

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer CASTLE & COOKE HOMES HAWAII, INC.
Address 100 Kahelu Avenue, 2nd Floor, Mililani, Hawaii 96789
Project Name (4): DESTINY AT MILILANI - PHASE III
Address: Kuaoa Street, Mililani, Hawaii 96789

Registration No. 4465 Effective date: March 20, 2001
Expiration date: April 20, 2002

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
CONTINGENT FINAL: (green) The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
X SUPPLEMENTARY: (pink) This report updates information contained in the:
[X] Final Public Report dated: November 13, 2000.
And [X] Must be read together with Final Public Report dated November 13, 2000.

(4) Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

1. The apartment type for Apartment No. 120 has changed from Apartment Type E2R to Apartment Type BM2. In connection therewith, the Declaration of Condominium Property Regime of Destiny at Mililani – Phase III dated October 31, 2000, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2661674, and Condominium Map 1380 were amended by that certain First Amendment to Declaration of Condominium Property Regime of Destiny at Mililani – Phase III dated February 27, 2001, filed in said Office of the Assistant Registrar as Document No. 2689363 (the “First Amendment”). A copy of the First Amendment has been provided to the Real Estate Commission.

2. The Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement dated September 19, 2000, filed as Document No. 2652425, and also recorded as Document No. 2000-132861, the Financing Statement recorded as Document No. 2000-132862, and the Assignment of Leases and Rents dated September 19, 2000, recorded as Document No. 2000-139598, have been released from the land that is part of the Project.

SPECIAL DISCLOSURE:

The Developer has agreed with the City and County of Honolulu (which, together with its own Department of Planning and Permitting, is herein called the "City"), that the Developer will offer apartments in the Project for sale to owner-occupants. Notwithstanding any other provision contained in this Public Report to the contrary, during the effective period and pursuant to the terms of Ordinance 99-51, and subject to any restrictions imposed by the City, the Developer may offer and sell apartments within the Project to owner-occupant purchasers free from any conditions relating to eligibility requirements (other than owner-occupancy requirements). However, if Ordinance 99-51 is repealed or if required by the City, offers and sales of apartments in the Project may be subject to eligibility requirements.

SPECIAL ATTENTION:

The Developer has disclosed the following:

1. This is a CONDOMINIUM PROJECT, not a subdivision. The yard areas, consisting of the land appurtenant to and under the apartments, are designated as LIMITED COMMON ELEMENTS and are not legally subdivided lots. The lines on the Condominium Map bounding the designated yard areas should not be construed to be the property lines of legally subdivided lots.
2. The apartments in the Project have certain owner-occupancy requirements and certain restrictions on use and transfer after the purchase. Buyers of apartments in this Project should be aware of such restrictions in the Apartment Deed, which are more particularly described in Section 10 of Exhibit I (Summary of Sales Agreement) of this Public Report and in the "Specimen Apartment Deed" filed at the Developer's Sales Office.
3. Except for "Permitted Transfers" (as defined in the Apartment Deed), Buyers may not "Transfer" (as defined in the Apartment Deed) the apartments during a certain specified period.

The prospective Buyer is cautioned to carefully review this Public Report and the documents filed at the Developer's Sales Office in connection with the Project for further information in connection with the foregoing.

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

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2661674

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

First Amendment to Declaration of Condominium Property Regime of Destiny at Mililani – Phase III dated February 27, 2001, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2689363.

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. 1380

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

First Amendment to Declaration of Condominium Property Regime of Destiny at Mililani – Phase III dated February 27, 2001, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2689363.

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2661675

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

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/F.

as follows:

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

described in Exhibit 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 March 14, 2001, and issued by Title Guaranty of Hawaii, Incorporated.

Blanket Liens:

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

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

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

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

Type of Lien

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

F. **Construction Warranties:**

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

1. Building and Other Improvements:

SEE SECTION 3 OF EXHIBIT H (DISCLOSURE ABSTRACT)

2. Appliances:

SEE SECTION 3 OF EXHIBIT H (DISCLOSURE ABSTRACT)

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 Mililani Town Covenants; Declaration of Merger of Condominium Phases

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

This Public Report is a part of Registration No. 4465 filed with the Real Estate Commission on July 25, 2000.

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

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CONDOMINIUM PUBLIC REPORT ON
DESTINY AT MILILANI - PHASE III

EXHIBIT A

APARTMENT DESCRIPTION

<u>Apt. Type</u>	<u>Quantity</u>	<u>Bedroom/ Bath</u>	<u>Approx. Net Living Area in Sq. Ft.</u>	<u>Approx. Net Garage Area in Sq. Ft.</u>	<u>Approx. Net Entry Area in Sq. Ft.</u>
A1	3	3/2	932	359	12
A1R	2	3/2	932	359	12
A2R	2	3/2	932	359	12
B1	4	3/2	1,212	394	28
B2	1	3/2	1,212	394	28
BM2	1	3/2.5	1,150	370	13
C1	1	3/2.5	1,296	392	33
C1R	5	3/2.5	1,296	392	33
C2	2	3/2.5	1,296	392	33
C2R	3	3/2.5	1,296	392	33
C3	1	3/2.5	1,296	392	33
C3R	1	3/2.5	1,296	392	33
D1	1	4/2.5	1,428	392	33
D1R	4	4/2.5	1,428	392	33
D2	5	4/2.5	1,428	392	33
D2R	1	4/2.5	1,428	392	33
D3	2	4/2.5	1,428	392	33
E1	4	3/2.5	1,508	377	56
E1R	6	3/2.5	1,508	377	56
E2	4	3/2.5	1,508	377	56
E2R	8	3/2.5	1,508	377	56

Total Apartments: 61

*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.

CONDOMINIUM PUBLIC REPORT ON
DESTINY AT MILILANI - PHASE III

EXHIBIT F

COMMON INTERESTS AND LIMITED COMMON ELEMENTS

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Yard Area No.</u>	<u>Common Interest</u>
60	E1	Y-60	1.63934%
61	A1	Y-61	1.63934%
62	D3	Y-62	1.63934%
63	C2R	Y-63	1.63934%
64	E2R	Y-64	1.63934%
65	D1R	Y-65	1.63934%
66	E2R	Y-66	1.63934%
67	C3R	Y-67	1.63934%
68	E2R	Y-68	1.63934%
69	B2	Y-69	1.63934%
70	B1	Y-70	1.63934%
71	C1R	Y-71	1.63934%
72	E1	Y-72	1.63934%
73	D2R	Y-73	1.63934%
74	E2	Y-74	1.63934%
75	C1R	Y-75	1.63934%
76	E1	Y-76	1.63934%
77	D1R	Y-77	1.63934%
78	A2R	Y-78	1.63934%
79	C2R	Y-79	1.63934%
80	D3	Y-80	1.63934%
81	E1R	Y-81	1.63934%
82	C2	Y-82	1.63934%
83	A1	Y-83	1.63934%
84	E1R	Y-84	1.63934%
85	D2	Y-85	1.63934%
86	E2R	Y-86	1.63934%
87	D2	Y-87	1.63934%
88	E1R	Y-88	1.63934%

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Yard Area No.</u>	<u>Common Interest</u>
89	C1	Y-89	1.63934%
90	E2R	Y-90	1.63934%
91	D2	Y-91	1.63934%
92	E2R	Y-92	1.63934%
93	C1R	Y-93	1.63934%
94	E2	Y-94	1.63934%
95	D2	Y-95	1.63935%
96	E1R	Y-96	1.63935%
97	A1R	Y-97	1.63935%
98	C1R	Y-98	1.63935%
99	B1	Y-99	1.63935%
100	E2R	Y-100	1.63935%
101	C3	Y-101	1.63935%
102	E1R	Y-102	1.63935%
103	D1	Y-103	1.63935%
104	A1R	Y-104	1.63935%
105	C1R	Y-105	1.63935%
106	E2	Y-106	1.63935%
107	D1R	Y-107	1.63935%
108	B1	Y-108	1.63935%
109	E1R	Y-109	1.63935%
110	E2	Y-110	1.63935%
111	C2R	Y-111	1.63935%
112	E1	Y-112	1.63935%
113	A1	Y-113	1.63935%
114	D2	Y-114	1.63935%
115	E2R	Y-115	1.63935%
116	C2	Y-116	1.63935%
117	B1	Y-117	1.63935%
118	D1R	Y-118	1.63935%
119	A2R	Y-119	1.63935%
120	BM2	Y-120	1.63935%

CONDOMINIUM PUBLIC REPORT ON
DESTINY AT MILILANI - PHASE III

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor of the City and County of Honolulu.
2. Certificate and Authorization dated June 21, 1989, filed as Document No. 1645132. Said Certificate and Authorization was amended by instruments dated November 12, 1991, recorded as Document No. 96-162477; dated April 15, 1997, recorded as Document No. 97-057583; and dated July 18, 1997, recorded as Document No. 97-100983.
3. Declaration of Conditions dated July 30, 1992, filed as Document No. 1940080. Said Declaration was amended by instrument dated April 15, 1997, recorded as Document No. 97-057584.
4. Unilateral Agreement and Declaration for Conditional Zoning dated August 10, 1995, filed as Document No. 2254253.
5. -As to Lot 16229:- Designation of Easements 6205 and 6206, as shown on Map 1040, as set forth by Land Court Order No. 139200, filed August 2, 2000.
6. -As to Lot 16229:- Grant dated August 18, 2000, filed as Document No. 2645742, in favor of Hawaiian Electric Company, Inc. and Verizon Hawaii Inc., of an easement over said Easements 6205 and 6206.
7. -As to Lot 16229:- Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) dated June 29, 2000, filed as Document No. 2647482.
8. -As to Lot 16230:- Designation of Easements 6207, 6208, 6209 and 6210, as shown on Map 1040, as set forth by Land Court Order No. 139200, filed August 2, 2000.
9. -As to Lot 16230:- Grant dated August 18, 2000, filed as Document No. 2645742, in favor of Hawaiian Electric Company, Inc. and Verizon Hawaii Inc., of an easement over said Easements 6207 to 6210, inclusive.

10. -As to Lot 16231:- Designation of Restriction of Vehicular Access Rights as shown on Map 1040, as set forth by Land Court Order No. 139200, filed August 2, 2000.
11. Declaration of Merger of Condominium Phases dated August 11, 2000, filed as Document No. 2644029, as amended from time to time.
12. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Covenants, Conditions and Restrictions for Mililani Town dated April 19, 1968, filed as Document No. 441561, as amended by instrument dated May 22, 1968, filed as Document No. 445150, as amended by instrument dated October 31, 2000, filed as Document No. 2661673, and as further supplemented and amended.
13. Declaration of Condominium Property Regime of Destiny at Mililani - Phase III dated October 31, 2000, filed as Document No. 2661674, as amended by First Amendment to Declaration of Condominium Property Regime of Destiny at Mililani - Phase III dated February 27, 2001, filed as Document No. 2689363, as further amended from time to time, and Condominium Map No. 1380, as amended by First Amendment to Declaration of Condominium Property Regime of Destiny at Mililani - Phase III dated February 27, 2001, filed as Document No. 2689363, as further amended from time to time.
14. By-Laws of the Association of Apartment Owners of Destiny at Mililani - Phase III dated October 31, 2000, filed as Document No. 2661675, as amended from time to time.

CONDOMINIUM PUBLIC REPORT ON
DESTINY AT MILILANI - PHASE III

EXHIBIT H

DISCLOSURE ABSTRACT

1. (a) PROJECT: Destiny at Mililani - Phase III
Mililani, Hawaii
- (b) DEVELOPER: Castle & Cooke Homes Hawaii, Inc.
100 Kahelu Avenue, 2nd Floor
Mililani, Hawaii 96789
Telephone: (808) 548-4811
- (c) PROJECT MANAGER: PWI Real Estate, Inc.
95-390 Kuahelani Avenue
Mililani, Hawaii 96789
Telephone: (808) 623-2899
2. USE OF APARTMENTS:
 - (a) Number of Apartments in Project for Residential Use: 61
 - (b) Proposed Number of Apartments in Project for Hotel Use: -0-
 - (c) Extent of Commercial or Other Nonresidential Development in Project:
None
3. WARRANTIES:
 - (a) Developer warrants that the Apartment is constructed in substantial conformity with the plans and specifications (including any amendments thereof, or changes and variations therein) and against any defects in equipment, material, or workmanship and materials of the Apartment resulting in noncompliance with standards of quality as measured by acceptable trade practices. This warranty shall continue for a period of one (1) year from the date of recordation of the conveyance of title to the original buyer of the Apartment. The Developer shall remedy, at the Developer's expense, any substantial nonconformity or such defects and shall restore any work damaged in fulfilling the terms and conditions of this warranty. Notwithstanding the generality of the foregoing, Developer's warranty shall not cover defects in any appliances or floor coverings within the Apartment. All appliances and floor coverings

within the Apartment shall be covered solely by the warranties of the respective manufacturers thereof and the warranty periods of such warranties may vary.

(b) Developer has contracted or will contract with a licensed soil treatment applicator (the "Applicator") for the pre-construction soil treatment process for the control of subterranean termites and the Developer will require the Applicator to warrant that if termite infestation should occur within one (1) year from the date of treatment of the building in which the Apartment is located, the Applicator will re-treat the soil under the building in which the Apartment is located using the standards in effect at the time of re-treatment. The Applicator shall further agree to repair all construction damage by subterranean termites within the one-year warranty period. Developer will transfer to Buyer any warranty from the Applicator or the Applicator shall issue the warranty directly to Buyer. Developer further agrees without incurring any legal liability, to cooperate with Buyer to have the Applicator perform all warranties for which the Applicator is responsible. Buyer understands that the Developer does not promise that the Applicator will honor his warranties. The one-year warranty period may be extended for Buyers who purchase an Apartment from Developer utilizing certain types of financing.

(c) Developer's obligations under the foregoing warranties are expressly conditioned on written notification by Buyer to Developer of substantial non-conformity, defects or ground termite infestation within the warranty periods set forth above.

(d) Developer warrants against defects in equipment, material, or workmanship and materials of the common elements of the Project resulting in noncompliance with standards of quality as measured by acceptable trade practices for a period of one (1) year from the date of original conveyance of title for the first apartment in the Project that is conveyed by Developer to one or more third parties other than the Developer and shall apply only to such instances of defects as to which the Association shall have given written notice to the Developer within said period of one (1) year.

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

Attached to this Disclosure Abstract as Exhibit "A" is a breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, prepared by PWI Real Estate Inc., a Hawaii corporation, for the one-year period commencing April 1, 2001, and certified to have been based on generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each apartment are subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Developer, apartment owner

delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments. The breakdown of the estimated cost for each apartment contained in this Disclosure Abstract does not include the Buyer's obligation for the payment of the Mililani Town Association initiation assessment of \$100.00 or the Mililani Town Association dues (as of January 1, 2001, \$63.00 per quarter) or real property taxes, and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

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

5. MILILANI TOWN ASSOCIATION DUES:

Each apartment owner will be required to be a member of the Mililani Town Association. As such member, each apartment owner will be required to pay Mililani Town Association an initiation assessment of \$100.00 and dues, which, as of January 1, 2001, are \$63.00 per quarter.

6. TERMINATION OF DEVELOPER'S TEMPORARY ASSUMPTION OF ACTUAL COMMON EXPENSES:

The Developer had assumed all the actual common expenses of the Project (and therefore an apartment owner had not been obligated for the payment of his respective share of the common expenses). Effective from and after March 1, 2001, each apartment owner in the Project shall be obligated to pay his respective share of the common expenses allocated to his apartment.

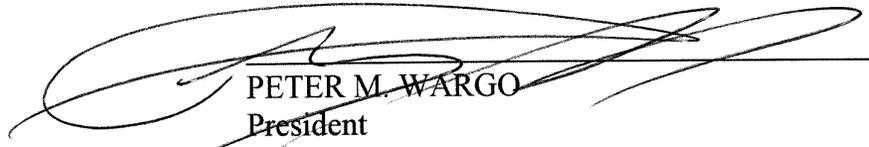
CERTIFICATE

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

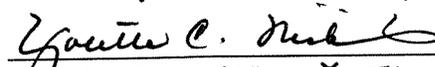
1. That I am the President of PWI Real Estate, Inc., a Hawaii corporation, designated by the Developer of the Destiny at Mililani - Phase III condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. That I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, as set forth in Exhibit "A" attached hereto and hereby incorporated herein by reference, were determined pursuant to a reserve study conducted in accordance with Section 514A-83.6 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, and are reasonable estimates for the one-year period commencing April 1, 2001, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 26th day of FEB, 2001.


PETER M. WARGO
President

Subscribed and sworn to before me
this 26th day of February, 2001.


Typed or Printed Name: YVETTE C. NISHIMOTO
Notary Public, State of Hawaii

My Commission expires: 11-4-2003

EXHIBIT "A"

DESTINY AT MILILANI - PHASE III

Estimated Annual Common Expenses

	<u>MONTHLY</u>	<u>ANNUAL</u>
<u>Insurance – Liability/Property</u>	1,146.00	13,750.00
<u>Insurance – Umbrella</u>	58.00	700.00
<u>Insurance – Fidelity</u>	42.00	500.00
<u>Insurance – Director & Officer</u>	33.00	400.00
<u>Management Fees</u>	200.00	2,400.00
<u>Administrative Fees</u>	40.00	480.00
<u>Audit & Accounting</u>	80.00	960.00
<u>Condominium Registration Fee</u>	27.00	324.00
<u>Taxes – General Excise</u>	3.00	36.00
<u>Reserves</u>	<u>150.00</u>	<u>1,800.00</u>
TOTAL DISBURSEMENTS	<u>\$1,779.00</u>	<u>\$ 21,350.00</u>

ESTIMATED MAINTENANCE CHARGES OR FEES FOR EACH APARTMENT:

The estimated monthly maintenance charge for each apartment is \$30.00 per month.