

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Mauna Kea Properties, Inc.
Business Address 62-100 Kauna'oa Drive, Kamuela, HI 96743-9706

Project Name (*): THE KUMULANI AT THE UPLANDS AT MAUNA KEA **
Address: 62-3715 A'maui Drive, Kamuela, Hawaii 96743

Registration No. 4297

Effective date: November 13, 2007
Expiration date: December 13, 2008

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

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

 X **SUPPLEMENTARY:** This report updates information contained in the:
(pink)
[] Preliminary Public Report dated: _____
[X] Final Public Report dated: August 16, 2000, as extended
[] Supplementary Public Report dated: _____

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

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104/0107

** for use in connection with the sale of the following 12 units: A-1; B-1; B-3; E-2; F-2; F-4; G-3
H-3; I-2; I-4; J-1 and J-3

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier 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:

BACKGROUND INFORMATION

The Real Estate Commission of the State of Hawaii issued an effective date for the Final Public Report for The Kumulani at the Uplands at Mauna Kea, Registration No. 4297 (the "Project") on August 16, 2000. The effective date was subsequently extended twice, first to October 16, 2002, and again to November 16, 2003.

After condominium units in the Project were sold and conveyed by the Developer, certain construction defects were discovered. The Developer agreed to institute a repair plan to address those construction defects, as more particularly described in Exhibit "M" attached hereto. The Developer also agreed to repurchase units from those unit owners who did not wish to wait until the repair plan was completed, and the Developer has done so. The units in the Project which are currently owned by the Developer and are covered by this Supplementary Public Report are: A-1; B-1; B-3; E-2; F-2; F-4, G-3; H-3; I-2; I-4; J-1 and J-3.

This Supplementary Public Report has been prepared by the Developer (1) to describe the construction defects which were discovered at the Project, and (2) to describe the repairs that have been made by the Developer to address those defects. In addition, this Supplementary Public Report reactivates the Final Public Report as to all units identified above as being owned by the Developer.

THIS SUPPLEMENTARY PUBLIC REPORT SUPERCEDES ALL PRIOR PUBLIC REPORTS.

CHANGES TO FINAL PUBLIC REPORT

Since the issuance of an effective date for the Final Public Report for the Project, the following changes have occurred with respect to certain information contained in the Final Public Report:

"I. Persons Connected with the Project"

1. Names of officers or general partners of developer who are corporations or partnerships:

Yoichi Asari, President of Developer
Jun Kobayashi, Vice President, Secretary and Treasurer of Developer

2. Real Estate Broker:

Kathrin "Chacha" Kohler, Principal Broker for Mauna Kea Properties, Inc., dba Mauna Kea Realty

3. General Contractor for Repairs:

Hawaiian Dredging Construction Company, Inc.

"II. Creation of the Condominium; Condominium Documents."

Developer elected to construct all of Phases I, II and III (40 units), and thus has waived its reserved right to construct less than all of Phases I, II and III, as set forth in Section E.2.D of the Final Public Report. Accordingly, Section E.2.D of the Final Public Report has been deleted, and Exhibits "F-2", "F-3" and "F-4" of the Final Public report have been deleted.

DESCRIPTION OF IDENTIFIED CONSTRUCTION DEFECTS [See attached Exhibit M]

After the Project was constructed and units were conveyed, the Developer discovered certain defects and deficiencies in the construction of the Project. The defects and deficiencies included those more particularly described in the attached Exhibit M.

DESCRIPTION OF REPAIR PLAN [See attached Exhibit M]

After discovering the defects and deficiencies referred to above, the Developer entered into Settlement Agreements with (1) the Association of Apartment Owners of the Project; and (2) various unit owners within the Project, pursuant to which the Developer agreed to implement a repair plan (the "Repair Plan") to address those defects and deficiencies. The Repair Plan is more particularly described in the attached Exhibit M.

DISCLOSURE ABSTRACT

An updated Disclosure Abstract, dated as of September 25, 2007, is attached hereto as Exhibit "L-1".

TABLE OF CONTENTS

	Page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer	
Attorney for Developer	
General Contractor	
Real Estate Broker	
Escrow Company	
Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A:	Description of Buildings
EXHIBIT B:	Apartment/Unit Types Descriptions
EXHIBIT C:	Parking Stalls
EXHIBIT D:	Common Elements
EXHIBIT E:	Limited Common Elements
EXHIBIT F:	Common Interests
EXHIBIT G:	Encumbrances Against Title
EXHIBIT H:	(OMITTED)
EXHIBIT I:	Summary of Sales Contract
EXHIBIT J:	Summary of Escrow Agreement
EXHIBIT K:	(OMITTED)
EXHIBIT L-1:	Disclosure Abstract and FY 2007 Budget Showing Maintenance Fees and Disbursements
EXHIBIT M:	Description of Identified Construction Defects and Description of Repair Plan.

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

Yoichi Asari - President of Developer
Jun Kobavashi - Vice President, Secretary and Treasurer of Developer

Real Estate Broker*: Kathrin "Chacha" Kohler Phone: 808-882-5300
Principal Broker for Mauna Kea Properties, Inc. (Business)
Name
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*: Hawaiian Dredging Construction Company, Inc. Phone: (808) 735-3211
Name (Business)
614 Kapahulu Avenue
Business Address
Honolulu, Hawaii 96815

Condominium Managing Agent*: Augustine Realty Phone: (808) 326-7170
Name (Business)
75-240 Nani Kailua Dr. Suite 9
Business Address
Kailua-Kona, Hawaii 96740

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

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

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

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

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

The Declaration for this condominium is:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. <u>2000-010985</u>	
			Book _____	Page _____
<input type="checkbox"/>	Filed -	Land Court:	Document No. _____	

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: **First Amendment to the Declaration of Condominium Property Regime dated June 7, 2000, recorded in the Bureau of Conveyances as Document No. 2000-085257**

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

The Condominium Map for this condominium project is:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances Condo Map No. <u>3023</u>		
<input type="checkbox"/>	Filed -	Land Court Condo Map No. _____		

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

See Amendment to Declaration above

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

The Bylaws for this condominium are:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. <u>2000-010987</u>	
			Book _____	Page _____
<input type="checkbox"/>	Filed -	Land Court:	Document No. _____	

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

Amendment to Bylaws dated May 12, 2005 recorded in the Bureau of Conveyances as Document No. 2005-099123.

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. 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.

B. 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.

C. 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.

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: 62-3715 A'maui Drive, Kamuela, HI 96743 Tax Map Key (TMK): (3) 6-2-017-009

Address TMK is expected to change because _____

Land Area: 11.814 * square feet acre(s) Zoning: RM-15

* (The 11.807 acres shown on the Condominium Map is in error.)

Fee Owner: * Mauna Kea Development Corp.
 Name
 62-100 Kauna'oa Drive
 Kamuela, Hawaii 96743

Lessor: _____
 Name

 Business 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 + 1 recreational building 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:

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

Is/Are this/these use(s) specifically permitted by the project's Declaration or 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 has joined 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 B 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 to substantially the condition in which the same existed prior to such alteration or removal, if the new Owner or Owners

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>1 (40 total)</u>	<u>1 (40 total)</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 apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit F.

as follows:

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

Exhibit G describes the encumbrances against the title contained in the title report dated September 24, 2007 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 original warranty, which the Developer obtained from the general contractor, has expired. Accordingly, there are no, and the Developer makes no, warranties as to individual apartments and the common elements. Furthermore, the warranty which the Developer obtained from the Repair Contractor (see Exhibit L.1 attached) expired on January 31, 2006. Accordingly, there are no existing warranties, and the Developer makes no warranties for the Repair Work (see Exhibit L.1 attached).

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:

Construction of the Project has been completed. In addition, the Repair Plan, more particularly described in Exhibit M has been completed.

H. Project Phases:

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

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

B. **Estimate of Initial Maintenance Fees:**

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

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

Exhibit L-1 contains a schedule of maintenance fees and maintenance fee disbursements for Fiscal Year 2007 (budget for Fiscal Year 2008 is being prepared).

* Note: Developer has conducted a reserve study in accordance with Section 514A-83.6, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

C. **Utility Charges for Apartments:**

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

None Electricity (Common Elements only _____ Common Elements & Apartments)

Gas (_____ Common Elements only _____ Common Elements & Apartments)

Water Sewer Television Cable

Other Refuse collection, Pest control

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit I contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated September 1, 1999
Exhibit J contains a summary of the pertinent provisions of the escrow agreement.
- 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 issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 4297 filed with the Real Estate Commission on November 10, 1999.

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

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

C. Additional Information Not Covered Above

1. 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.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Mauna Kea Properties, Inc.
Printed Name of Developer

By:  November 2, 2007
Duly Authorized Signatory* Date

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

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

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

EXHIBIT "A"

DESCRIPTION OF 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"

<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 "G"

ENCUMBRANCES AGAINST TITLE

1. For information regarding real property taxes which may be due and owing, reference is made to the Real Property Tax Division, Department of Finance, County of Hawaii.
 2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
 3. DESIGNATION OF EASEMENT "4" for drainage purposes, shown on File Plan No. 2264.
 4. DESIGNATION OF EASEMENT "7" for drainage purposes, shown on File Plan No. 2264.
 5. DESIGNATION OF EASEMENT "21" for sanitary sewer purposes, shown on File Plan No. 2264.
 6. DESIGNATION OF EASEMENT "23" for access and utility purposes, shown on File Plan No. 2264.
 7. DESIGNATION OF EASEMENT "24" (20 feet wide) for access and utility purposes, shown on File Plan No. 2264.
 8. GRANT in favor of 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 in favor of 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 in favor of 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 purposes, containing an area of 6,486 square feet, more or less.
 11. The terms and provisions contained in DECLARATION OF CONDITIONS dated April 11, 1995, recorded in said Bureau as Document No. 95-049097.
 12. The terms and provisions contained in 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 amended by instruments dated October 10, 1999, recorded in said Bureau as Document No. 99-165199, dated May 11, 2004, recorded in said Bureau as Document No. 2004-095010, and dated February 17, 2005, recorded in said Bureau as Document No. 2005-032812.

13. The terms and provisions contained in WARRANTY DEED dated September 1, 1999, recorded in said Bureau as Document No. 99-141836.

The foregoing includes, but is not limited to, matters relating to: (a) water reservation, (b) golf course related activities, on adjacent golf course, and (c) potential archeological restrictions.

14. The terms and provisions contained in DECLARATION OF CONDOMINIUM PROPERTY REGIME for "THE KUMULANI AT THE UPLANDS AT MAUNA KEA" dated January 8, 2000, recorded in said Bureau as Document No. 2000-010985.

CONDOMINIUM MAP NO. 3023 and any amendments thereto.

Said Declaration was amended by instrument dated June 7, 2000, recorded in said Bureau as Document No. 2000-085257.

15. The terms and provisions contained in BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS dated January 8, 2000, recorded in said Bureau as Document No. 2000-010987.

Said By-laws were amended by instrument dated May 12, 2005, recorded in said Bureau as Document No. 2005-099123.

-Note:- The above amendment references Document No. 2000-010985, which is actually the Declaration of Condominium Property Regime.

16. GRANT in favor of WATER COMMISSION OF THE COUNTY OF HAWAII, dated September 12, 2000, recorded in said Bureau as Document No. 2000-141327; granting the right in the nature of a perpetual non-exclusive easement for access and utility purposes.

17. Designation of the following easements for water meter purposes, shown on survey map prepared by Robert W. Cunningham, Licensed Professional Land Surveyor with Belt Collins Hawaii Ltd., dated October 19, 2000, to-wit:

- (A) EASEMENT "W-1", containing an area of 180 square feet, more or less;
- (B) EASEMENT "W-2", containing an area of 205 square feet, more or less;
- (C) EASEMENT "W-3", containing an area of 180 square feet, more or less;
- (D) EASEMENT "W-4", containing an area of 180 square feet, more or less;

- (E) EASEMENT "W-5", containing an area of 180 square feet, more or less;
 - (F) EASEMENT "W-6", containing an area of 180 square feet, more or less;
 - (G) EASEMENT "W-7", containing an area of 217 square feet, more or less;
 - (H) EASEMENT "W-8", containing an area of 195 square feet, more or less;
 - (I) EASEMENT "W-9", containing an area of 181 square feet, more or less;
 - (J) EASEMENT "W-10", containing an area of 178 square feet, more or less; and
 - (K) EASEMENT "W-11", containing an area of 275 square feet, more or less.
18. GRANT in favor of HAWAII ELECTRIC LIGHT COMPANY, INC. and VERIZON HAWAII INC., dated January 16, 2001, recorded in said Bureau as Document No. 2001-053967; granting a perpetual right and easement for utility purposes.
19. GRANT in favor of HAWAII ELECTRIC LIGHT COMPANY, INC. and VERIZON HAWAII INC., dated October 31, 2001, recorded in said Bureau as Document No. 2001-193862; granting a perpetual right and easement for utility purposes.
20. GRANT OF EASEMENT in favor of the WATER BOARD OF THE COUNTY OF HAWAII, dated May 6, 2003, recorded in said Bureau as Document No. 2003-090466; granting a non-exclusive easement over and across Easements "W-1" through "W-12", inclusive, for water meter and related facilities purposes, said easements being more particularly described therein.
21. -As to APARTMENT A-1 only:-
- The terms and provisions contained in Limited Warranty Apartment Deed dated September 12, 2001, recorded in said Bureau as Document No. 2001-148164.
- The foregoing includes, but is not limited to, matters relating to resort-related activities on adjacent land and archaeological restrictions.
22. -As to APARTMENT B-3 only:-
- The terms and provisions contained in Limited Warranty Apartment Deed dated June 23, 2002, recorded in said Bureau as Document No. 2002-114523.
- The foregoing includes, but is not limited to, matters relating to resort-related activities on adjacent land and archaeological restrictions.

23. -As to APARTMENT F-2 only:-

The terms and provisions contained in Limited Warranty Apartment Deed dated March 23, 2002, recorded in said Bureau as Document No. 2002-053373.

The foregoing includes, but is not limited to, matters relating to resort-related activities on adjacent land and archaeological restrictions.

24. -As to APARTMENT F-4 only:-

The terms and provisions contained in Limited Warranty Apartment Deed dated February 4, 2002, recorded in said Bureau as Document No. 2002-030865.

The foregoing includes, but is not limited to, matters relating to resort-related activities on adjacent land and archaeological restrictions.

25. -As to APARTMENT G-3 only:-

(A) The terms and provisions contained in Limited Warranty Apartment Deed dated October 30, 2001, recorded in said Bureau as Document No. 2001-180856.

The foregoing includes, but is not limited to, matters relating to resort-related activities on adjacent land and archaeological restrictions.

(B) RIGHT OF FIRST REFUSAL by and between MAUNA KEA DEVELOPMENT CORP., a Hawaii corporation, as "Grantor", and ALLAN RIGBERG, unmarried, as "Grantee" dated May 13, 2003, recorded in said Bureau as Document No. 2003-094212.

26. -As to APARTMENT H-3 only:-

The terms and provisions contained in Limited Warranty Apartment Deed dated August 12, 2002, recorded in said Bureau as Document No. 2002-141468.

The foregoing includes, but is not limited to, matters relating to resort-related activities on adjacent land and archaeological restrictions.

EXHIBIT "H"

[omitted]

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 Supplementary Public Report for the Project has been issued by the Real Estate Commission, the Seller has delivered a copy of the Supplementary Public Report and the Receipt Form therefor to the Buyer, and the Buyer either (a) indicates Buyer's acceptance of the Supplementary 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 Supplementary 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. 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 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.

(g) 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.

(h) 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.

(i) 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"

[omitted]

UPDATED DISCLOSURE ABSTRACT

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

Address of Project: 62-3715 'Amaui Drive, Kamuela, Hawaii 96743

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

Project Budget for 2007 (including Monthly Maintenance Fees and Monthly and Annualized Costs for Each Condominium Unit Type): See Exhibit "A" attached

Description of Warranties For Repair Work:

There are no existing warranties for the Repair Work. Developer obtained from Hawaiian Dredging Construction Company, Inc., (the "Repair Contractor"), a written warranty for workmanship and materials used in the Repair Plan (except for the DR/G Floor System described in the Repair Plan), together with a covenant to repair any defects due to faulty workmanship or materials discovered and reported within one (1) year from the date of substantial completion of the repairs. Substantial completion for the repairs for all the Apartments occurred on January 31, 2005. Accordingly, the above-described warranty expired, pursuant to its terms, on January 30, 2006.

The DR/G Floor System was replaced by the Developer with the originally specified Enkasonic/Gyp-Crete floor system.

The Developer shall have no responsibility for, and makes no warranty with respect to, the construction of the units in the Project, or the common elements of the Project, including, without limitation, the Repair Plan. Buyers acknowledge that there are no warranties of Developer, express or implied, with respect to the unit and the common elements of the Project. Buyers further acknowledge that Developer,

not being the manufacturer of the appliances installed in the unit, nor 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, buyers shall have the benefit of any available manufacturer's or dealer's warranties covering such appliances. Other than as stated above, buyers acknowledge and agree that Developer 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 unit or any items to be installed therein, or any of the common elements of the Project.

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

Reservation of Development Right: Developer has constructed Phase I, Phase II and Phase III of the Project (40 units) and thus has waived its reserved rights to construct less than all of Phase I, Phase II and Phase III

The Project Budget (including Maintenance Fee Disbursements and Maintenance Fee Per Unit Type) for the period January 1, 2007 to December 31, 2007, were prepared as of January 1, 2007 and are hereby certified to have been based on generally accepted accounting principles.

MAUNA KEA PROPERTIES, INC.

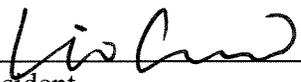
By 
Its President

EXHIBIT "A" TO EXHIBIT "L.1"

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, the Managing Agent for the management and administration of THE KUMULANI AT THE UPLANDS condominium project (the "Project").
2. That I hereby certify that the attached Project budget, for the period January 1, 2007 to December 31, 2007, was 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, including actual operating expenses. Some costs can change dramatically due to industry conditions, market trends or the imposition of governmental regulations.

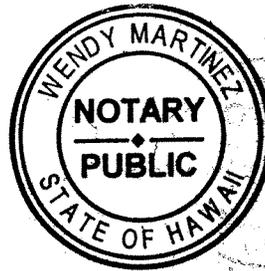
DATED: Kailua, Kona, Hawaii, this 25 day of Sept, 2007.


Katherine J. H. Augustine
Partner

Subscribed and sworn to before me this
25th day of Sept, 2007.



Notary Public, State of Hawaii
My commission expires: May 25, 2011



356185.2

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)	1,873.00	22,472.00
Pest Control	745.00	8,946.00
Refuse Collection	551.00	6,611.00
Water and Sewer	6,708.00	80,490.00
<u>Maintenance, Repairs and Supplies</u>		
Facilities	6,710.00	80,522.00
Grounds	12,044.00	144,525.00
<u>Management</u>		
Legal Fees	5,106.00	61,268.00
Management Fees	1,809.00	21,709.00
Office Expenses	149.00	1,782.00
Reserve Study	0.00	0.00
<u>Insurance</u>	6,685.00	80,210.00
<u>Reserves</u>	4,244.00	50,923.00
<u>Audit Fees</u>	308.00	3,701.00
<u>Other</u>		
Master Association Dues	8,171.00	98,050.00
TOTAL DISBURSEMENTS	<u>55,103.00</u>	<u>661,209.00</u>

ESTIMATED MAINTENANCE CHARGES OR FEES FOR EACH APARTMENT:

1. The estimated monthly maintenance charge for each Type A apartment is \$ 1,182.21 per month.
2. The estimated monthly maintenance charge for each Type B apartment is \$ 1,054.86 per month.

3. The estimated monthly maintenance charge for each Type C apartment is \$ 932.12 per month.
4. The estimated monthly maintenance charge for each Type D apartment is \$ 1,182.21 per month.
5. The estimated monthly maintenance charge for each Type E apartment is \$ 1,054.86 per month.
6. The estimated monthly maintenance charge for each Type F apartment is \$ 932.12 per month.
7. The estimated monthly maintenance charge for each Type G apartment is \$ 1,182.21 per month.
8. The estimated monthly maintenance charge for each Type H apartment is \$ 1,182.21 per month.
9. The estimated monthly maintenance charge for each Type I apartment is \$ 1,054.86 per month.
10. The estimated monthly maintenance charge for each Type J apartment is \$ 1,182.21 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 \$612.81 per quarter.

EXHIBIT "M"

DESCRIPTION OF IDENTIFIED CONSTRUCTION DEFECTS:

After the Project was constructed and units were conveyed, the Developer discovered certain defects and deficiencies in the construction of the Project. The defects and deficiencies included the following:

- A. Lack of flashing or inadequate or improper flashing of windows, sliding doors, decks, lanais and landings;
- B. Cracks in window frames and sliding glass door frames;
- C. Cracks in and Improper construction of sliding glass door frames;
- D. Lack of slope and presence of depressions at lanais, improper framing and flashing at lanais, inadequate or improper waterproofing and coating, and improper trim, allowing water to collect and pond on lanais;
- E. Failure of adhesion between finish coat and base coat of stucco, resulting in the stucco finish falling off the exterior surface of the buildings;
- F. Defective installation of Enkasonic/lightweight concrete floor system, interior drywall and ceiling, resulting in the apartment units failing sound transmission tests;
- G. Lack of adequate flashing and sufficient materials at stairs to prevent wear and tear at those areas; and improper stair riser height;
- H. Improper location of condensate drains;
- I. Installation of blown-in insulation instead of blanket insulation at attics;
- J. Lack of backing in the installation of shower pans;
- K. Improper installation of structural steel framing;
- L. Improper installation of connections between rear lanai joists and steel I-beams;
- M. Lack of R-11 insulation in exterior walls;
- N. Lack of one-hour fire rated separation between first and second floor units;
- O. Failure to install fire blocking at columns;
- P. Improper swimming pool depth;
- Q. Damage to roadways and driveways.
- R. Defective ceramic tile work

A more detailed description of the Defects List is on file at the office of the Project Broker, and is available for inspection by purchasers upon request.

DESCRIPTION OF REPAIR PLAN:

After discovering the defects and deficiencies described above, the Developer entered into Settlement Agreements with (1) the Association of Apartment Owners of the Project; and (2) various unit owners in the Project, pursuant to which the Developer agreed to implement a repair plan (the "Repair Plan") to address the construction defects described above.

(A more detailed description of the Repair Plan is on file at the office of the Project Broker, and is available for inspection by purchasers upon request.)

The Developer entered into a contract (the "Repair Contract") with Hawaiian Dredging Construction Company, Inc., (the "Repair Contractor") to undertake the work required under the Repair Plan.

The Developer obtained from the Repair Contractor, a written warranty for workmanship and materials used in the Repair Plan, 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 of the repairs.

Substantial completion of the Repair Work occurred on January 31, 2005. Accordingly, the above-described warranty expired, pursuant to its terms, on January 30, 2006. The Repair Contractor has been paid all amounts due under the Repair Contract.

The Developer will assign to the purchaser of a unit all of such warranties given to the Developer by the Repair Contractor, to the extent such warranties remain in existence. Apart from such assignment, the Developer shall have no responsibility for, and makes no warranty with respect to, the construction of the units in the Project, or the common elements of the Project, including, without limitation, the Repair Plan.

SETTLEMENT AGREEMENT:

After the defects were discovered, a settlement was reached between the Developer and the owner and seller of the Project, Mauna Kea Development Corp., a Hawaii corporation ("MKDC") with the Association of Apartment Owners of The Kumulani at the Uplands at Mauna Kea, a Hawaii condominium association ("Association"), Robert B. Adams, trustee of the generation skipping trust of Retta C. Adams ("Adams"), Vern Rees ("Rees") and other owners ("Owners") who bought units at the Project. As part of the settlement, HKDC and Developer agreed to the specification, installation, and/or acceptance of the floor system requested by the Association, Adams and Rees, utilizing the Dodge-Regupol mat product. The Settlement Agreement contained indemnity and other agreements which the Developer and MKDC allege were violated by the defendants. Accordingly, a lawsuit that was filed by the Developer and MKDC, in the Third Circuit Court of the State of Hawaii in Civil No. 06-1-0134 (the "Lawsuit"), against the following named and unnamed Defendants:

1. ASSOCIATION OF APARTMENT OWNERS AT THE KUMULANI AT THE UPLANDS AT MAUNA KEA, a Hawaii condominium association,
2. ROBERT B. ADAMS, Trustee of the Generation Skipping Trust of Retta C. Adams,
3. VERN REES,
4. PETER V. WALBURN,

5. TEICHNER-WALBURN & ASSOCIATES, LLC, a Hawaii limited liability company,
 6. JAMES N. REINHARDT,
 7. ARCHITECTURAL DIAGNOSTICS, LTD., a Hawaii corporation,
 8. GYPSUM FLOORS OF HAWAII, INC., a Hawaii corporation,
 9. HAWAIIAN DREDGING CONSTRUCTION COMPANY, INC., a Hawaii corporation,
 10. MAXXON CORPORATION, a Minnesota corporation,
 11. DODGE-REGUPOL, INC., a Pennsylvania corporation, and
- JOHN DOES 1-10, JANE DOES 1-10, DOE PARTNERSHIPS 1-10, DOE CORPORATIONS 1-10, DOE ENTITIES 1-10, and DOE GOVERNMENTAL UNITS 1-10.

The Lawsuit is a Breach of Contract Lawsuit in which the Developer and MKDC claim that the Settlement, Release and Indemnification Agreement (“Settlement Agreement”) with Developer and MKDC contained an indemnity provision requiring the Owners, Association, Adams, Rees and Owners to indemnify, hold harmless and defend Developer and MKDC from any and all claims arising from the specification, installation, and/or acceptance of the floor system requested by the Association, Adams and Rees utilizing the Dodge-Regupol mat product.

The Settlement Agreement also contained an assignment of claims provision which assigned to the Developer and MKDC all rights the Association, Adams, Rees and Owners had, or may have in the future, to the Released Claims as defined in the Settlement Agreement, against all contractors, subcontractors, suppliers, design professionals, and consultants involved in construction of the Project.

The Settlement Agreement is on file at the office of the Project Broker and is available for inspection by purchasers upon request.

In the Lawsuit, Developer and MKDC seek to recover damages from the Association, Adams, Rees and Owners for the breach of the indemnity provision.

DESCRIPTION OF STATUS OF LAWSUIT:

With respect to the Dodge-Regupol floor system that was installed pursuant to the Settlement Agreement, serious problems with the floor developed resulting in claims being made against Developer and MKDC that they were responsible for remedying the failed floor system. Developer and MKDC subsequently tendered its defense of the claims to the Association, Adams, Rees or Owners on several occasions, the earliest being June 4, 2004. The Association, Adams, Rees and Owners refused Developer and MKDC's tenders of defense.

Due to the failure of the Association, Adams, Rees and Owners to uphold their indemnity, hold harmless, and defense obligations under the Settlement Agreement, Developer and MKDC was forced to incur the expense of remedying the Dodge-Regupol floor system problem, which entailed tearing out all of the Dodge-Regupol floor systems that had been installed and replacing them with the originally specified Enkasonic/Gyp-Crete floor system.

While the Repair Work and replacement of the Dodge-Regupol floor systems have now been completed, the Lawsuit involves claims, counterclaims and cross claims arising from specifying, installing and/or accepting the Dodge-Regupol floor system that have been asserted against Developer and MKDC, Association, Adams, Rees, Owners, the other named and un-named defendants in the Lawsuit.

To date, the Association has refused to defend, or otherwise has failed to defend, Developer and MKDC in this matter despite their tenders of defense. As a result, on April 26, 2006, Developer and MKDC filed its Complaint in the Lawsuit. The Complaint is on file at the office of the Project Broker and is available for inspection by purchasers upon request

On March 20, 2007, Developer and MKDC filed a Third-Party Complaint Over and Against Owners who were named as Third Party Defendants in the Lawsuit. The Third-Party Complaint is on file at the office of the Project Broker and is available for inspection by purchasers upon request.

Judge Elizabeth Strance, the Circuit Court Judge in Kona has been assigned this case. No trial date has been set for the Lawsuit as of this date.

THE DEVELOPER IS THE OWNER OF 12 UNITS IN THE PROJECT, AND IS THUS A MEMBER OF THE ASSOCIATION. THE DEVELOPER HAS AGREED THAT IT (AND NOT ANY PURCHASER OF THE 12 UNITS CURRENTLY OWNED BY THE DEVELOPER) WILL RESPONSIBLE FOR THE SHARE OF ANY DAMAGES, COSTS AND EXPENSES INCURRED BY THE ASSOCIATION IN THE LAWSUIT, ATTRIBUTABLE TO THOSE 12 UNITS (i.e., 29.821178117%). ACCORDINGLY, THE LAWSUIT WILL HAVE NO ECONOMIC IMPACT ON PURCHASERS' INTERESTS IN THE 12 UNITS.