costs (such as the amount of interest payable under Seller's construction loan), Seller determines that:

(i) such conditions prevent or unduly restrict the construction of the Project, then Seller shall have the right to rescind this contract. Upon the rescission of this contract pursuant to the foregoing provision, 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;

(ii) such conditions have resulted in or will result in increases in 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.

13. 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).

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.

EXHIBIT J

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a Buyer 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 Buyer know when payments are due.
- (b) Escrow will arrange for the Buyer to sign all necessary documents.
- (c) The Buyer will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.
- (d) After a Sales Contract becomes final and binding after the issuance of the Final Public Report for the Project, Developer may withdraw Buyer's deposits to pay for Project construction costs.

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 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.