

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: Mauna Kea Properties, Inc.
Address: 62-100 Kauna'oa Drive, Kamuela, HI 96743-9706
Project Name(*): THE KUMULANI AT THE UPLANDS AT MAUNA KEA
Address: Lot C of Uplands at Mauna Kea, Parcel B, Subdivision 2, Ouli, Waimea, County of Hawaii

Registration No. 4297

Effective date: December 13, 1999
Expiration date: January 13, 2001

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Properly 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:

- X 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.
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

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report as Exhibit "L" 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:

SPECIAL ATTENTION:

This is a **CONDOMINIUM PROJECT**, not a subdivision. It does not involve the sale of individual subdivided lots.

1. This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have been complied with.

2. Facilities and improvements normally associated with county approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.

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: Mauna Kea Properties, Inc. Phone: (808) 880-3300
Name (Business)
62-100 Kauna'oa Drive
Business Address
Kamuela, Hawaii 96743-9706

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

William Mielcke - President
Akemi Kurokawa - Vice President/Secretary
Yoichi Asari - Vice President/Treasurer

Real Estate
Broker: Thomas C. Stifler, Principal Broker for Mauna Kea Properties, Inc. Phone: (808) 882-5600
Name (Business)
62-100 Mauna Kea Beach Drive
Business Address
Kamuela, Hawaii 96743

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

General
Contractor: Andrew L. Youngquist Construction, Inc., dba Phone: (808) 629-4300
Birtcher Construction Services (Business)
Name
P. O. Box 338
Business Address
Lawai, Hawaii 96765

Condominium
Managing
Agent: Augustine Realty Phone: (808) 326-7170
Name (Business)
P.O. Box 2002
Business Address
Kailua-Kona, Hawaii 96745

Attorney for
Developer: John R. Aube, Esq. Phone: (808) 544-8300
Watanabe, Ing & Kawashima (Business)
Name
999 Bishop Street, 23rd Floor
Business Address
Honolulu, Hawaii 96813

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 vote 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.

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:
 - A. Before the issuance of an effective date for the final public report for the Project, the Developer may amend the Declaration, the Bylaws and the Condominium Map in any way.
 - B. Upon completion of the Project, the Developer may amend the Declaration and Condominium Map (if necessary) to file the "as built" verified statement required by Section 514A-12 of the Condominium Property Act.
 - C. Until all of the Apartments have been sold, the Developer may amend the Declaration, the Bylaws and/or the Condominium Map to make such amendments as may be required by law, by the Real Estate Commission or any other governmental agency, by a mortgage lender or by a title insurance company, provided that no such amendments change the Common Interest appurtenant to an Apartment or substantially change the design, location or size of an Apartment.

- D. Until all of the Apartments have been sold and the “as built” verified statement is filed, the Developer may amend the Declaration, the Bylaws and the Condominium Map to (i) reflect alterations in any Apartment which has not been sold; and (ii) reflect minor changes in any Apartment or in the Common Elements which do not affect the physical location, design or size of any Apartment which has been sold.
- E. The Developer may amend the Declaration, the Bylaws and the Condominium Map to effectuate any decision by the Developer to construct only Phase I (to consist of Buildings A, B and C), or only Phases I and II (to consist of Buildings A, B, C, D, E, F and G), or only Phases I and III (to consist of Buildings A, B, C, H, I and J), of the Project along with certain recreational amenities, as described in Section III, Paragraph H below. However, if the Developer enters into a binding sales contract for an Apartment in Buildings D, E, F or G, the Developer will be obligated to construct Phase II; and if the Developer enters into a binding sales contract for an Apartment in Buildings H, I or J, the Developer will be obligated to construct Phase III.
- F. The Developer may amend the Declaration, the Bylaws and the Condominium Map, at any time until midnight on June 1, 2002, to effectuate the subdivision and removal of a portion of the Land, containing approximately 4.463 acres, from the Project, leaving approximately 11.807 acres of Land in the Project, as described in Exhibit K attached hereto.

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Subleaseholds:

Buyers sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled Foreclosed

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

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: Lot C of Uplands at Mauna Kea, Parcel B, Subdivision 2 Tax Map Key (TMK): (3) 6-2-13:22; (por.) 23
Ouli, Waimea, County of Hawaii, mauka of the Queen Kaahumanu Highway, above the Mauna Kea Resort

Address TMK is expected to change because the Project has not been assigned an address and the Land underlying the Project is expected to be subdivided.

Land Area: 16.270* square feet acre(s) Zoning: RM-15

*Subject to the Developer's reserved right to subdivide and remove of a portion of the Land, consisting of approximately 4.463 acres, from the Project, as described in Exhibit K below, leaving approximately 11.807 acres of Land remaining in the Project.

Fee Owner:* Mauna Kea Development Corp.
Name
62-100 Kauna'oa Drive
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: 10 Floors Per Building: 2
 Exhibit A contains further explanations.

3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other glass, plaster, tile and related building materials

4. Uses Permitted by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>40</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: <u> </u>	<u> </u>	<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

* The Developer has the right to develop the Project and sell the Apartments pursuant to an unrecorded Development Agreement dated September 1, 1999, executed by the Fee Owner and the Developer. The Fee Owner will join in the Declaration.

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: Two dogs or cats (neutered if female cat) per Apartment. No livestock, poultry, pigs, rabbits or any farm animals allowed.

Number of Occupants: No more than six persons per Apartment

Other: Apartments shall be used for residential purposes only; no rental pool of Apartments permitted. Prospective purchasers are encouraged to request a copy of the proposed House Rules for the Project from the Developer.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 2 per building Trash Chutes: 0

See Exhibit D attached hereto for information regarding Apartment types, quantities, Net Living Area*, etc.

Total Number of Apartments: 40, subject to Developer's reserved right described in Section III, Paragraph H, page 16

***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: Each Apartment is designated as a separate freehold estate. The respective Apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, the floors and ceilings surrounding each Apartment or any pipes, wires, conduits or other utility or service lines running through such Apartment which are utilized for or serve more than one Apartment, the same being deemed Common Elements as hereinafter provided. Each Apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, any doors, windows or panels along the perimeters and all fixtures originally installed therein. Each Apartment shall also include the lanai to which such Apartment has direct, exclusive access, and the storage areas adjacent to the lanai.

Permitted Alterations to Apartments: Additions to or alterations of any Apartment made within such Apartment or within a Limited Common Element appurtenant to and for the exclusive use of such Apartment shall require the prior written approval of the Board and prior written consent of the Owners of the other Apartments in the same building. No work shall be done which would jeopardize the soundness or safety of the Project, reduce the value therefor, violate the uniform external appearance of the Apartment, or impair any easement, without in every such case the consent of seventy-five percent (75%) of the Owners, together with the consent of all Owners whose Apartments or Limited Common Elements appurtenant thereto are directly affected, the mortgagees of such Apartments and the Developer, if appropriate. The Owner of any two adjoining Apartments may, with the prior written approval of the Board, and prior written consent of the Owners of the other Apartments in the same building, and the consent of any mortgagee of any such Apartments, alter or remove all or portions of the intervening wall (not load-bearing), floor or ceiling which separates such Apartments if the structural integrity of the building in which the Apartments are located is not thereby affected and if the finish of the Common Element(s) then remaining is restored to a condition substantially comparable to that existing prior thereto; provided, however, that the Owner shall secure a building permit, if required by law, and a performance and payment bond naming as obligees said Owner and collectively the Owners of all other Apartments in the same building as their interests may appear, in a penal sum of not less than 100% of the cost of such construction, guaranteeing the completion thereof free and clear of all mechanics' and materialmen's liens, and that any such construction shall be carried out in strict compliance with all applicable laws. Upon the termination of the common ownership of such adjoining Apartments, any intervening wall, floor or ceiling which has been altered or removed pursuant to the foregoing provisions shall be restored

do not consent to such alteration. Subject to the terms and conditions of the Declaration and the Bylaws, and at the sole expense of the Owner involved, the Owner of any two such adjoining Apartments shall also have the right to make additions to, alterations of and physical partitions within such Apartments subject to the foregoing; provided, that no work shall be done which would violate the Hawaii County Code and/or jeopardize the soundness or safety of the building in which such Apartments are located, detract from the external appearance of the building, or impair any easement, except as permitted hereinabove.

7. Parking Stalls:

Total Parking Stalls: 129

	<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)	<u>80</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>80</u>
Guest	<u> </u>	<u>49 (incl. 3 handicap stalls)</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>49</u>
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other: <u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>129</u>	<u> </u>	<u>0</u>	<u> </u>	<u>0</u>	<u> </u>	<u>129</u>

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

Commercial parking garage permitted in condominium project.

Exhibit C 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

Other: _____

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):

(Not applicable)

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 D .

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit E*.

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 apartments 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 F-1, F-2, F-3 and F-4*.

as follows:

*Exhibit F-1 contains a schedule of the Common Interests for the Apartments in this Project if all 40 Apartments are constructed. Exhibit F-2 contains a schedule of the Common Interests for the Apartments if only Phase I and Phase II are constructed. Exhibit F-3 contains a schedule of the Common Interests for the Apartments if only Phase I and Phase III are constructed. Exhibit F-4 contains a schedule of the Common Interest for the apartments if only Phase I is constructed.

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 28, 1999 and issued by Title Guaranty of Hawaii Incorporated.

Blanket Liens:

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

[X] 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 buyers interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

Type of Lien

Effect on Buyers Interest and Deposit if Developer Defaults
or Lien is Foreclosed **Prior to Conveyance**

F. Construction Warranties:

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

1. Building and Other Improvements:

The Developer makes no warranty as to individual apartments and the common elements. The Developer agrees to require from the general contractor for the project a written warranty for workmanship and materials used in the construction of the Apartment and the Common Elements, together with a covenant to repair any defects due to faulty workmanship or materials which are discovered and reported within one (1) year from the "date of substantial completion", as that term is defined in the construction contract entered into between the general contractor and the Developer. Unless specifically prohibited by the terms of any contract or warranty, the Developer agrees to assign to the purchaser after the Developer's final acceptance of the work by the general contractor, any and all warranties given to the Developer by the general contractor and by any subcontractors or materialmen, including the general contractor's one year covenant to repair any reported defects as described above

2. Appliances:

The Developer makes no warranty as to appliances or other consumer products installed in any apartment or in the common elements. If there are any applicable manufacturer's or dealer's warranties relating to such appliances or other consumer products, the Developer will endeavor to assign and pass on to each apartment owner the benefit of such warranties.

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

The Developer estimates that construction of the Project will commence in December, 1999, and that construction will be completed by May, 2001.

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):

Phasing: The Developer in its sole and absolute discretion shall have the right to amend the Declaration and the Project, as hereinafter described, so as to construct only Phase I, which will consist of Buildings A, B and C, or only Phases I and II, which will consist of Buildings A, B, C, D, E, F, and G, or only Phases I and III, which will consist of Buildings A, B, C, H, I and J, and the appropriate Common Elements applicable thereto, including, in any case, the recreation building and appurtenant amenities including the swimming pool, BBQ area, and picnic area; provided, however, that if Developer enters into a binding sales contract for any Apartment in Building D, E, F, or G, Developer will be obligated to construct Phase II; and provided further that if Developer enters into a binding sales contract for any Apartment in Buildings H, I, or J, Developer will be obligated to construct Phase III.

Such reduction in the scope and scale of the Project shall take effect upon the recording in the Bureau of Conveyances of the State of Hawaii, by the Developer, of amendments to the Declaration, the Bylaws and the Condominium Map deleting the Apartments of the Phase or Phases which will not be constructed, and fixing the Common Interest of each Apartment in the Project.

Each Owner, having had full opportunity to review and understand Developer's reservation of the right to construct only Phase I, or only Phases I and II, or only Phases I and III, of the Project, as set forth above, understands that such Owner shall have no statutory, legal or equitable right to rescind any purchase of an Apartment or the obligation to purchase an Apartment as a result of the amendment or creation of any instrument to effectuate the Developer's rights described herein nor the issuance of a supplemental public report by the Real Estate Commission of the State of Hawaii disclosing the same.

Each Owner, by purchasing or accepting the conveyance of an Apartment in any manner, whether by court decree, inheritance, foreclosure or any other means, appoints Developer as its true and lawful attorney-in-fact for the purpose of amending or creating any instrument required pursuant to Chapter 514A, Hawaii Revised Statutes, as amended, or any federal, State or county law, ordinance, regulation or rule, to effectuate the reservation of the Developer's right contained herein to delete Phase II, or Phase III, or Phases II and III, from the condominium property regime for the Project. This power of attorney granted to Developer shall not be affected by any subsequent mental, physical or emotional disability of any Owner. Each Owner covenants that on the request of Developer, such Owner shall execute, acknowledge and deliver any instrument necessary or appropriate for the purpose of carrying out the provisions and exercising the rights, powers and privileges granted in Section 20 of the Declaration. Developer shall also have the irrevocable right to amend any instrument required pursuant to Chapter 514A, Hawaii Revised Statutes, as amended, for the sole purpose of showing the Project with Phase I only, or Phases I and II only, or Phases I and III only, which shall contain a description of the land, buildings, Apartments, Common Elements, Limited Common Elements and Common Interests, upon the exercise of such reserved right, without otherwise changing the form or content of the Declaration and the Bylaws except for amendments required by law. The amendment to the Declaration, Bylaws, if necessary, Condominium Map, and Apartment Deed (for purposes of adjusting the Common Interest of Apartments upon exercise of such reserved rights) shall need only the signature of the Developer on behalf of itself and on behalf of all Owners, as such Owners' attorney-in-fact. The amendment shall be effective only upon recording the same in the Bureau of Conveyances of the State of Hawaii. Upon such recording, the Developer shall provide a copy of such amended instruments to the Managing Agent for the Project and each Owner at his or her last known address by certified mail. If more than one person owns an Apartment, the mailing of the amended instruments to one of the Owners shall be sufficient. This shall be applicable to any subsequent Apartment Owner.

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 September 1, 1999

Exhibit J contains a summary of the pertinent provisions of the escrow agreement.

[X] Other Development Agreement between Fee Owner and Developer

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 given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime.
 - C) Bylaws of the Association of Apartment Owners.
 - D) House Rules.
 - E) Condominium Map.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other _____
-

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 (DCCA). Supporting documents for this registration are on file with the DCCA for a period of ten years and one day from the effective date of the last public report. After that time, the DCCA will destroy the supporting documents except for the last public report. 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. 4297, filed with the Real Estate Commission on November 10, 1999.

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C. Additional Information Not Covered Above

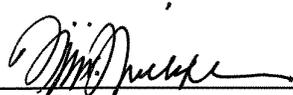
1. **Master Association.** A Declaration of Protective Covenants, Conditions and Restrictions for The Uplands dated August 10, 1999, affecting the Project has been recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 99-131337 and 99-131338, as amended and supplemented (herein referred to as the "Master Declaration"). All Owners and any other persons or entities having a fee simple title to any Apartment, including vendees under recorded Agreements of Sale, but excluding those having such interest merely as security for the performance of any obligation, are subject to and bound by, and shall comply strictly with the provisions of said Master Declaration and shall also become a member of The Uplands Community Association. As a member of The Uplands Community Association, each Owner shall be liable for his/her proportionate share of the general and special maintenance assessments and the assessments for capital contributions, such assessments to be fixed, allocated and collected from time to time as provided within said Master Declaration. In the event of any conflict between the Declaration and said Master Declaration, the provision of said Master Declaration shall take precedence and control over the Declaration except where Chapter 514A, Hawaii Revised Statutes, mandates otherwise.
2. **Ongoing Construction and Sales Activity.** The Developer, the Developer's affiliates, or other parties may develop certain portions of land located on the Island of Hawaii near or in the vicinity of the Project for hotel, resort, single-family and/or multi-family residential uses. After closings of sales of Apartments and after such Apartments are occupied: (a) construction activity by the Developer on other Apartments within the Project, as well as other development and construction activities by the Developer and its affiliates, within and in the vicinity of the Project, may continue on or near the Project site, and that these activities may result in noise, dust or other annoyances to such occupants and may limit Owners' access to portions of the Project; (b) sales activities, including the use of model units, signs and extensive sales displays and activities may continue on or near or in the vicinity of the Project; and (c) the Developer reserves the right for itself, its sales representatives and prospective buyers to utilize the common areas of the Project for ingress and egress purposes (collectively (a), (b) and (c) above are called the "Development Conditions").
3. **Golf Course and Other Resort Operations.** The Project is adjacent to a golf course, which is owned and operated by affiliates of Developer, the golf cart path easements affect or may affect portions of the Project, and resort-related activities, including without limitation golf tournaments, and other events, may be held on and in the vicinity of such golf course, and the location of the Project and an Owner's Apartment with respect to such golf course and golf cart path easements may result in nuisances, disturbances or hazards to persons and property on or within the Project and the Apartment as a result of such golf course related operations and other resort-related operations thereon; the Owner assumes all risks associated with the location of the Project and such Owner's Apartment with respect to such golf course and golf cart path easements, including without limitation, the risk of property damage, personal injury, bodily injury or death arising out of or in connection with the use of golf carts, stray golf balls, or other activities incidental to such golf course operations and resort related activities.
4. **Potential Archeological Sites/Easements.** Portions of the Project and areas adjacent to the Project may be subject to potential archeological restrictions, archeological setbacks, preservation plans, pedestrian access easements, easement and access agreements, and other easements, in favor of governmental agencies or their designees, and each Owner shall comply with all requirements and restrictions of any such governmental agency or its designee with respect to such restrictions, setbacks, plans and easements.
5. **Resort Service Area (Laundry) and Wastewater Treatment Plant.** The Project is located in the vicinity of the Resort Service Area (Laundry) and the Wastewater Treatment Plant, which are owned and operated by affiliates of South Kohala Resort Corp., to service the Mauna Kea Resort and the Hapuna Resort, and the owners and operators thereof shall have the right, in the nature of an easement, to conduct appropriate activities on and in the vicinity of such properties. The location of the Project and the Property with respect to such properties and operations may result in nuisances, noises, odors, disturbances or hazards to persons and property on or within the Property, and covenants and each Owner agrees to assume all risks associated with the location of the Project and the Property with respect to such properties and operations, and covenants and agrees to indemnify and hold harmless the Developer, the Developer's affiliates, Project Broker, the owners and operators of such properties, and their respective officers, directors, employees, agents, successors and assigns, from any actions, liabilities, claims, losses, damages, costs and expenses, including attorneys' fees, arising out of any claims made by, through or under such Owner or any Occupants or the Property in connection with the maintenance, operation or use of such properties and all operations thereon.

6. No Representations Regarding Income or Profit Potential. Neither Developer nor Project Broker, nor any agents or employees of either, has made any representations or promises regarding purchaser's ability to rent the Property, or derive any income therefrom, or to resell the Property in the future, or make any profit from any resale of the Property. Neither Developer nor Project Broker, nor any agents or employees of either, has made any representations as to the investment value or tax attributes relative to the purchase of the Property, and no one is authorized to do so.

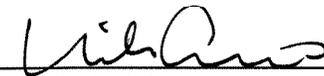
7. Disclosure of William F. Mielcke's Affiliation with Developer and Project Broker. Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative rules ("HAR"), prospective purchasers are hereby advised that an officer of the Developer, William F. Mielcke, Rs33197, is a current and active Hawaii-licensed real estate salesperson. Further, that William F. Mielcke is associated with Mauna Kea Properties, Inc., the project broker. Pursuant to section 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', or 'For Exchange by Owner'."

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.

Mauna Kea Properties, Inc.
Printed Name of Developer

By:  October 29, 1999
Duly Authorized Signatory Date

William F. Mielcke, President
Printed Name & Title of Person Signing Above

By:  October 29, 1999
Duly Authorized Signatory Date

Yoichi Asari, Vice President
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii
Planning Department, County of Hawaii

EXHIBIT "A"

DESCRIPTION OF BUILDINGS

The Project shall consist of ten residential buildings (Buildings a, B, C, D, E, F, G, H, I and J) containing a total of 40 apartments. Each residential building shall have two floors and shall contain four apartments. Each residential building will have adjacent to it two (2) detached garage buildings, each of which will contain four (4) enclosed parking stalls. The buildings will have no basements. the buildings shall be constructed principally of concrete, wood, glass, plaster, tile and related building materials.

EXHIBIT "B"

APARTMENT TYPE INFORMATION

Each Type 1A Apartment will consist of two (2) bedrooms, two (2) bathrooms, a kitchen, a great room, a utility (washer and dryer) area, a hall, an entry way, a porch and a water heater/mechanical room.

Each Type 2B Apartment will consist of two (2) bedrooms, two (2) bathrooms, a kitchen and nook, a great room, a utility (washer and dryer) area, a hall, an entry way, a porch and a water heater/mechanical room.

Each Type 3C Apartment will consist of two (2) bedrooms, two (2) bathrooms, a kitchen and nook, a great room, an office/den, a utility (washer and dryer) area, a hall, an entry way, a porch and a water heater/mechanical room.

EXHIBIT "B"**Building A**

Apt. No.	Unit Type	Bedroom	Bathroom	Total # Rooms	Living Area (sq. ft.)	Lanai (sq. ft.)	Total (sq. ft.)	Parking Stall No(s).
A-1	3C	2	2	7	1541	364	1905	A-1a and A-1b
A-2	3C	2	2	7	1541	364	1905	A-2a and A-2b
A-3	3C	2	2	7	1541	364	1905	A-3a and A-3b
A-4	3C	2	2	7	1541	364	1905	A-4a and A-4b

Building B

Apt. No.	Unit Type	Bedroom	Bathroom	Total # Rooms	Living Area (sq. ft.)	Lanai (sq. ft.)	Total (sq. ft.)	Parking Stall No(s).
B-1	2B	2	2	7	1375	552	1927	B-1a and B-1b
B-2	2B	2	2	7	1375	552	1927	B-2a and B-2b
B-3	2B	2	2	7	1375	401	1776	B-3a and B-3b
B-4	2B	2	2	7	1375	401	1776	B-4a and B-4b

Building C

Apt. No.	Unit Type	Bedroom	Bathroom	Total # Rooms	Living Area (sq. ft.)	Lanai (sq. ft.)	Total (sq. ft.)	Parking Stall No(s).
C-1	1A	2	2	6	1215	546	1761	C-1a and C-1b
C-2	1A	2	2	6	1215	546	1761	C-2a and C-2b
C-3	1A	2	2	6	1215	411	1626	C-3a and C-3b
C-4	1A	2	2	6	1215	411	1626	C-4a and C-4b

EXHIBIT "B"

Building D

Apt. No.	Unit Type	Bedroom	Bathroom	Total # Rooms	Living Area (sq. ft.)	Lanai (sq. ft.)	Total (sq. ft.)	Parking Stall No(s).
D-1	3C	2	2	7	1541	364	1905	D-1a and D-1b
D-2	3C	2	2	7	1541	364	1905	D-2a and D-2b
D-3	3C	2	2	7	1541	364	1905	D-3a and D-3b
D-4	3C	2	2	7	1541	364	1905	D-4a and D-4b

Building E

Apt. No.	Unit Type	Bedroom	Bathroom	Total # Rooms	Living Area (sq. ft.)	Lanai (sq. ft.)	Total (sq. ft.)	Parking Stall No(s).
E-1	2B	2	2	7	1375	552	1927	E-1a and E-1b
E-2	2B	2	2	7	1375	552	1927	E-2a and E-2b
E-3	2B	2	2	7	1375	401	1776	E-3a and E-3b
E-4	2B	2	2	7	1375	401	1776	E-4a and E-4b

Building F

Apt. No.	Unit Type	Bedroom	Bathroom	Total # Rooms	Living Area (sq. ft.)	Lanai (sq. ft.)	Total (sq. ft.)	Parking Stall No(s).
F-1	1A	2	2	6	1215	546	1761	F-1a and F-1b
F-2	1A	2	2	6	1215	546	1761	F-2a and F-2b
F-3	1A	2	2	6	1215	411	1626	F-3a and F-3b
F-4	1A	2	2	6	1215	411	1626	F-4a and F-4b

EXHIBIT "B"

Building G

Apt. No.	Unit Type	Bedroom	Bathroom	Total # Rooms	Living Area (sq. ft.)	Lanai (sq. ft.)	Total (sq. ft.)	Parking Stall No(s).
G-1	3C	2	2	7	1541	364	1905	G-1a and G-1b
G-2	3C	2	2	7	1541	364	1905	G-2a and G-2b
G-3	3C	2	2	7	1541	364	1905	G-3a and G-3b
G-4	3C	2	2	7	1541	364	1905	G-4a and G-4b

Building H

Apt. No.	Unit Type	Bedroom	Bathroom	Total # Rooms	Living Area (sq. ft.)	Lanai (sq. ft.)	Total (sq. ft.)	Parking Stall No(s).
H-1	3C	2	2	7	1541	364	1905	H-1a and H-1b
H-2	3C	2	2	7	1541	364	1905	H-2a and H-2b
H-3	3C	2	2	7	1541	364	1905	H-3a and H-3b
H-4	3C	2	2	7	1541	364	1905	H-4a and H-4b

Building I

Apt. No.	Unit Type	Bedroom	Bathroom	Total # Rooms	Living Area (sq. ft.)	Lanai (sq. ft.)	Total (sq. ft.)	Parking Stall No(s).
I-1	2B	2	2	7	1375	552	1927	I-1a and I-1b
I-2	2B	2	2	7	1375	552	1927	I-2a and I-2b
I-3	2B	2	2	7	1375	401	1776	I-3a and I-3b
I-4	2B	2	2	7	1375	401	1776	I-4a and I-4b

Building J

Apt. No.	Unit Type	Bedroom	Bathroom	Total # Rooms	Living Area (sq. ft.)	Lanai (sq. ft.)	Total (sq. ft.)	Parking Stall No(s).
J-1	3C	2	2	7	1541	364	1905	J-1a and J-1b
J-2	3C	2	2	7	1541	364	1905	J-2a and J-2b
J-3	3C	2	2	7	1541	364	1905	J-3a and J-3b
J-4	3C	2	2	7	1541	364	1905	J-4a and J-4b

EXHIBIT "C"

PARKING STALLS

Each apartment shall have appurtenant to it the exclusive right to use the parking stall(s) designated below, located in the building in which the apartment is located as shown on the Condominium Map.

APT. NO.	STALL #1	STALL #2	APT. NO.	STALL #1	STALL #2
A1	A1-A	A1-B	I1	I1-A	I1-B
A2	A2-A	A2-B	I2	I2-A	I2-B
A3	A3-A	A3-B	I3	I3-A	I3-B
A4	A4-A	A4-B	I4	I4-A	I4-B
B1	B1-A	B1-B	J1	J1-A	J1-B
B2	B2-A	B2-B	J2	J2-A	J2-B
B3	B3-A	B3-B	J3	J3-A	J3-B
B4	B4-A	B4-B	J4	J4-A	J4-B
C1	C1-A	C1-B			
C2	C2-A	C2-B			
C3	C3-A	C3-B			
C4	C4-A	C4-B			
D1	D1-A	D1-B			
D2	D2-A	D2-B			
D3	D3-A	D3-B			
D4	D4-A	D4-B			
E1	E1-A	E1-B			
E2	E2-A	E2-B			
E3	E3-A	E3-B			
E4	E4-A	E4-B			
F1	F1-A	F1-B			
F2	F2-A	F2-B			
F3	F3-A	F3-B			
F4	F4-A	F4-B			
G1	G1-A	G1-B			
G2	G2-A	G2-B			
G3	G3-A	G3-B			
G4	G4-A	G4-B			
H1	H1-A	H1-B			
H2	H2-A	H2-B			
H3	H3-A	H3-B			
H4	H4-A	H4-B			

The Project contains 49 unnumbered "guest" parking stalls.

EXHIBIT "D"

COMMON ELEMENTS

One freehold estate is hereby designated in all common elements of the Project (the "Common Elements") which include all remaining portions and appurtenances of the Project other than the Apartments (except as herein specifically included), and all other common elements mentioned in the Act which are actually in the Project, including specifically, but not limited to:

1. The land described in Exhibit A attached to the Declaration, in fee simple (the "Land");
2. All structural components such as foundations, beams, supports, main walls, roofs, stairs, stairways, entrances, exits, floor slabs, unfinished perimeter party and load-bearing walls, awnings, corridors and walkways of the buildings, apartments and/or building appurtenances.
3. All walkways and interior roadways located upon the Land;
4. All yards, grounds, landscaping, planters, retaining walls, storage rooms, and refuse facilities;
5. All ducts, electrical equipment, central water heating systems, wiring, pipes and other central and appurtenant transmission facilities and installations on, over, under and/or across the property which serve more than one Apartment for services such as power, light, hot water, cold water, incineration, sewage, gas, telephone and television and radio signal distribution, if any.
6. Any apparatus and installation existing for common use such as tanks, pumps, motors, fans, compressors, ducts, vents and other installations and apparatus.
7. The recreation building and appurtenant amenities including the swimming pool, BBQ area, and picnic area;
8. The twenty (20) garages adjacent to the residential buildings;
9. A total of forty-nine (49) uncovered parking stalls shall be designated for guest parking. Three (3) of such guest parking stalls shall be designated for handicap parking. No automobile shall park in any guest parking stall for a period of twelve (12) hours or more. All remaining parking stalls of the Project shall be designated as "Limited Common Elements" appurtenant to designated Apartments as described in more detail in Exhibit D attached hereto;
10. Any and all other apparatus and installation of common use and all other parts of the Project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

EXHIBIT "E"

LIMITED COMMON ELEMENTS

The following common elements (hereinafter called the "Limited Common Elements") are hereby set aside and reserved for the exclusive use of certain Apartments, and such Apartments shall have appurtenant thereto exclusive easements for use of such Limited Common Elements. The Limited Common Elements so set aside and reserved are as follows:

1. Each Apartment shall have exclusive use of two (2) enclosed parking stalls and storage areas located in the garage adjacent to the residential building in which the Apartment is located, as shown on the Condominium Map and designated in Exhibit "B" attached to the Declaration. Notwithstanding any provision of the Declaration, Owners shall have the right to change the designation of parking stalls which are appurtenant to their respective Apartments by amendment of the Declaration and respective Apartment Deeds; provided that each Apartment shall always have at least one (1) parking stall appurtenant to it. The amendment to effectuate a change in the designation of a parking stall shall need only the signature and approval of the Owners of the Apartments whose parking stalls are being changed and their respective mortgagees, if any. The amendment shall be effective only upon recordation with the Bureau of Conveyances of the State of Hawaii.

2. Each ground floor Apartment shall have exclusive use of a courtyard area on the mauka (mountain) side of such Apartment.

3. Each Apartment shall have exclusive use of one (1) mail box which shall be located at the recreation building.

4. All other Common Elements of the Project which are rationally related to less than all of said Apartments or buildings shall be limited to the use of such Apartments or buildings.

EXHIBIT "F-1"
(Assumes Phases I, II and III are constructed)

<u>Apartment</u>	<u>Common Interest %</u>
A-1	2.701612903
A-2	2.701612903
A-3	2.701612903
A-4	2.701612903
B-1	2.410589060
B-2	2.410589060
B-3	2.410589060
B-4	2.410589060
C-1	2.130084151
C-2	2.130084151
C-3	2.130084151
C-4	2.130084151
D-1	2.701612903
D-2	2.701612903
D-3	2.701612903
D-4	2.701612903
E-1	2.410589060
E-2	2.410589060
E-3	2.410589060
E-4	2.410589060
F-1	2.130084151
F-2	2.130084151
F-3	2.130084151
F-4	2.130084151
G-1	2.701612903
G-2	2.701612903
G-3	2.701612903
G-4	2.701612903

H-1	2.701612903
H-2	2.701612903
H-3	2.701612903
H-4	2.701612903

I-1	2.410589060
I-2	2.410589060
I-3	2.410589060
I-4	2.410589060

J-1	2.701612903
J-2	2.701612903
J-3	2.701612903
J-4	2.701612903

EXHIBIT "F-2"
(Assumes Phases I and II are constructed)

<u>Apartment</u>	<u>Common Interest %</u>
A-1	3.929919412
A-2	3.929919412
A-3	3.929919412
A-4	3.929919412
B-1	3.506579618
B-2	3.506579618
B-3	3.506579618
B-4	3.506579618
C-1	3.098541262
C-2	3.098541262
C-3	3.098541262
C-4	3.098541262
D-1	3.929919412
D-2	3.929919412
D-3	3.929919412
D-4	3.929919412
E-1	3.506579618
E-2	3.506579618
E-3	3.506579618
E-4	3.506579618
F-1	3.098541262
F-2	3.098541262
F-3	3.098541262
F-4	3.098541262
G-1	3.929919412
G-2	3.929919412
G-3	3.929919412
G-4	3.929919412

EXHIBIT "F-3"
(Assumes Phases I and III are constructed)

<u>Apartment</u>	<u>Common Interest %</u>
A-1	4.485910572
A-2	4.485910572
A-3	4.485910572
A-4	4.485910572
B-1	4.002678155
B-2	4.002678155
B-3	4.002678155
B-4	4.002678155
C-1	3.536911970
C-2	3.536911970
C-3	3.536911970
C-4	3.536911970
H-1	4.485910572
H-2	4.485910572
H-3	4.485910572
H-4	4.485910572
I-1	4.002678155
I-2	4.002678155
I-3	4.002678155
I-4	4.002678155
J-1	4.485910572
J-2	4.485910572
J-3	4.485910572
J-4	4.485910572

EXHIBIT "F-4"
(Assumes only Phase I is constructed)

<u>Apartment</u>	<u>Common Interest %</u>
A-1	9.325829097
A-2	9.325829097
A-3	9.325829097
A-4	9.325829097
B-1	8.321229726
B-2	8.321229726
B-3	8.321229726
B-4	8.321229726
C-1	7.352941176
C-2	7.352941176
C-3	7.352941176
C-4	7.352941176

EXHIBIT "G"

ENCUMBRANCES AGAINST TITLE

1. For real property taxes that may be due and owing, reference is made to the Real Property Division, Department of Budget and Fiscal Services, County of Hawaii.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. DESIGNATION OF EASEMENT "4" (area 1.553 acres), for drainage purposes, as shown on File Plan No. 2235.
4. DESIGNATION OF EASEMENT "6" (area 1.290 acres), for drainage purposes, as shown on File Plan No. 2235.
5. DESIGNATION OF EASEMENT "13" (area 487 square feet), for drainage purposes, as shown on File Plan No. 2235.
6. DESIGNATION OF EASEMENT "14" (area 16,623 square feet), for drainage purposes, as shown on File Plan No. 2235.
7. DESIGNATION OF EASEMENT "32" (area 4,504 square feet, 10 feet wide), for irrigation line purposes, as shown on File Plan No. 2235.
8. GRANT to HAWAII ELECTRIC LIGHT COMPANY, INC., dated July 14, 1992, recorded in said Bureau as Document No. 92-122589, granting a perpetual right and easement for utility purposes.
9. GRANT to HAWAII ELECTRIC LIGHT COMPANY, INC., dated November 5, 1992, recorded in said Bureau as Document No. 92-197951, granting a perpetual right and easement for utility purposes.
10. GRANT to SOUTH KOHALA WASTEWATER CORP., dated December 18, 1996, recorded in said Bureau as Document No. 96-179325, granting a non-exclusive easement for sanitary sewer, being more particularly described as follows:

All of that certain parcel of land (being portion(s) of the land(s) described in and covered by Royal Patent Number 2237, Land Commission Award Number 8518-B, Apana 1 to Kaneoha (Certificate of Boundaries No. 63)) situate, lying and being at Ouli, Waimea, South Kohala, Island and County of Hawaii, State of Hawaii, being EASEMENT "G" (10 feet wide) for sanitary sewer purposes, being also a portion of Lot 2 of South Kohala Resort (File Plan 2094), and thus bounded and described:

Beginning at the southwest corner of this parcel of land, on the northerly side of Amaui

Drive (Road Lot C of South Kohala Resort (File Plan 2094), the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUAKO" being 8,452.36 feet north and 7,127.26 feet east, thence running by azimuths measured clockwise from true South:

- | | | | | |
|-----|------|-----|--------|--|
| 1. | 220° | 14' | 235.97 | feet along the remainder of Lot 2 of South Kohala Resort (File Plan 2094); |
| 2. | 236° | 39' | 262.34 | feet along same; |
| 3. | 305° | 26' | 61.47 | feet along same; |
| 4. | 226° | 40' | 89.92 | feet along same; |
| 5. | 307° | 26' | 10.13 | feet along same; |
| 6. | 46° | 40' | 99.76 | feet along same; |
| 7. | 125° | 26' | 62.83 | feet along same; |
| 8. | 56° | 39' | 254.06 | feet along same; |
| 9. | 40° | 14' | 230.82 | feet along same; |
| 10. | 109° | 54' | 10.66 | feet along the northerly side of Amaui Drive (Road Lot C) of South Kohala Resort (File Plan 2094) to the point of beginning and containing an area of 6,486 square feet, more or less. |

11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the DECLARATION dated April 11, 1995, recorded in said Bureau as Document No. 95-049097.
12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE UPLANDS AT MAUNA KEA dated August 10, 1999, recorded in said Bureau as Document No. 99-131337.

Consent given by SOUTH KOHALA RESORT CORP., a Hawaii corporation, by instrument recorded in said Bureau as Document No. 99-131338. Said Declaration was subsequently amended by instrument dated October 10, 1999, recorded as Document No. 99-165199.

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the WARRANTY DEED dated September 1, 1999, recorded in said Bureau as Document No. 99-141836.

EXHIBIT “H”

[omitted]

EXHIBIT “H”

EXHIBIT "I"**SUMMARY OF SALES CONTRACT**

A specimen Reservation Agreement and Sales Contract (the "Sales Contract") has been submitted to the Real Estate Commission as part of the registration.

The specimen Sales Contract provides in part:

(a) That the Sales Contract will not become binding on the Seller until it has been accepted by the Seller (as evidenced by the Seller's execution of the Sales Contract) and that the Sales Contract will not become binding on either the Buyer or the Seller until an effective date for the Final Public Report for the Project has been issued by the Real Estate Commission, the Seller has delivered a copy of the Final Public Report and the Receipt Form therefor to the Buyer, and the Buyer either (a) indicates Buyer's acceptance of the Final Public Report by waiving Buyer's right to cancel on the Receipt Form, or (b) does not execute and return the Receipt Form within thirty (30) days of the date of delivery of the Receipt Form, or (c) accepts conveyance of the Apartment within thirty (30) days of the delivery of the Final Public Report and the Receipt Form. Until then, the Sales Contract constitutes only a reservation agreement, and either the Buyer or the Seller may cancel the Sales Contract by written notice to the other.

(b) That within thirty (30) days after the execution of the Sales Contract by the Buyer, the Buyer will provide the Seller with written evidence satisfactory to the Seller of the Buyer's financial condition and ability to pay the total purchase price of the Apartment on the closing date; and if Buyer fails to provide such information, or if the Seller is not satisfied with the Buyer's ability to pay the total purchase price of the Apartment on the closing date, the Seller may, at Seller's option, elect to terminate the Sales Contract upon written notice to the Buyer and, upon such termination, all monies paid by the Buyer will be refunded, without interest, less the cost of any escrow cancellation fees, and other costs actually incurred by the Seller, escrow or the Buyer's lending institution, if any.

(c) That the Seller makes no warranties, expressed or implied, with respect to the Apartments or any Common Elements or anything installed therein. Seller shall assign to buyers any and all warranties given to Seller by the general contractor of the Project together with any guaranties against faulty material or workmanship. Buyer shall have the benefit of any and all direct warranties given by dealers or manufacturers on appliances installed in the Apartments and the Common Elements.

(d) That the Seller's mortgage loans, if any, used for the construction of the Project, shall be and remain at all times a superior lien on the Project, and buyers intentionally waive and subordinate the priority of their interests under the Sales Contract or reservation agreement in favor of such mortgage loan.

(e) That the Seller reserves the right to amend the condominium documents prior to, and in some cases, after, the Apartment has been conveyed to the Buyer. Those rights are more particularly spelled out in Section III, Paragraph E of the Preliminary Public Report for the Project.

(f) That the Seller reserves the right (a) to develop the Project in three (3) phases, and to construct less than all 40 of the Apartments if the Seller decides not to construct one or more of such phases, as more particularly set forth in Section III Paragraph H of the Preliminary Public Report for the Project.

(g) That the Seller reserves the right to subdivide the Land underlying the Project, and to remove a portion of such Land, containing approximately 4.463 acres, from the Project, leaving approximately 11.807 acres of Land remaining in the Project.

(h) That the Buyer will be responsible for the following closing costs: one half (½) of the escrow fee; the full cost of a Hawaii standard owner's policy of title insurance and of any additional title insurance requested by Buyer or its lender, all costs incurred in connection with any loan obtained by Buyer (including the costs of preparing the promissory note and mortgage, and any points, fees, or other expenses payable to Buyer's lender, and all appraisal fees and charges for Buyer's credit report), all recording costs for the Apartment Deed and any mortgage (including any special mortgage recording fee), Buyer's notary fees and all costs of long distance telephone calls, mailing, air courier and other delivery charges. Buyer will also pay all prepaid real property taxes and assessments, if any (prorated as of the Closing Date), and the estimated amount of the first month's maintenance fee payable to the Association, and the estimated amount of the quarterly assessments payable to the Master Association.

(i) That the Buyer may also be required to pay a non-refundable start-up fee in an amount equal to two (2) months maintenance fees, which shall be a one-time non-transferable non-refundable assessment, in addition to the normal monthly maintenance fees, and shall be held, accounted for and expended as funds of the Association for the benefit of all of the Apartment owners by the managing agent.

(j) That neither the Seller nor the project broker, nor any agents or employees of either, has made any representations or promises regarding Buyer's ability to rent the Apartment, or derive any income therefrom, or to resell the Apartment in the future, or make any profit from any resale of the Apartment. Neither the Seller nor the project broker, nor any agents or employees of either, has made any representations as to the investment value or tax attributes relative to the purchase of the Apartment, and no one is authorized to do so.

(k) That the Buyer will, upon ownership of the Apartment, automatically become a member of the Project's condominium association, and also a member of the Master Association for The Uplands at Mauna Kea, and will be bound by the condominium documents for the Project and also by the Declaration of Protective Covenants, Conditions and Restrictions for the Master Association.

EXHIBIT "J"**SUMMARY OF ESCROW AGREEMENT**

An executed Escrow Agreement has been submitted to the Real Estate Commission as part of the registration. The Escrow Agreement dated September 1, 1999, identified Title Guaranty Escrow Services, Inc. as the escrow agent.

The Escrow Agreement provides that the Escrow Agent shall hold all of the deposits made by Buyer and will not disburse any of Buyer's deposits until the following conditions have been fulfilled:

(a) The Real Estate Commission shall have issued an effective date for a Final Public Report on the Project; provided, however, to the extent any Sales Contracts are entered into and such buyer's funds are obtained prior to the issuance of an effective date for such Final Public Report, no disbursements shall be made from such buyer's funds until (i) an effective date for such Final Public Report shall have been issued; and (ii) the buyer shall have been given a copy of said Final Public Report and shall have acknowledged receipt of same or shall have been deemed to have acknowledged receipt of same, and Seller's attorney shall have delivered a written opinion to Escrow that the buyer's Sales Contract has become effective; and

(b) The Seller or Seller's attorney shall have delivered a written opinion to Escrow stating that the requirements of Sections 514A-62 and 514A-63, Hawaii Revised Statutes, as amended, have been met; and

(c) The Seller shall have given Escrow a written waiver of any option in favor of Seller reserved in any Sales Contract to cancel such Sales Contract.

The Escrow Agreement also provides that the Escrow Agent shall refund to Buyer all of Buyer's funds, without interest, less a cancellation fee not to exceed \$250.00, if Buyer shall request refund of his funds and any one of the following shall have occurred:

(a) Developer and Buyer have requested Escrow Agent in writing to return to Buyer the funds of Buyer then held under the Escrow Agreement by Escrow Agent; or

(b) Developer has notified Escrow Agent of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission stated therein or otherwise available to Developer; or

(c) With respect to a Buyer whose funds were obtained prior to the issuance of an effective date for the Final Report, upon receiving a true copy of the Final Report, Buyer elects to cancel the sales contract before the earlier of (1) the conveyance of the condominium unit to the Buyer, or (2) midnight of the thirtieth day following the date of delivery of the final public report to such Buyer, or

(d) There is a material change in the Project which directly, substantially and adversely affects the use or value of (1) the Buyer's condominium unit or limited common elements appurtenant thereto, or (2) those amenities of the Project available for Buyer's use, except for any additions, deletions, modifications and reservations made pursuant to the terms of the Declaration.

Escrow shall promptly and diligently close the transactions and perform such services as are necessary or proper therefore including the recordation of all documents. If Buyer fails to make any payment on or before the due date or fails to perform in any matter which is being handled by Escrow, Escrow shall promptly notify Developer of any such failure on the part of Buyer, and Developer shall have all of Developer's rights set forth in the Sales Contract because of Buyer's default.

EXHIBIT "K"**Description of Developer's Rights to Subdivide and
Remove a Portion of the Land from the Project**

The Developer, in its sole discretion, has reserved the right to subdivide and remove a portion of the Land as indicated in the Declaration (hereinafter referred to as the "Removed Portion") from the Project and the condominium property regime for the Project; provided, however, that Developer shall exercise its right to subdivide and remove the Removed Portion before midnight of June 1, 2002. The Removed Portion will have an area of approximately 4.463 acres, such that the Land remaining subject to the Project and the condominium property regime for the Project will have an area of approximately 11.807 acres.

Any such subdivision and removal of the Removed Portion will create separate legal parcels. Upon such removal of the Removed Portion, the Project will be contained on a parcel separate and apart from the Removed Portion. As the Removed Portion will constitute a separate and distinct legal parcel, Developer shall have the sole and absolute right to develop the Removed Portion as permitted by law and upon such subdivision and removal of the Removed Portion, the Removed Portion and any and all improvements constructed thereon, shall not constitute a part of the Project.

In order to exercise its right to subdivide and remove the Removed Portion from the Project, Developer shall, before midnight of June 1, 2002, notify the Association and each Owner of an Apartment in writing of its intent to exercise its rights. Developer shall not be required to obtain the consent of the Association or any Owner prior to exercising the rights and said right shall be deemed to have been exercised upon written notice to each Owner at his or her last known address by personal delivery or certified or registered (return receipt requested) mail.

Developer shall assume all responsibilities, obligations and costs to obtain all necessary governmental approvals for the subdivision and removal of the Removed Portion from the Project and the condominium property regime of the Project.

Developer shall have the irrevocable right to amend any instrument required under the Declaration or pursuant to Chapter 514A, Hawaii Revised Statutes, as amended, for the sole purpose of showing the Project with an amended description of the Land, without otherwise changing the form or content of the Declaration and the Bylaws except for amendments required by law. The amendment to the Declaration, Bylaws, if necessary, and Condominium Map shall need only the signature of the Developer on behalf of itself and on behalf of all Owners, as such Owners' attorney-in-fact. The amendment shall be effective only upon recording the same with the Bureau of Conveyances of the State of Hawaii. Upon such recording, the Developer shall provide a copy of such amended instruments to the Managing Agent for the Project and each Owner at his or her last known address by certified mail. If more than one person owns an Apartment, the mailing of the amended instruments to one of the Owners shall be sufficient.

The subdivision and removal of the Removed Portion from the Project and the condominium property regime for the Project shall be effective upon the last to occur of all the following conditions:

(1) Recording in the Bureau of Conveyances of the State of Hawaii, by the Developer, of the final subdivision map or description of the land for the Project after final subdivision approval.

(2) Recording in the Bureau of Conveyances of the State of Hawaii, of amendments to the Declaration, the Bylaws, if necessary, and Condominium Map, if necessary.

(3) Recording in the Bureau of Conveyances of the State of Hawaii, by the Developer, of a "Certificate of Subdivision and Removal" which certificate shall contain a revised plot plan showing the re-configuration of the Project.

EXHIBIT "L"**DISCLOSURE ABSTRACT**

Name of Project: The Kumulani at The Uplands at Mauna Kea

Address of Project: Lot C of Uplands at Mauna Kea, Parcel B, Subdivision 2, Ouli
Waimea, County of Hawaii

Developer and Seller: Mauna Kea Properties, Inc.

Address and Telephone No.
of Developer and Seller: 62-100 Kauna'oa Drive, Kamuela, Hawaii 96743-9706
(808) 880-3300

Managing Agent: Augustine Realty

Address and Telephone No.
of Managing Agent: P.O. Box 2002, Kailua-Kona, Hawaii 96745
(808) 326-7170

Annual Maintenance
Fees and Monthly
Estimated Costs for
Each Condominium Unit: See Exhibit "A" attached

Description of Warranties: Paragraph 6.5 of the Reservation Agreement and Sales Contract states: Seller agrees to require from the General Contractor for the Project a written warranty for workmanship and materials in the construction of the Apartment and the Common Elements, together with a covenant to repair any defects due to faulty workmanship or materials which are discovered and reported within one (1) year from the "Date of Substantial Completion", as that term is defined in the Construction Contract entered into between the General Contractor and Seller. Unless specifically prohibited by the terms of any contract or warranty, Seller agrees to assign to Buyer after Seller's final acceptance of the work by the General Contractor, any and all warranties given to Seller by the General Contractor and by any subcontractors or materialmen, including the General Contractor's one year covenant to repair any reported defects as described above. Regardless of whether the warranties given by the General Contractor, and by any subcontractors or materialmen, are assigned to Buyer or not, Seller agrees to cooperate with Buyer during the effective period of any such warranties in asserting any claims based on such warranties, and Buyer acknowledges that such warranties given by the General Contractor, and by any subcontractors and materialmen, shall be in lieu of any warranties of Seller, express or implied, with respect to the Apartment and the Common Elements. Buyer further acknowledges that Seller, not being the manufacturer of the appliances described in Article I of this Agreement, not the manufacturer's agent, is disclaiming any express or implied warranty whatsoever with respect to such appliances, including the merchantability of such appliances and their fitness for any particular

purpose. However, Buyer shall have the benefit of any available manufacturer's or dealer's warranties covering such appliances. Other than as stated above, Buyer acknowledges and agrees that Seller has not made and will not make, and will not be legally obligated for, any warranties, either express or implied, with respect to Buyer's Apartment or any items to be installed therein, or any of the Common Elements of the Project.

After completion of such construction, Seller shall provide lien releases or indemnities to Escrow covering payments to all contractors and subcontractors, and upon such completion and deposit, Seller's obligations under this Section 6.5 shall be deemed to have been performed.

Use: The Project will contain forty (40) residential condominium units which shall be used only for residential purposes.

Reservation of
Development Right:

As provided in Paragraph 20 of the Declaration, the Seller in its sole and absolute discretion shall have the right to construct only Phase I, which will consist of Buildings A, B and C, or only Phases I and II, which will consist of Buildings A, B, C, D, E, F, and G, or only Phases I and III, which will consist of Buildings A, B, C, H, I and J, and the appropriate Common Elements applicable thereto, including, in any case, the recreation building and appurtenant amenities including the swimming pool, BBQ area, and picnic area; provided, however, that if Seller enters into a binding sales contract for any Apartment in Building D, E, F, or G, Seller will be obligated to construct Phase II; and provided further that if Seller enters into a binding sales contract for any Apartment in Buildings H, I, or J, Developer will be obligated to construct Phase III.

The percentage of Common Interest of each Apartment if Phases I, II and III are constructed shall be as provided in Exhibit "B-1" of the Declaration; the percentage of Common Interest of each Apartment if only Phases I and II are constructed shall be as provided in Exhibit "B-2" of the Declaration; the percentage of Common Interest of each Apartment if only Phases I and III are constructed shall be as provided in Exhibit "B-3" of the Declaration; and the percentage of Common Interest of each Apartment if only Phase I is constructed shall be as provided in Exhibit "B-4" of the Declaration.

Each Buyer, having had full opportunity to review and understand Developer's reservation of the right to construct only Phase I, or only Phases I and II, or only Phases I and III, of the Project, as set forth above, understands that such Buyer shall have no statutory, legal or equitable right to rescind any purchase of an Apartment or the obligation to purchase an Apartment as a result of the amendment or creation of any instrument to effectuate the Seller's rights described herein nor the issuance of a supplemental public report by the Real Estate Commission of the State of Hawaii disclosing the same.

Option to Subdivide
and Remove Land:

Paragraph 20 of the Declaration sets forth the rights, powers and privileges of Seller to construct only Phase I, or only Phases I and II, or only Phases I and III, of the Project.

Buyer shall have the full opportunity to read, review, examine and approve of Paragraph 20 of the Declaration prior to the Sales Contract becoming a binding agreement.

As provided in Paragraph 21 of the Declaration, Seller, in its sole and absolute discretion, shall have the right to subdivide and remove a portion of the Land, as indicated on the sketch map attached hereto as Exhibit "1" (hereinafter referred to as the "Removed Portion") from the Project and the condominium property regime for the Project; provided, however, that Developer shall exercise its right to subdivide and remove the Removed Portion before midnight of June 1, 2002. As indicated on Exhibit "1", the Removed Portion will have an area of approximately 4.463 acres, such that the Land remaining subject to the Project and the condominium property regime for the Project will have an area of approximately 11.807 acres.

Any such subdivision and removal of the Removed Portion will create separate legal parcels. Upon such removal of the Removed Portion, the Project will be contained on a parcel separate and apart from the Removed Portion. As the Removed Portion will constitute a separate and distinct legal parcel, Developer shall have the sole and absolute right to develop the Removed Portion as permitted by law and upon such subdivision and removal of the Removed Portion, the Removed Portion and any and all improvements constructed thereon, shall not constitute a part of the Project.

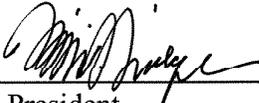
Each Buyer, having had full opportunity to review and understand Developer's reservation of the right to subdivide and remove the Removed Portion from the Project and the condominium property regime for the Project, understands that such Buyer shall have no statutory, legal or equitable right to rescind any purchase of an Apartment or the obligation to purchase an Apartment as a result of the amendment or creation of any instrument required hereunder or pursuant to Chapter 514A, Hawaii Revised Statutes, as amended, or the subdivision regulations of the County of Hawaii, to effectuate the subdivision and removal of the Removed Portion from the Project and the condominium property regime for the Project nor the issuance of a supplemental public report by the Real Estate Commission of the State of Hawaii disclosing the same.

Paragraph 21 of the Declaration sets forth the rights, powers and privileges of Seller to subdivide and remove the Removed Portion from the Project and the condominium property regime established for the Project and the conditions which must be satisfied in order to effectuate the subdivision and removal of the Removed Portion.

Buyer shall have the full opportunity to read, review, examine and approve of Paragraph 21 of the Declaration prior to the Sales Contract becoming a binding agreement.

The Estimate of Maintenance Fee Disbursements and Estimated Maintenance Fee Per Unit Type were prepared as of ~~September~~^{October} 27, 1999 and are hereby certified to have been based on generally accepted accounting principles.

MAUNA KEA PROPERTIES, INC.

By  _____
Its President

By  _____
Its Vice President

EXHIBIT "A"

THE KUMULANI AT THE UPLANDS

Estimated Annual Common Expenses

	<u>MONTHLY</u>	<u>ANNUAL</u>
<u>Utilities and Services</u>		
Electricity (common elements only)	660.00	7,920.00
Pest Control	1,000.00	12,000.00
Refuse Collection	400.00	4,800.00
Water and Sewer	4,794.00	57,528.00
 <u>Maintenance, Repairs and Supplies</u>		
Facilities	1,050.00	12,600.00
Grounds	6,000.00	72,000.00
 <u>Management</u>		
Legal Fees	100.00	1,200.00
Management Fees	1,535.00	18,420.00
Office Expenses	100.00	1,200.00
Reserve Study	130.00	1,560.00
 <u>Insurance</u>		
	1,747.00	20,946.00
 <u>Reserves</u>		
	3,000.00	36,000.00
 <u>Audit Fees</u>		
	104.00	1,248.00
 <u>Other</u>		
Master Association Dues	5,065.00	60,780.00
 TOTAL DISBURSEMENTS		
	<u>25,685.00</u>	<u>308,220.00</u>

ESTIMATED MAINTENANCE CHARGES OR FEES FOR EACH APARTMENT:

1. The estimated monthly maintenance charge for each Type A apartment is \$ 557.07 per month.
2. The estimated monthly maintenance charge for each Type B apartment is \$ 497.06 per month.

3. The estimated monthly maintenance charge for each Type C apartment is \$ 439.22 per month.
4. The estimated monthly maintenance charge for each Type D apartment is \$ 557.07 per month.
5. The estimated monthly maintenance charge for each Type E apartment is \$ 439.22 per month.
6. The estimated monthly maintenance charge for each Type F apartment is \$ 497.06 per month.
7. The estimated monthly maintenance charge for each Type G apartment is \$ 557.07 per month.
8. The estimated monthly maintenance charge for each Type H apartment is \$ 557.07 per month.
9. The estimated monthly maintenance charge for each Type I apartment is \$ 497.06 per month.
10. The estimated monthly maintenance charge for each Type J apartment is \$ 557.07 per month.

Each apartment owner will be required to be a member of the Uplands Community Association. As such member, each apartment owner will be required to pay Uplands Community Association quarterly dues. The Uplands Community Association quarterly dues are anticipated to be \$379.85 per quarter.

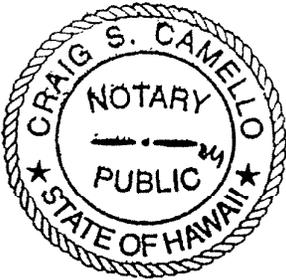
The foregoing estimated monthly maintenance charge for each type apartment does not include the charge for Master Association Dues.

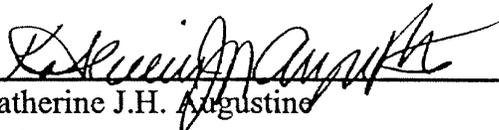
The foregoing estimated monthly maintenance charge for each type apartment assumes that all 40 apartments (Phase I, Phase II and Phase III) are constructed. If the Developer exercises its option to construct only Phase I, or only Phases I and II, or only Phases I and III, as provided in Paragraph 20 of the Declaration, the estimated monthly maintenance charge for each type apartment will increase.

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

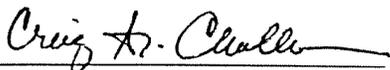
1. That I am a Partner of Augustine Realty, a Hawaii general partnership, designated by the Developer of the THE KUMULANI AT THE UPLANDS condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.
2. That I hereby certify that the estimates of the initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.
3. The charges and the monthly estimated costs for each apartment in the Project, as set forth in Exhibit "A" attached hereto and hereby incorporated herein by reference, have been prepared based upon assumptions regarding the operation of the Project, costs and estimates obtained from sources deemed to be reliable. Exact costs will not be known until actual operating experience has been obtained. Some costs can change dramatically due to industry conditions, market trends or the imposition of governmental regulations.

DATED: Kailua-Kona, Hawaii, this 27th day of October, 1999.




Katherine J.H. Augustine
Partner

Subscribed and sworn to before me
this 27th day of October, 1999.


Notary Public, State of Hawaii
CRAIG S. CAMELLO
My Commission expires: 5/15/03

PRELIMINARY MAP
THE UPLANDS AT MAUNA KEA
PARCEL C SUBDIVISION

LAND SITUATED ON THE SOUTHERLY SIDE OF
ROAD LOT B OF SOUTH KOHALA RESORT SITE PLAN 20940 AND ON
NORTHERLY SIDE OF ROAD LOT C OF SOUTH KOHALA RESORT SITE PLAN 20940

AT OAA, MAIHEA, SOUTH KOHALA,
ISLAND OF HAWAII, HAWAII

Being a portion of Aerial Photograph 2027, Land Commission Award #10-4,
dated 10/10/1961, and the Survey Certificate of Survey No. 22
dated 1/10/62, all of L.A.C. of The State of Hawaii, Part II, Subdivision No. 2 of the Plan

SUBDIVIDED INTO LOTS C, D, E, F, G, H, J, K AND L
AND DESIGNATION OF EASEMENTS

AREA = 16.270 Acres

OWNERS: South Kohala Resort Corp. and
Mauna Kea Beach Hotel Corp.
ADDRESS: 62-100 Mauna Kea Drive
Kamuela, Hawaii 96743

THIS MAP IS PREPARED BY THE ENGINEER'S OFFICE OF THE STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES, AND IS NOT VALID UNLESS IT IS APPROVED BY THE BOARD OF LAND AND NATURAL RESOURCES.

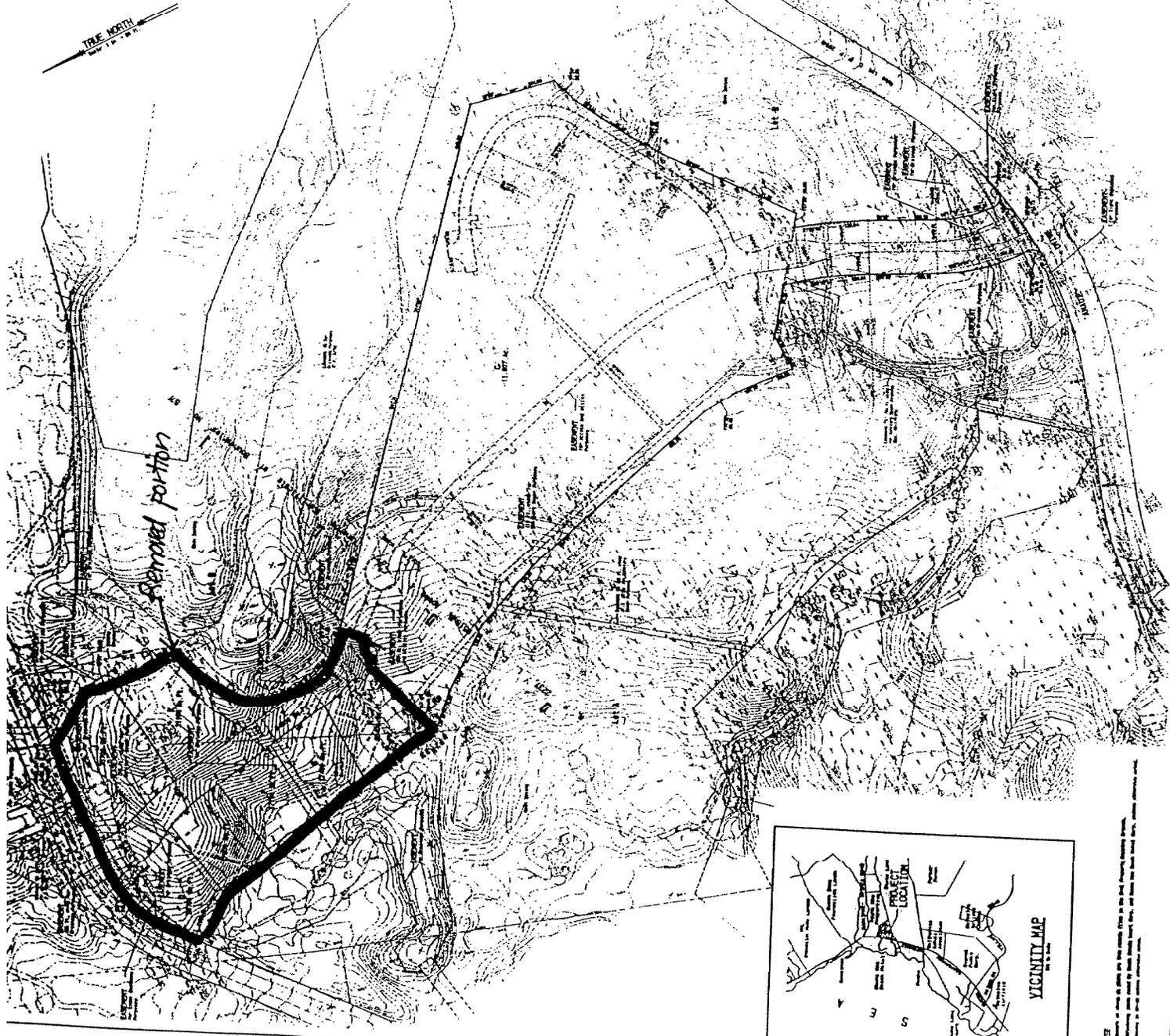
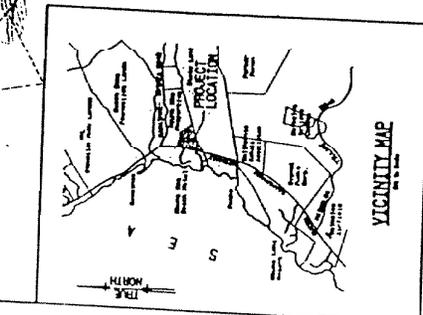


EXHIBIT "1"
to Exhibit "L"