CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Waihuna Joint Venture, a Hawaii general partnership
Address 220 S. King Street, Suite 2170, Honolulu, Hawaii 96813

Project Name(*): WOODCREEK (PHASE 2)
Address: Wikao Street, Mililani, Hawaii 96789

Registration No. 4580

Effective date: April 10, 2001
Expiration date: May 10, 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. A Final Public Report will be issued by the developer when complete information is filed.

_X_ FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission as to Apartment Nos. 18, 19, 20, 21, 22, 54, 55, 56, 71, 72, 73, 74, 75, 76, 77, 78, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, and 92

[X] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with _____

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

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

(*) Exactly as named in the Declaration

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

FORM: RECO-30 286/986/189/1190/892/0197/1098/800

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [X] 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.

[X] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

SPECIAL ATTENTION

The Project is a condominium project, not a subdivision. The land area appurtenant to each apartment is a limited common element and does not represent a legally subdivided lot. The lines on the Condominium Map showing the boundaries of the land areas are for illustration purposes only and are not intended as and should not be construed as formal subdivision lines.

This Final Public Report covers only Apartment Nos. 18, 19, 20, 21, 22, 54, 55, 56, 71, 72, 73, 74, 75, 76, 77, 78, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91 and 92. The name of the project is "Woodcreek", but these apartments are referred to as "Woodcreek (Phase 2)" for purposes of this Final Public Report. Apartment Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 64, 65, 66, 67, 68, 69 and 70 are covered by Final Public Report dated October 20, 2000 and Supplementary Public Report dated November 8, 2000 (Registration No. 4376). The other apartments in the project will be covered by one or more separate Final Public Reports.

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

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

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

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Waihuna Joint Venture
Name*
220 S. King Street, Suite 2170
Business Address
Honolulu, Hawaii 96813

Phone: (808) 537-5976
(Business)

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):
Waikalani Developers, Inc.

Real Estate Broker*: Towne Realty Brokerage Services, Inc.
Name
220 S. King Street, Suite 2170
Business Address
Honolulu, Hawaii 96813

Phone: (808) 537-5976
(Business)

Escrow: Title Guaranty Escrow Services, Inc.
Name
235 Queen Street, 1st Floor
Business Address
Honolulu, Hawaii 96813

Phone: (808) 521-0211
(Business)

~~General Contractor*~~: Construction Manager: Towne Realty of Hawaii, Inc.
Name
P.O. Box 3247
Business Address
Mililani, Hawaii 96789

Phone: (808) 625-1461
(Business)

Condominium Managing Agent*: Certified Management, Inc.
Name
3179 Koapaka Street, 2nd Floor
Business Address
Honolulu, Hawaii 96819

Phone: (808) 836-0911
(Business)

Attorney for Developer: Rush Moore Craven Sutton Morry & Beh
Name
745 Fort Street, 20th Floor
Business Address
Honolulu, Hawaii 96813

Phone: (808) 521-0400
(Business)

* 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:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
[X] Filed - Land Court: Document No. 2655751

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment of Declaration of Condominium Property Regime of Woodcreek dated January 12, 2001, Land Court Document No. 2678169.

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. _____
[X] Filed - Land Court Condo Map No. 1372

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment of Declaration of Condominium Property Regime of Woodcreek dated January 12, 2001, Land Court Document No. 2678169.

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_____
[X] Filed - Land Court: Document No. 2655752

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment of By-Laws of the Association of Apartment Owners of Woodcreek dated January 12, 2001, Land Court Document No. 2678170.

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 [X] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	—	Majority of the Board of Directors of the Association of Apartment Owners

* 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.

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

See Exhibit "A"

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[ ] Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

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

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

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

For Sub-leaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] Foreclosed

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

[ ] Individual Apartments in Fee Simple: Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

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

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

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

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

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

[ ] Other:

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: Wikao Street
Mililani, Hawaii 96789

Tax Map Key (TMK): (1) 9-5-2-36 and -37

[X] Address [X] TMK is expected to change because the property will be subdivided. Each apartment will have a separate street address.

Land Area: 9.985 * [ ] square feet [X] acre (s) Zoning: R-5

* The Developer is in the process of subdividing the land of the Project into two new parcels. One of the new parcels will be the land of the Woodcreek condominium project. The other parcel will become a part of the Streamside at Launani Valley, Phase I condominium project as part of a correction of the boundary line between the two projects (see Exhibit "A").

Fee Owner: Waihuna Joint Venture
Name
220 S. King Street, Suite 2170
Address
Honolulu, Hawaii 96813

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 24 Floors Per Building 2

   [X] Exhibit "B" contains further explanations.

3. Principal Construction Material:

   [X] Concrete [ ] Hollow Tile [X] Wood

   [X] Other Steel, Glass

4. Uses Permitted by Zoning

		No. of Apts.	Use Permitted By Zoning	
[X]	Residential	27	[X] Yes	[ ] No
[ ]	Commercial		[ ] Yes	[ ] No
[ ]	Mix Res/Comm		[ ] Yes	[ ] No
[ ]	Hotel		[ ] Yes	[ ] No
[ ]	Timeshare		[ ] Yes	[ ] No
[ ]	Ohana		[ ] Yes	[ ] No
[ ]	Industrial		[ ] Yes	[ ] No
[ ]	Agricultural		[ ] Yes	[ ] No
[ ]	Recreational		[ ] Yes	[ ] No
[ ]	Other		[ ] Yes	[ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[X] Yes [ ] No

5. Special Use Restrictions:

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

[X] Pets: Permitted with restrictions

[ ] Number of Occupants: _____

[X] Other: See Declaration, By-Laws and House Rules, generally

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: _____ Trash Chutes: 0

Apt. Type	Quantity	BR/Bath.	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
1710	10	4/2½			
1800	8	4/2½			
2080	3	4/2½			
3230	6	3/2½			

Total Number of Apartments: 27 (See Exhibit "C")

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

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

Boundaries of Each Apartment:
See Exhibit "D"

Permitted Alterations to Apartments:
See Exhibit "E"

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

7. Parking Stalls:

Total Parking Stalls: 62

	Regular Covered	Regular Open	Compact Covered	Compact Open	Tandem Covered	Tandem Open	TOTAL
Assigned (for each unit)	2						54
Guest		8					8
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open:	62		0		0		62

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.

[X] Exhibit "D" contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[X] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute/Enclosure(s)

[ ] Other: _____

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

[X] There are no violations [ ] Violations will not be cured.

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

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):
N/A

11. Conformance to Present Zoning Code

a. [X] 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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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:

[X] described in Exhibit "F" .

[ ] 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.

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

[X] described in Exhibit "G".

[ ] as follows:

NOTE: The land areas referenced in Exhibit "G" 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 _____.

[X] as follows:

Each apartment's common interest is an undivided 1/102 fractional interest (being also an undivided 0.98039+ percentage interest).

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 "H" describes the encumbrances against the title contained in the title report dated January 25, 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.

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

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**
Mortgage	Buyer's contract will be cancelled and Buyer's deposit will be returned. Buyer may lose all rights to acquire the apartment.

F. **Construction Warranties:**

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

1. Building and Other Improvements:
The Developer will convey each apartment by an Apartment Deed with a warranty of title. Other than that, the Developer and the Construction Manager will make no warranties, expressed or implied, about any apartment, the project or anything installed or contained in them. This includes, but is not limited to, warranties of merchantability, habitability, workmanlike construction, fitness for a particular use or purpose or for sufficiency of design. The Developer will assign to the buyers any and all warranties given to the Developer by the subcontractors constructing the improvements and any manufacturer's and dealer's warranties covering any furnishings, fixtures or appliances. The Developer and the Construction Manager are not adopting any such warranties or acting as a co-warrantor, but simply attempting to pass through to the buyers the benefit of any such warranties. The Developer and the Construction Manager make no promises, representations or warranties, express or implied, regarding the scope, term, rights or benefits of such warranties.

2. Appliances:

See Section F.1 above.

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

Construction of the Project began on March 1, 2000, and is estimated to be completed by December 2002.

H. **Project Phases:**

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

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

See Exhibit "A"

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:

[X] not affiliated with the Developer
[ ] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] Other _____

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

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

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

Exhibit "I" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

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

[ ] None [X] Electricity (X Common Elements only _____ Common Elements & Apartments)

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

[ ] Water [ ] Sewer [ ] Television Cable

[X] Other water and sewer for common elements

V. MISCELLANEOUS

A. **Sales Documents Filed With the Real Estate Commission:**

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

[X] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit "J" contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated March 3, 2000.
Exhibit "K" contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

B. **Buyer's Right to Cancel Sales Contract:**

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to $250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

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

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

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

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

If the buyer rescinds a binding sales contract because there has been a material 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 Declaration of Covenants, Conditions and Restrictions for Launani Valley dated December 10, 1992. As amended.

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. 0. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 4580 filed with the Real Estate Commission on February 7, 2001.

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

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

C. **Additional Information Not Covered Above**

Trash Removal

Trash and refuse collection for the Project will be provided by the City and County of Honolulu. Because of the location of Apartment Nos. 8, 9, 10, 11, 12, 13, 14, 77 and 78, the owners and occupants of those apartments will be required to place their trash and refuse in locations which can be accessed by the trash collection trucks. Each of those apartments will have an easement to place their trash and refuse, including without limitation trash cans and receptacles, on the common elements of the Project, including the sidewalks fronting other apartments. The owners and occupants of Apartment Nos. 8, 9, 10, 11, 12, 13, 14, 77 and 78 must (i) comply with all applicable laws, ordinances and rules regarding the removal of trash, (ii) remove all trash cans and receptacles and the remnants of the trash and refuse from the common elements as soon as practicable after the removal of the trash and refuse by the City and County of Honolulu, and (iii) not interfere with the use and enjoyment of the Private Yards adjacent to the portions of the common elements where the trash and refuse are placed

Launani Valley Master Association

The Project is located within an area intended to be developed as a master planned community known as "LAUNANI VALLEY," described in that certain Declaration of Covenants, Conditions and Restrictions for Launani Valley dated December 10, 1992, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1978661, as amended by Annexation of Additional Property and Amendment of Declaration of Covenants, Conditions and Restrictions for Launani Valley dated June 22, 1993, recorded as aforesaid as Land Court Document No. 2038686 (the "Master Declaration"). Among other things, the Master Declaration provides:

(a) for the establishment of a Hawaii non-profit corporation known or to be known as the LAUNANI VALLEY COMMUNITY ASSOCIATION (the "Master Association");

(b) that every owner of a Lot (as defined in the Master Declaration) within Launani Valley, including all apartment owners of apartments in the Project, shall be a member of the Master Association by virtue of such ownership;

(c) that the Master Association shall have the power and authority to levy against each Lot, including apartments in the Project, an "Initiation Assessment," regular "Maintenance Assessments," and "Individual Special Assessments" which are separate from and in addition to the assessments for common expenses made by the Association of Apartment Owners of the Project; and

(d) that liens may be created on Lots, including apartments in the Project, for non-payment of assessments made by the Master Association.

All apartment owners, their tenants, families, servants and guests, and any other persons who may in any manner use the Project, shall be bound by and comply strictly with the Master Declaration and the Articles of Incorporation, By-Laws and any duly adopted rules and regulations of the Master Association.

Wheeler Army Airfield

The Project is located within the vicinity of Wheeler Army Airfield and may be subject to noise, vibrations, nuisances, disturbances, or other hazards to persons or property caused by military and airfield operations at Wheeler Army Airfield, which operations are not subject to regulation by the Developer, the City and County of Honolulu or the State of Hawaii. The noise levels at the Project caused by military and airfield operations at Wheeler Army Airfield may exceed government noise level standards and there are some individuals for whom these noise levels are not acceptable. The Association of Apartment Owners and all apartment owners, their tenants, families, servants and guests, and any other persons who may in any manner use or be present at the Project, by accepting ownership, possession or occupancy of any apartment in the Project or by the use of or presence at the Project, (i) acknowledge and understand that the military and airfield operations at Wheeler Army Airfield may result in noise, vibrations, nuisances, disturbances or hazards to persons or property on or at the Project; (ii) assume all risks of impairment of the use and enjoyment of the apartments and the Project, loss of market value of the apartments and the Project, and personal injury or property damage caused by such operations except for violations of law, gross negligence or willful misconduct; (iii) release and agree to not file any claim, action or lawsuit for any kind of relief, legal or equitable, against Declarant, the City and County of Honolulu or the State of Hawaii relating to military and airfield operations at Wheeler Army Airfield, including but not limited to claims, actions, or lawsuits for costs or damages resulting from aircraft noise and/or vibration, and (iv) shall each indemnify, forever hold harmless and defend the Developer, the City and County of Honolulu and the State of Hawaii from any and all liability, claims, losses, damages or expenses, including attorneys' fees, arising from the military and airfield operations at Wheeler Army Airfield.

Affiliations

Waikalani Developers, Inc. (one of the partners of Waihuna Joint Venture, the developer of the project), Towne Realty of Hawaii, Inc. (the construction manager), and Towne Realty Brokerage Services, Inc. (the real estate broker) are each wholly owned subsidiaries of Towne Development of Hawaii, Inc.

Maintenance Fees

Pursuant to Section 514A-15(b), Hawaii Revised Statutes, Developer will initially pay the actual common expenses for the Project. Buyers will become obligated for the payment of their respective share of the common expenses only after receiving a copy of a disclosure statement filed by Developer with the Real Estate Commission giving the date on which the apartment owners shall be obligated to commence paying their respective shares of the common expenses.

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 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.

WAIHUNA JOINT VENTURE
Printed Name of Developer

By: _____ March 28, 2001
Duly Authorized Signatory* Date

Takeshi Matsukata, Vice President of Waikalani Developers, Inc.
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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"

DEVELOPER'S RESERVED RIGHTS

1. The Developer reserves the right to conduct extensive sales activities on the Project for the sale of apartments in the Project, and for the sale of apartments in other projects developed on property located near or adjacent to the Project, including without limitation, the use of model apartments, sales and management offices, and extensive sales displays and activities until the date of the closing of the sale of the last unsold apartment in the Project or in such other projects (see Section 4.7 of the Declaration).

2. The Developer reserves an easement over and upon the Project as may be reasonably necessary for the completion of the development and construction of the Project and the correction of defects in the Project. Such easement shall terminate twenty-four (24) months after "substantial completion" (as the term is used in Chapter 507, Part II, Hawaii Revised Statutes, as amended) of the entire Project. (See Section 4.8 of the Declaration).

3. The Developer reserves the right, for itself and its successors and assigns, at any time prior to December 31, 2007, to designate and to grant to any public or governmental authority or other entity rights-of-way and other easements which are for the sole benefit of the Project, for the benefit of lands located near or adjacent to the Project, or which do not materially and adversely interfere with the use, nor materially and adversely impair the value of the Project or any apartment in it, over, across, under and through the common elements for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage, and other public services and utilities, and rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof; provided that in connection with the installation, maintenance, repair, alteration or removal of any such lines and facilities pursuant to rights-of-way and other easements granted hereunder, the Declarant or its successors or assigns, as applicable, must require that the common elements be restored promptly at the expense of the party owning and exercising such easement right; provided, further, that the Association, through the Board, and with the consent and agreement of the holders of any then existing easements affected thereby, is authorized to grant, convey, transfer, cancel, relocate and otherwise deal with any and all such public services and utilities easements now or hereafter located on or affecting the Project without requiring any consideration therefor. To the extent that joinder of any apartment owner and lien holder or other person who may have any interest in the Land or the Project or any apartment in it may be required in order to validate any act or thing done pursuant to the foregoing reservation, such joinder shall be accomplished by a power of attorney from each of the owners, lien holders or other such parties. The acquiring or acceptance of ownership in an apartment or of a lien covering an apartment or any other interest in the Project or Land subject to this Declaration shall constitute a grant of such power of attorney and the grant, being coupled with an interest, shall be irrevocable and shall not be affected by the disability of the party granting such power. (See Section 4.9 of the Declaration).

4. The Developer reserves the right to amend the Declaration (see Section 27 of the Declaration), without the consent or joinder of the Association or the persons then owning or leasing the apartments or their mortgagees, as follows:

a. From time to time, after completion of construction of the buildings of the Project, pursuant to the provisions of Section 514A-12, Hawaii Revised Statutes, to record verified statements f a registered architect

or professional engineer certifying that the final plans of the buildings theretofore filed or being filed simultaneously with such amendments fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built.

b. To change the number of each type of apartment in the Project; provided, however, that this right shall apply only to apartments that are not yet built or are owned by the Developer.

c. To make changes to the Project and the Project drawings and/or specifications; provided that such changes do not violate applicable laws and codes and do not constitute a material change to any apartment not owned by the Developer.

d. To satisfy any requirement of the Department of Veterans' Affairs ("VA") or the Federal Housing Administration ("FHA") which the Developer deems necessary or convenient.

e. To such extent and with such language as may be requested by the FHA, VA, Federal Home Loan Mortgage Corporation or Federal National Mortgage Association, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of an apartment in the Project.

5. The Developer reserves the right, but shall not be obligated, at any time and from time to time prior to December 31, 2007, to reduce the total number of apartments comprising the Project. Section 23 of the Declaration provides as follows:

> Section 23.1. Reserved Right to Reduce the Total Number of Apartments in the Project. Notwithstanding any other provision in this Declaration to the contrary, the Declarant, its successors and assigns, reserves the right, but shall not be obligated, at any time and from time to time prior to December 31, 2007, to reduce the total number of apartments comprising the Project. The Declarant currently plans to develop the Project in a number of construction phases. Two of the construction phases are indicated on the Condominium Map.
>
> Section 23.2. Reduction and Consequences of Reduction. At any time or times prior to December 31, 2007, Declarant reserves the right, but shall not be obligated, to reduce the total number of apartments in the Project. Declarant may effect such reduction as follows:
>
> Each such reduction shall take effect with respect to the Project upon the occurrence of all of the following conditions:
>
> (a) Recordation in the Land Court by the Declarant of an amendment of the Declaration, which shall contain:
>
> (i) The revised description of the apartments that shall comprise the Project including the reduced number of each type of apartment; and

(ii) The revised common interest of each apartment as a result of the reduction in the total number of apartments. The common interest appurtenant to each apartment in the reduced Project shall be recalculated to equal a fraction, the numerator of which is one and the denominator of which is the total number of apartments that shall comprise the Project after the reduction. This common interest may also be expressed as a percentage rounded off and/or adjusted in such a manner that each common interest will be reflected as a number having no more than five digits following the decimal point and so that the sum of the common interests of all apartments in the reduced project shall total one hundred percent (100%).

(b) Recordation in the Land Court by the Declarant of an amendment of the Condominium Map to reflect the revised layout of the Project.

(c) Such other matters as the Declarant deems necessary or appropriate or as are required by law to effectuate the reduction in the total number of apartments in the Project.

The Declarant expressly reserves the right to file any amendment to the Declaration, By-Laws and/or the Condominium Map for the Project to describe any changes to the apartments or common elements therein described at any time or times prior to December 31, 2007, notwithstanding the lease, sale or conveyance of any or all of the apartments in the Project, and Declarant may execute, file and deliver any such amendment to the Declarant, By-Laws, and/or the Condominium Map for the Project and to such apartment deeds as may have been issued, and any and all other instruments necessary or desirable for the purpose of carrying out the provisions or exercising the rights, powers, or privileges herein reserved to the Declarant.

Section 23.3 Reserved Rights and Power of Attorney. The Declarant may exercise any of its reserved rights set forth in this Section 23 without being required to obtain the approval, consent or joinder of any person or group of persons, including, without limitation, the Association, any apartment owner, lien holder or any other person who may have an interest in any apartment or in the Project. Every apartment owner and all holders of liens affecting any of the apartments of the Project and each and every other party acquiring an interest in the Project, or any part thereof, by acquiring any such apartment, lien or other interest, consent and agree to all such reductions in the number of apartments in the Project provided for in this Section 23 and to the amendment or amendments of this Declaration, the By-Laws and the Condominium Map and to all other documents that may be required and to the filing thereof in the Land Court to effect the same; agrees to join in, consent to, execute, deliver, and file all such documents and instruments and do such other things as may be necessary on convenient to effect the same; and appoints the Declarant and its assigns such party's attorney-in-fact with full power of substitution to execute, deliver and file all such documents and instruments and to do such things on such party's behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties; and which grant of such power shall be binding upon any assign of or successor-in-interest to any such party and shall be deemed to be automatically granted anew by any assign or successor-in-interest

upon any transfer of an apartment in the Project or any interest therein, whether by deed, mortgage, or any other instrument of conveyance.

6. The Developer reserves the right, but shall not be obligated, at any time and from time to time prior to December 31, 2007, to subdivide and withdraw a portion of the land of the Project. Section 24 of the Declaration provides as follows:

Section 24.1. Notwithstanding any other provision in this Declaration to the contrary, the Declarant, its successors and assigns, hereby reserves the right, but shall not be obligated, to subdivide and withdraw from the operation of this Declaration all or any portion of the land designated and approximately shown on the Condominium Map as the Construction Phase II area (the "Construction Phase II Area"), which right shall be exercisable at any time or times up to but not later than December 31, 2007. The Declarant may exercise its reserved right contained in this Section 24 only in connection with the exercise of its reserved rights in Section 23 of this Declaration.

Section 24.2. The Declarant, its successors and assigns, hereby reserves the right to enter and go upon the Property to do all things necessary to effectuate such subdivision and withdrawal of the Construction Phase II Area or portions thereof, including (without limitation) making surveys to undertake a reasonable realignment of the boundaries of the Construction Phase I area shown on the Condominium Map (the "Construction Phase I Area") and the Construction Phase II Area (it being understood that the Declarant shall have the reserved right to effect any such realignment), and to facilitate the granting, reserving, adding, deletion, reception, realignment and/or relocating of easements and/or rights of ways for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways, and of all other required easements. The subdivision and withdrawal of the Construction Phase II Area or portions thereof, shall be subject to, and the Declarant shall, at its own expense, comply with, all of the then-applicable governmental laws and rules and regulations, including subdivision requirements.

Section 24.3. In connection with the exercise of its right to subdivide and withdraw hereunder, Declarant hereby reserves the right at its expense and for the benefit of this Project and/or the Construction Phase II Area and/or other adjoining or nearby lands to (i) grant, reserve, add, delete, receive, realign and/or relocate over, across and under the Construction Phase I Area and/or the Construction Phase II Area, as appropriate, easements and/or rights of ways for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, access, driveways, parking areas and roadways, and walkways, and (ii) relocate or realign any existing easements and rights of way over, across and under the Construction Phase I Area and/or the Construction Phase II Area, as appropriate, including, without limitation, any existing utilities, sanitary and storm sewer lines and cable television lines and connect the same over, across and under the Construction Phase I Area and/or the Construction Phase II Area, provided that such easements and such relocations and connections of lines shall not materially and adversely impair or interfere with the use of any apartment in the Project.

Section 24.4. Upon each exercise of said reserved right to subdivide and withdraw, Declarant shall, at Declarant's expense and without being required to obtain the consent or joinder of the Association, any apartment owner, lienholder, or any other person who may have an interest in the Project, execute and file in the Land Court, a Petition for Subdivision (and, to the extent deemed necessary or approved by Declarant, for Designation of Easements) and an amendment to the Declaration and Condominium Map: (i) describing the withdrawn land and any Improvements thereon; (ii) describing the realigned boundaries of the Land; and (iii) where applicable and appropriate, granting, reserving or relocating easements over, under and on the common elements as permitted by Section 24.3 above.

Each and every party acquiring an interest in the Project, by such acquisition, consents to the subdivisions and withdrawals provided for in this Section 24, and/or the granting, reserving or relocation of easements and/or rights of ways as provided herein, and to the amendment or amendments of this Declaration and the Condominium Map and the filing thereof in the Land Court to effect the same; agrees to join in, consent to, execute, deliver and file such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints the Declarant and its assigns such party's attorney-in-fact with full power of substitution to execute, deliver and file such documents and instruments and to do such things on such party's behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties; and which grant of such power shall be binding upon any assign of or successor-in-interest to any such party and shall be deemed to be automatically granted anew by any assign or successor-in-interest upon any transfer of an apartment in the Project or any interest therein, whether by deed, mortgage, or any other instrument of conveyance.

Section 24.5. The exercise by Declarant of the right to subdivide and withdraw all or any portion of the Property provided in this Section 24 shall not in any way limit or be deemed to limit Declarant's full use of the Construction Phase II Area upon withdrawal, including developing the Construction Phase II Area and constructing thereon any apartment, affordable housing, condominium or other buildings and structures permitted by the governmental laws and ordinances then in effect. Notwithstanding any such subdivision and withdrawal contemplated herein, the Declarant will retain the reserved right to construct any additional project on the withdrawn land and to merge any additional condominium project with the Project in accordance with the procedures set forth in Section 25 of this Declaration.

Section 24.6. The rights reserved to the Declarant in this Section 24 shall be covenants running with the land and shall inure to the benefit of and be binding upon the Declarant and its successors and assigns, the Association and each apartment owner or any lien holder or any other person with an interest in the Project or any apartment and their respective heirs, personal representatives, successors, successors in trust and assigns. The Declarant shall have the right to transfer, assign, hypothecate, mortgage or otherwise dispose of such reserved rights without the consent or approval of the Association, any apartment owner or any lien holder or any other person who may have an interest in the Project or any apartment.

The rights reserved to the Declarant in this Section 24 may not be impaired or affected by any amendment to this Declaration, except as specifically provided in this Section 24 and with the prior written consent of Declarant.

7. The Developer reserves the right, but shall not be obligated, at any time and from time to time prior to December 31, 2007, to merge the Project with another condominium project developed on the portion of the land withdrawn from the Project pursuant to Section 24 of the Declaration. Section 25 of the Declaration provides as follows:

Section 25.1. Reserved Right to Develop Residential Condominium Project. Notwithstanding any other provision in this Declaration to the contrary, the Declarant, its successors and assigns, reserves the right, but shall not be obligated, at any time and from time to time prior to December 31, 2007, after the withdrawal of a portion of the Property pursuant to the provisions of Section 24 of this Declaration (hereinafter referred to as the "Withdrawn Land") to develop such additional residential condominium projects as the Declarant may desire, to the extent permitted by applicable law, on the Withdrawn Land. Declarant shall further have the reserved right to execute and file a declaration(s) of condominium property regime (herein referred to as "declaration") and condominium map(s) to create any additional condominium project(s) on the Withdrawn Land.

Section 25.2. Construction of Additional Projects. Declarant, its contractors and subcontractors, and their respective employees and agents, shall have the right, and an easement in favor of the Declarant and its successors and assigns is hereby granted at any time, and from time to time prior to December 31, 2007 to enter upon and use the common elements of the Project and to engage in certain activities described herein reasonably necessary, desirable or useful for designing, developing, constructing or completing any additional condominium project located within the Withdrawn Land, connecting the same to the utility installations of the Project, and selling the apartments contained within said additional condominium project(s), upon and subject to the following terms and conditions:

(a) Any additional condominium project, if constructed, shall be constructed in accordance with plans and specifications prepared by a licensed architect and, with respect to quality of construction, shall be consistent with the Project in terms of quality of construction.

(b) Declarant shall have the right to designate, delete, relocate, realign, reserve, and to grant easements and rights-of-way for the use of any additional condominium project over, across, under and through the common elements of the Project for electrical, gas, telephone, water, sewer, drainage, and other public services and utilities and rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof; provided, that such easements and rights-of-way do not materially and adversely interfere with the use, nor materially and adversely impair the value of the Project or any apartment in it; provided further that in connection with the installation, maintenance, repair, alteration, or removal of such lines and facilities pursuant to rights-of-way and other easements

granted hereunder, the Declarant must require that the common elements be restored promptly at the expense of the party owning and exercising such easement right.

(c) The Declarant, its contractors and subcontractors, and their respective employees and agents, shall not, in their pursuit of the development of any additional condominium project, cause any interruption other than a temporary interruption in the service of utilities to the Project and shall use reasonable efforts, without additional cost to the Declarant and consistent with maintaining the progress of the design, development, construction, completion and sale, to minimize interference with the apartment owners' use and enjoyment of the Project.

(d) Each and every person acquiring an interest in any apartment of the Project acknowledges, accepts and agrees that construction and sales activity for the Project and/or for any additional condominium projects may continue within the Property and the Withdrawn Land as well as on adjacent land, after such person has taken occupancy or after such person has acquired his or her interest, that such activity or activities may result in noise, dust or other annoyances to him, as well as hazards and potentially dangerous conditions, and such persons agree to stay out of any areas that are under development or construction or being used for sales activities and which are fenced or posted to exclude, restrict or otherwise control access; and also waives, releases and discharges any rights, claims or actions he may acquire against the Declarant, its lenders and contractors and their respective subcontractors and agents, and their respective successors and assigns, as a result of any such activity or any failure to stay out of such restricted areas, and does further hereby waive any rights, claims or actions that such person may have or acquire against the Declarant, its contractors, subcontractors and their respective agents and employees as a result of such activity or activities.

(e) The Declarant, its brokers, sales agents, employees and other related persons shall have an easement over the Land and any common element areas of the Project created thereon, to conduct sales activities with respect to any apartment developed on the Land of the Project, on the Withdrawn Land, or on other land located near or adjacent to the Project. This right shall include, without limitation, showing the Project to potential buyers, operating model apartments, sales and sales administration offices, conducting lotteries at the Project and placing signs or banners at the Project. Each and every party acquiring an interest in the Project hereby acknowledges that such activity may result in noise and nuisances, and consents to such activity by the Declarant, and further waives, releases and discharges any rights, claims or actions such person may acquire against the Declarant, its brokers, sales agents, employees and lenders, and their respective successors and assigns as a result of any such activity or activities.

Section 25.3. Merger and Consequences of Merger. At any time or times prior to December 31, 2007, Declarant reserves the right, but shall not be obligated, to merge the Project and any additional condominium project developed on the Withdrawn Land as though the projects had been developed as a single project. Declarant may effect said merger as follows:

Each such merger shall take effect with respect to a particular additional condominium project upon the occurrence of all of the following conditions with respect thereto:

(a) Recordation in the Land Court by the Declarant of a declaration and by-laws covering the additional project in a form substantially similar hereto (except for the descriptions of apartments, the common elements and the percentage of common interest appurtenant to each apartment and except for such matters as may be required to conform to any amendments of the Act enacted subsequent to the recordation hereof) and a condominium map depicting the plot and floor plans and elevations of the additional project, all complying with the requirements of the Act; and

(b) Recordation in the Land Court by the Declarant of a "Certificate of Merger", which certificate shall contain:

(i) A certification by a Hawaii registered architect or professional engineer, in the manner required by Section 514A-12 of the Act, that the plans theretofore filed for the condominium projects being merged, or being filed simultaneously with such certificate, accurately depict the layout, location, apartment numbers, dimensions and elevations of the apartments of said projects being merged, as built;

(ii) A certification by the Declarant that the additional condominium project has been substantially completed, that a notice of completion has been filed, and that the period for filing of mechanics' and materialmen's liens has expired or, if not expired, that the Declarant has obtained a title policy insuring against all such liens or the Declarant has guaranteed the payment of all liens which may be filed prior to the expiration of the period;

(iii) A certification by the Declarant that all real property taxes and assessments due from the additional condominium project being merged and for which the Declarant is liable have been paid;

(iv) The revised common interest of each apartment of the merged project after completion of the merger of the Project with the additional condominium project; and

(v) Such other matters as the Declarant deems necessary or appropriate or as are required by law to effectuate the merger of said projects and/or the operation of the merged projects as a single condominium project.

The Declarant expressly reserves the right to file a Certificate of Merger and/or any amendment to the Declaration and/or the Condominium Map for the Project and to the declaration and/or condominium map for any additional condominium project(s) being merged to describe any changes to the apartments or common elements therein described at any time or times prior to December 31, 2007, notwithstanding the lease, sale or conveyance of any or all of the apartments in any of the projects being merged, and Declarant may execute, file and deliver any such

Certificate of Merger and/or any amendment to the Declaration and/or the Condominium Map for the Project and any amendment to the declaration and/or the condominium map for any additional condominium project(s) and to such apartment deeds as may have been issued, and any and all other instruments necessary or desirable for the purpose of carrying out the provisions or exercising the rights, powers, or privileges herein reserved to the Declarant. Each and every party acquiring an interest in the Project by such acquisition, consents to all such mergers of the Project with such additional condominium project(s), and to the execution, filing and delivery of such documents as may be necessary to effect the same.

Section 25.4. Consequences of Merger. Declarant is under no obligation by the terms hereof to develop any condominium project in addition to this Project or to merge any additional condominium project with this Project. If the Declarant should, however, in its sole discretion, elect to develop any additional condominium project(s) and to merge the same with this Project, then, from and after the date of the recordation of said Certificate of Merger with respect to the Project and the additional condominium project(s), the following consequences shall ensue:

(a) Condominium Documentation. Unless and until the Declarant exercises its right to record one amended declaration and by-laws to govern all of the merged projects as provided for in Section 25.5 below, this Declaration, the By-Laws and the House Rules promulgated thereunder, and any declaration, by-laws and house rules pertaining to any additional condominium project shall continue in effect and shall continue to apply to the respective project, provided that in any event of conflict, the provisions of this Declaration, the By-Laws, and the House Rules promulgated thereunder shall control. All rights reserved in favor of Declarant set forth in this Declaration shall apply to the merged projects to the same extent as though the merged projects had been developed initially as a single project.

(b) Ownership of Apartments. Except to the extent that the same may have been previously conveyed by the Declarant, the Declarant shall for all purposes be deemed the owner of the newly merged apartments and the common interest and other rights and easements appurtenant to such apartments prior to and from the time the merger takes effect until the apartments have been conveyed to other parties.

(c) Use of Common Elements. The owners of apartments in each of the merged projects shall have the right to use the common elements in each project to the same extent and subject to the same limitations as are imposed upon an owner of an apartment in each project as though the merged projects had been developed initially as a single project.

(d) Common Interests. The percentage of common interest appurtenant to each apartment in the merged projects shall be recalculated so that such percentage is equal to a fraction, the numerator of which is one and the denominator of which is the total number of all apartments in the merged projects, which percentage shall then be rounded off and/or adjusted in such a manner that each common interest will be reflected as a number having no more than five

digits following the decimal point and so that the sum of the common interests of all apartments in the merged projects shall total one hundred percent (100%).

Each apartment's common interest shall constitute such apartment's proportionate share in the common elements, profits and common expenses of the merged project following the merger, and such apartment's proportionate representation for all other purposes, including voting in said merged project; provided, however, that the apartments in any new project being merged into a previously completed project shall not be assessed nor shall they have any obligation with respect to debts or obligations that are incurred for the exclusive benefit of such previously completed project and that are incurred prior to the recordation in the Land Court of the Certificate of Merger merging said projects, all such debts or obligations not being "common expenses" of the merged project, but rather, obligations of the owners of apartments in the previously completed project as constituted prior to merger.

(e) Association and Board of Directors. There shall be only one association of apartment owners, one board of directors, one managing agent and one (except as provided in subparagraph d above) common fund, in the manner provided for in the By-Laws. Any contract for the Managing Agent shall provide: (i) that the Managing Agent shall act for the merged projects on the same terms and conditions and for the same or lesser fee per apartment; and (ii) that if at the time of any merger and the filing of the necessary documents to effect the same, the Managing Agent should be unable or unwilling to act as the managing agent for the merged projects, such contract shall automatically terminate; provided however that the Managing Agent shall continue in its capacity as the managing agent for such period, not exceeding 60 days, as determined in the sole discretion of the Board of Directors to be necessary to effect an orderly transition of duties and authority to the new managing agent.

Notwithstanding any provision in any document, within 60 days following each merger and the filing of the necessary documents to effect the same, a special meeting of the single association of all of the merged projects shall be held to elect a new board of directors to replace the existing board(s) of directors. The procedure for calling and holding such meeting shall be as provided in the By-Laws. During the 60-day interim period the existing boards of directors of the projects that have been merged shall have full authority to conduct the affairs of their respective associations of apartment owners.

(f) Name of Projects. The merged project shall also take the name "Woodcreek".

Section 25.5. Amended Declaration and By-Laws Covering Merged Projects. After completion of the merger of the Project with an additional project, the Declarant shall have the irrevocable right, but shall not be obligated, to amend the declaration and by-laws for each project in their entirety so that there shall be one amended declaration and by-laws for the merged projects for the purpose of setting forth a consolidated description of the land, buildings, apartments, common elements, limited common elements and common interests of the project following the merger, and of incorporating into such amended declaration and by-laws any

statutory requirements enacted subsequent to the recordation of this Declaration and the By-Laws of the Project, without materially changing the form or content of such Declaration and By-Laws. After the last additional condominium project is merged with the Project, the amended declaration shall omit the provisions of this Section 25.

Section 25.6. Reserved Rights and Power of Attorney. The Declarant may exercise any of its reserved rights set forth in this Section 25 without being required to obtain the approval, consent or joinder of any person or group of persons, including, without limitation, the Association, any apartment owner, lien holder or any other person who may have an interest in any apartment or in the Project. Every apartment owner and all holders of liens affecting any of the apartments of the Project and each and every other party acquiring an interest in the Project, or any part thereof, by acquiring any such apartment, lien or other interest, consent and agree that they shall, if required by law or by the Declarant, join in, consent to, execute, deliver and file the following: (i) all instruments and documents necessary or desirable to effect the creation of any additional condominium projects as provided for in this Section 25, including the execution, delivery and filing of a separate declaration and condominium map therefor and/or an amendment to this Declaration and the Condominium Map for the Project and/or petitions to the Land Court of the State of Hawaii; (ii) all instruments and documents necessary or desirable to effect the granting of easements and/or rights-of-way as provided for in this Section 25; (iii) all instruments and documents as may be necessary or desirable to effect the merger of the Project with any additional condominium project(s) including, but not limited to, a Certificate of Merger and/or amendment of the declaration of each project to be merged and/or an amended declaration covering the merged projects and which Certificate of Merger, amendment and/or amended declaration shall change the percentage of common interest appurtenant to each apartment in the merged projects as provided for in this Section 25; and (iv) any and all other instruments and documents as may be necessary or convenient to effectuate any other reserved right in favor of the Declarant provided for in this Section 25. The Association and each apartment owner, lien holder and other person having any interest in any apartment or in the Project hereby appoint the Declarant and its assigns their attorney-in-fact with full power of substitution to execute, deliver and file such documents and to do such things on their behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights and shall not be affected by the disability of any such party; and which grant of such power shall be binding upon any assign of or successor-in-interest to any such party and shall be deemed to be automatically granted anew by any assign or successor-in-interest upon the transfer of any such apartment, lien or interest, whether by deed, mortgage, or any other instrument of conveyance.

The rights reserved to the Declarant in this Section 25 shall be covenants running with the land and shall inure to the benefit of and be binding upon the Declarant and its successors and assigns, the Association and each apartment owner or any lien holder or any other person with an interest in the Project or any apartment and their respective heirs, personal representatives, successors, successors in trust and assigns. The Declarant shall have the right to transfer, assign, hypothecate, mortgage or otherwise dispose of such reserved rights without the consent or

approval of the Association, any apartment owner or any lien holder or any other person who may have an interest in the Project or any apartment.

The rights reserved to the Declarant in this Section 25 may not be impaired or affected by any amendment to this Declaration, except as specifically provided in this Section 25 and with the prior written consent of Declarant.

8. The Developer reserves the right, at any time prior to December 31, 2007, to subdivide and withdraw a portion of the land of the Project to correct the boundary between the Project and the adjoining Streamside at Launani Valley, Phase I condominium project. Section 26 of the Declaration provides as follows:

Section 26.1. Notwithstanding any other provision in this Declaration to the contrary, the Declarant, its successors and assigns, hereby reserves the right, but shall not be obligated, to subdivide and withdraw from the operation of this Declaration all or any portion of the land designated and approximately shown on the Construction Phase Map as the Boundary Correction Area, which right shall be exercisable at any time or times up to but not later than December 31, 2007.

Section 26.2. The Declarant, its successors and assigns, hereby reserves the right to enter and go upon the property to do all things necessary to effectuate such subdivision and withdrawal of the Boundary Correction Area or portions thereof, including (without limitation) making surveys to undertake a reasonable realignment of the boundaries of the Boundary Correction Area (it being understood that the Declarant shall have the reserved right to effect any such realignment), and to facilitate the granting, reserving, adding, deletion, reception, realignment, and/or relocating of easements and/or rights of way for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways, and of all other required easements. The subdivision and withdrawal of the Boundary Correction Area or portions thereof, shall be subject to, and the Declarant shall, at its own expense, comply with, all of the then applicable governmental laws and rules and regulations, including subdivision requirements.

Section 26.3. In connection with the exercise of its right to subdivide and withdraw hereunder, Declarant hereby reserves the right at its expense and for the benefit of this Project and/or the Boundary Correction Area and/or other adjoining or nearby lands to (i) grant, reserve, add, delete, receive, realign and/or relocate over, across and under the Boundary Correction Area easements and/or rights of way for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, access, driveways, parking areas, roadways, and walkways, and (ii) relocate or realign any existing easements and rights of way over, across and under the Boundary Correction Area including, without limitation, any existing utilities, sanitary and storm sewer lines and cable television lines and connect the same over, across and under the Boundary Correction Area, provided that such easements and such relocations and connections of lines shall not materially and adversely impair or interfere with the use of any apartment in the Project.

Section 26.4. Upon the exercise of said reserved right to subdivide and withdraw, Declarant shall, at Declarant's expense and without being required to obtain the consent or joinder of the Association, any apartment owner, lien holder, or any other person who may have an interest in the Project, execute and file in the Land Court, a petition for subdivision (and, to the extent deemed necessary or approved by Declarant, for designation of easements) and an amendment to the Declaration and/or the Condominium Map: (i) describing the withdrawn land and any improvements thereon; (ii) describing the realigned boundaries of the Land; and/or (iii) where applicable and appropriate, granting, reserving or relocating easements over, under and on the common elements as permitted by Section 26.3 above.

Each and every party acquiring an interest in the Project, by such acquisition, consents to the subdivision and withdrawal described in this Section 26, and/or the granting, reserving or relocation of easements and/or rights of way as provided herein, and to the amendment or amendments of this Declaration and the Condominium Map and the filing thereof in the Land Court to effect the same; agrees to join in, consent to, execute, deliver and file such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints the Declarant and its assigns such party's attorney-in-fact with full power of substitution to execute, deliver and file such documents and instruments and to do such things on such party's behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties; and which grant of such power shall be binding upon any assign of or successor in interest to any such party and shall be deemed to be automatically granted anew by any assign or successor in interest upon any transfer of an apartment in the Project, or any interest therein, whether by deed, mortgage, or other instrument of conveyance.

Section 26.5. The rights reserved to the Declarant in this Section 26 shall be covenants running with the Land and shall inure to the benefit of and be binding upon the Declarant and its successors and assigns, the Association, and each apartment owner or any lien holder or any other person with an interest in the Project or any apartment and their respective heirs, personal representatives, successors, successors in trust and assigns. The Declarant shall have the right to transfer, assign, hypothecate, mortgage, or otherwise dispose of such reserved rights without the consent or approval of the Association, any apartment owner or any lien holder or any other person who may have an interest in the Project or any apartment.

The rights reserved to Declarant in this Section 26 may not be impaired or affected by any amendment to this Declaration, except as specifically provided in this Section 26 and with the prior written consent of Declarant.

EXHIBIT "B"

BUILDINGS OF THE PROJECT

There are one hundred and two (102) separate condominium apartments in the Project situated in ninety (90) two-story buildings without basements. Seventy-eight (78) of the buildings are single-family residences and are sometimes referred to as the "Houses." The remaining twelve (12) buildings are duplex residences and are sometimes referred to as a "Duplex" or the "Duplexes."

EXHIBIT "C"

SCHEDULE OF APARTMENTS

Apt. No.	Apt. Type	Net Living Area (square feet)	Lanai Living Area (square feet)	Garage Living Area (square feet)	Total Living Area
1	1710	1,208	30	385	1,623
2	1800	1,252	83	431	1,766
3	1710	1,208	30	385	1,623
4	3230	1,144	28	386	1,558
5	3230	1,144	28	386	1,558
6	3230	1,144	28	386	1,558
7	3230	1,144	28	386	1,558
8	1800	1,252	83	431	1,766
9	2080	1,563	36	363	1,962
10	3230	1,144	28	386	1,558
11	3230	1,144	28	386	1,558
12	1710	1,208	30	385	1,623
13	2080	1,563	36	363	1,962
14	1710	1,208	30	385	1,623
15	1710	1,208	30	385	1,623
16	2080	1,563	36	363	1,962
17	1800	1,252	83	431	1,766
18	1710	1,208	30	385	1,623
19	1710	1,208	30	385	1,623
20	1800	1,252	83	431	1,766
21	2080	1,563	36	363	1,962
22	1710	1,208	30	385	1,623
23	1800	1,252	83	431	1,766
24	1710	1,208	30	385	1,623

Apt. No.	Apt. Type	Net Living Area (square feet)	Lanai Living Area (square feet)	Garage Living Area (square feet)	Total Living Area
25	1800	1,252	83	431	1,766
26	2080	1,563	36	363	1,962
27	1800	1,252	83	431	1,766
28	1800	1,252	83	431	1,766
29	2080	1,563	36	363	1,962
30	1710	1,208	30	385	1,623
31	1710	1,208	30	385	1,623
32	1800	1,252	83	431	1,766
33	2080	1,563	36	363	1,962
34	1800	1,252	83	431	1,766
35	1710	1,208	30	385	1,623
36	1710	1,208	30	385	1,623
37	1800	1,252	83	431	1,766
38	1710	1,208	30	385	1,623
39	1800	1,252	83	431	1,766
40	2080	1,563	36	363	1,962
41	1800	1,252	83	431	1,766
42	2080	1,563	36	363	1,962
43	1800	1,252	83	431	1,766
44	1800	1,252	83	431	1,766
45	1710	1,208	30	385	1,623
46	1800	1,252	83	431	1,766
47	1800	1,252	83	431	1,766
48	3230	1,144	28	386	1,558
49	3230	1,144	28	386	1,558
50	3230	1,144	28	386	1,558
51	3230	1,144	28	386	1,558
52	1800	1,252	83	431	1,766

Apt. No.	Apt. Type	Net Living Area (square feet)	Lanai Living Area (square feet)	Garage Living Area (square feet)	Total Living Area
53	2080	1,563	36	363	1,962
54	1710	1,208	30	385	1,623
55	3230	1,144	28	386	1,558
56	3230	1,144	28	386	1,558
57	3230	1,144	28	386	1,558
58	3230	1,144	28	386	1,558
59	2080	1,563	36	363	1,962
60	1800	1,252	83	431	1,766
61	1710	1,208	30	385	1,623
62	3230	1,144	28	386	1,558
63	3230	1,144	28	386	1,558
64	1800	1,252	83	431	1,766
65	1800	1,252	83	431	1,766
66	1710	1,208	30	385	1,623
67	1800	1,252	83	431	1,252
68	1710	1,208	30	385	1,623
69	1710	1,208	30	385	1,623
70	1800	1,252	83	431	1,766
71	1710	1,208	30	385	1,623
72	1800	1,252	83	431	1,766
73	1800	1,252	83	431	1,766
74	1710	1,208	30	385	1,623
75	1710	1,208	30	385	1,623
76	2080	1,563	36	363	1,962
77	1800	1,252	83	431	1,766
78	2080	1,563	36	363	1,962
79	2080	1,563	36	363	1,962
80	1710	1,208	30	385	1,623

Apt. No.	Apt. Type	Net Living Area (square feet)	Lanai Living Area (square feet)	Garage Living Area (square feet)	Total Living Area
81	2080	1,563	36	363	1,962
82	1800	1,252	83	431	1,766
83	1710	1,208	30	385	1,623
84	3230	1,144	28	386	1,558
85	3230	1,144	28	386	1,558
86	3230	1,144	28	386	1,558
87	3230	1,144	28	386	1,558
88	1800	1,252	83	431	1,766
89	1710	1,208	30	385	1,623
90	1800	1,252	83	431	1,766
91	1710	1,208	30	385	1,623
92	1800	1,252	83	431	1,766
93	2080	1,563	36	363	1,962
94	1710	1,208	30	385	1,623
95	1710	1,208	30	385	1,623
96	3230	1,144	28	386	1,558
97	3230	1,144	28	386	1,558
98	3230	1,144	28	386	1,558
99	3230	1,144	28	386	1,558
100	1710	1,208	30	385	1,623
101	2080	1,563	36	363	1,962
102	1710	1,208	30	385	1,623

EXHIBIT "D"

BOUNDARIES OF APARTMENTS

Apartment Nos. 1, 2, 3, 8, 9, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 52, 53, 54, 59, 60, 61, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 88, 89, 90, 91, 92, 93, 94, 95, 100, 101, and 102 are Houses and each consists of an entire building. The boundaries of each such apartment consists of the exterior surfaces of the perimeter walls, roofs and eaves and the bottom surfaces of the foundations, floors and/or footings of each apartment, as applicable, and includes any lanais, entry areas, gutters, downspouts, railings and exterior stairways attached to and a part of the building. Each building includes a garage with two (2) parking spaces.

Apartment Nos. 4, 5, 6, 7, 10, 11, 48, 49, 50, 51, 55, 56, 57, 58, 62, 63, 84, 85, 86, 87, 96, 97, 98, and 99 each consists of a duplex unit in a Duplex and shall not be deemed to include any pipes, wires, cables, conduits or other utility or service lines running through either apartment which are utilized for or serve the other apartment, the same being deemed common elements as provided below. Each such apartment shall be deemed to include the portion of the common wall between the two apartments in each Duplex that is a part of the apartment, the exterior surfaces of the perimeter walls (other than the common wall) of the apartment, all doors and door frames, all windows and window frames, all floors, ceilings, walls and partitions within its perimeter walls, the portion of the roof of the Duplex covering the apartment, the bottom surface of the portion of the foundation of the Duplex under the apartment and/or the footings of the apartment, as applicable, and any lanais, entry areas, eaves, gutters, downspouts, railings and exterior stairways attached to and a part of the apartment. The portion of the common wall between the two apartments in each Duplex from the interior decorated or finished surface of the common wall to the centerline on the horizontal of the common wall shall be a part of each apartment. Each such apartment includes a garage with two (2) parking spaces.

There will be a total of eight (8) guest stalls.

EXHIBIT "E"

PERMITTED ALTERATIONS TO APARTMENTS

Section 15 of the Declaration provides as follows:

Except as otherwise provided by applicable law, restoration or replacement of the Project or any building or other structure thereof or construction of any additional building or other structure or structural alteration or addition thereto different in any material respect from the Condominium Map shall be undertaken by the Association or any apartment owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to a vote of at least seventy-five percent (75%) of the apartment owners and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement, construction, alteration or addition the Association shall duly record or file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER, that:

(a) notwithstanding any provision in this Declaration to the contrary other than the provisions of Section 21 below, any alterations or additions to an apartment or of certain apartments, or within a limited common element appurtenant to and for the exclusive use of an apartment or of certain apartments, including without limitation any fence and/or wall, shall require only the written approval thereof, including the apartment owner's plans therefor, by the institutional holders of mortgages covering such apartment (if the mortgagees require such approval), the Board, and all other apartment owners thereby directly affected (as determined by said Board), and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the Project as so altered; provided, however, the garage that is a part of each apartment shall not be altered and shall always be used for the parking of vehicles; and

(b) the owner(s) of the two apartments in a Duplex, at their expense, may remove or alter the common wall between the two apartments with the written approval by the institutional holders of mortgages covering such apartments (if the mortgagees require such approval), provided that the structural integrity of the Duplex is not affected by such removal or alteration and the owner(s) provide written notice to the Board of such removal or alteration. If, subsequent to such removal or alteration, ownership of one or both of the apartments is transferred, then the owner(s) of the apartments, at their expense, shall restore the common wall to its original condition prior to the transfer of ownership unless the new owner(s) accept the common wall in its altered condition. The owner(s) of the apartment shall provide written notice to the Board if the common wall is restored to its original condition.

No apartment owner shall replace any wall and/or fence without the approval of the Board. Existing walls and fences may be replaced with walls and fences of the same or like material or such other materials approved by the Board from time to time. The Board may, but shall not be required to, permit an apartment owner to replace an existing wall and/or fence along the common boundary of two Private Yards over the objection of the adjoining apartment owner if the apartment owner wishing to replace the wall and/or fence pays the entire cost of replacing the wall and/or fence. Once a wall and/or fence is replaced, the duty and cost of repair and maintenance of such wall and/or fence shall be borne equally by the apartment owners of both apartments to which the Private Yards are appurtenant.

Non-material additions to the common elements shall require approval only by the Board and by sixty-five percent (65%) of the apartment owners, together with the consent of all other apartment owners thereby directly affected (as determined by the Board). For so long as a statutory definition of "non-material structural additions to the common elements" shall be prescribed by Section 514A-89 of the Act, as it may be amended from time to time or by any substitute or successor statute, said statutory definition shall be applied in interpreting the foregoing sentence.

EXHIBIT "F"

COMMON ELEMENTS

1. The Land of the Project in fee simple.

2. All yards, grounds, landscaping, fences and walls.

3. All roads, guest parking stalls, sidewalks and portions of driveways.

4. All pipes, wires, cables, conduits, ducts, electrical equipment, and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any.

5. Any and all other apparatus and installations 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 "G"

LIMITED COMMON ELEMENTS

1. The Private Yards under and surrounding each of the apartments, including without limitation any covered entry, walkways and driveways, as shown on the Condominium Map, and any trees, shall be appurtenant to the respective apartments, but excluding any water line, sewer line or drain line located on, in or under such Private Yards which serve more than one apartment or the common elements. The Private Yards are not legally subdivided lots and the boundary lines between adjoining Private Yards and a Private Yard and the common elements are not intended and should not be construed to be property lines of legally subdivided lots.

2. The water lines, sewer lines or drain lines located in or under the Private Yard of an apartment which serve only that apartment shall be appurtenant to such apartment.

3. Any wall and/or fence or any portion of any wall and/or fence located within a Private Yard shall be appurtenant to and for the exclusive use of the apartment to which the Private Yard is appurtenant; except for any wall and/or fence described in paragraph 4 below.

4. Any wall and/or fence located on or along the boundary between two adjoining Private Yards shall be appurtenant to and for the exclusive use of the apartments to which the Private Yards are appurtenant, notwithstanding that the wall and/or fence, or any portion of such wall and/or fence, may be located within one of the Private Yards.

5. Any wall and/or fence or any portion of any wall and/or fence located on or along the boundary between a Private Yard and a common element shall be appurtenant to and for the exclusive use of the apartment to which the Private Yard is appurtenant, notwithstanding that the wall and/or fence, or any portion of such wall and/or fence, may be located within the common element.

6. One (1) mailbox shall be appurtenant to and for the exclusive use of each apartment.

EXHIBIT "H"

ENCUMBRANCES AGAINST TITLE

The following are the encumbrances against title to the land of the Project, identified as Tax Map Key Nos. (1) 9-5-2-36 and 37:

1. For Real Property taxes that may be due and owing reference is made to the Office of the Tax Assessor, City and County of Honolulu.

2. Designation of Easement "219" (5 feet wide), as shown on Map 100, as set forth by Land Court Order No. 17866, filed February 19, 1960.

3. Designation of Easement "226" (25 feet wide), as shown on Map 100, as set forth by Land Court Order No. 17866, filed February 19, 1960.

4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in DEED dated April 1, 1960, filed as Land Court Document No. 254783, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in DECLARATION dated July 19, 1976, filed as Land Court Document No. 773994, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING dated May 23, 1986, filed as Land Court Document No. 1373964.

7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING dated November 2, 1992, recorded as Land Court Document No. 1967152.

8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in DECLARATION dated December 10, 1992, recorded as Land Court Document No. 1978661, as amended by Annexation of Additional Property and Amendment of Declaration of Covenants, Conditions and Restrictions of Launani Valley dated June 22, 1993, filed as Land Court Document No. 2038685.

9. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in WAIVER AND HOLD HARMLESS AGREEMENT dated March 14, 1995, made by and between WAIHUNA JOINT VENTURE and HAWAIIAN ELECTRIC COMPANY, INC., recorded in said Bureau of Conveyances as Document No. 95-044034.

10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in AGREEMENT FOR ISSUANCE OF CONDITIONAL USE PERMIT UNDER SECTION 21-4-40-21 OF THE LAND USE ORDINANCE, dated June 10, 1996, filed as Land Court Document No. 2316139, by WAIHUNA JOINT VENTURE, a Hawaii general partnership.

11. The terms and provisions, including the failure to comply with the covenants, conditions and reservations, contained in DECLARATION OF RESTRICTIVE COVENANTS (PRIVATE PARK) dated June 14, 1995, filed as Land Court Document No. 2316788.

12. Designation of Easement "5867" (254 square feet) for electrical switch pad purposes, as shown on Map 978, as set forth by Land Court Order No. 126034, filed November 7, 1996.

13. Designation of Easement "5868" (96 square feet) for telephone pad purposes, as shown on Map 978, as set forth by Land Court Order No. 126034, filed November 7, 1996.

14. Grant to HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation, dated July 23, 1997, filed as Land Court Document No. 2397192, granting a perpetual right and easement to construct, reconstruct, operate, maintain, repair and remove a switching vault site and such other appliances and equipment as may be necessary for the transmission and distribution of electricity.

15. Grant to CASTLE & COOKE HOMES HAWAII, INC., a Hawaii corporation, dated September 24, 1997, filed as Land Court Document No. 2408101, granting easement over, under and across Easement "228" for roadway purposes in favor of Lot 12307. A portion of Easement "228" affecting the land of the Project has been cancelled as set forth by Land Court Order No. 138926, filed July 5, 2000.

16. Grant to GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, Hawaii corporation, dated February 12, 1999, filed as Land Court Document No. 2526255, granting a perpetual right and easement to construct, reconstruct, operate, maintain, repair and remove above-ground telecommunications equipment cabinet and underground wirelines and such other appliances and equipment as may be necessary for the transmission and distribution of electricity.

17. DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF WOODCREEK dated September 5, 2000, recorded as Land Court Document No. 2650291, as amended by instrument dated January 12, 2001, recorded as Land Court Document No. 2678168.

18. DECLARATION OF CONDOMINIUM PROPERTY REGIME OF WOODCREEK dated September 29, 2000, recorded as Land Court Document No. 2655751, , as amended by instrument dated January 12, 2001, recorded as Land Court Document No. 2678169, and CONDOMINIUM MAP NO. 1372, as amended.

19. BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS dated September 29, 2000, recorded as Land Court Document No. 2655752, as amended by instrument dated January 12, 2001, recorded as Land Court Document No. 2678170.

20. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT dated October 9, 2000, made by and between WAIHUNA JOINT VENTURE, a Hawaii general partnership, and BANK OF HAWAII, a Hawaii corporation, recorded as Land Court Document No. 2658894.

21. INDEMNITY AGREEMENT dated December 29, 2000, recorded as Land Court Document No. 2675981, between WAIHUNA JOINT VENTURE, a Hawaii general partnership, and HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation.

EXHIBIT "I"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

[SEE ATTACHED]

EXHIBIT "A"
AOAO WOODCREEK
Estimated Annual Common Expense

	Monthly	Annual
Utilities and Services		
Television		
Air Conditioning		
Electricity (common elements only)	$700.00	$8,400.00
Gas		
Water and Sewer (common elements)	$675.00	$8,100.00
Refuse Collection		
Telephone/Communication		
Maintenance, Repairs, and Supplies		
Building (exterminating)	$22.00	$264.00
Grounds	$525.00	$6,300.00
Management		
Management Fee	$700.00	$8,400.00
Payroll and Payroll Taxes		
Office Expenses	$458.00	$5,496.00
Insurance	$451.00	$5,412.00
Reserves	$1,011.00	$12,132.00
Taxes and Government Assessments	$20.00	$240.00
Professional Services - Audit	$100.00	$1,200.00
Other - Legal Expenses		
Security		
Amenities		
TOTAL	$4,662.00	$55,944.00

I, TONI FLOERKE-POLITSCH, as agent and employed by CERTIFIED MANAGEMENT, INC., the condominium managing agent or the developer, for the condominium project AOAO WOODCREEK, hereby certify that the above estimates of initial maintenance fees assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Toni Floerke-Politsch
Vice President of the Community Association Management Division

31-Oct-00
Date

AOAO WOODCREEK
ESTIMATE OF INITIAL MAINTENANCE FEE
and
MAINTENANCE FEE DISTRIBUTION

ESTIMATE OF INITIAL MAINTENANCE FEE

APARTMENT TYPE		Monthly Fee x 12 mos.	Yearly
Duplex	0.980393	$45.00	$540.00
Homes	0.980393	$45.00	$540.00

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

[ ] Revised on _____

AOAO WOODCREEK
Certification of Reserve Study

I, TONI FLOERKE-POLITSCH, as agent and employed by CERTIFIED MANAGEMENT, INC., the condominium managing agent or the developer, for the condominium project, AOAO WOODCREEK, hereby certify that a reserve study has been conducted in accordance with 514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Toni Floerke-Politsch — 31-Oct-00
Date
Vice President of the Community Association Management Division

EXHIBIT "J"

SUMMARY OF SALES CONTRACT

A copy of the form of Condominium Reservation Agreement, Deposit Receipt and Sales Agreement ("Sales Contract") has been submitted to the Real Estate Commission and is available for inspection at the Developer's office. The following is a summary of some of the provisions of the Sales Contract. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES CONTRACT IN FULL SINCE THIS SUMMARY IS NOT INTENDED TO BE A COMPLETE DESCRIPTION OF THE PROVISIONS OF THE SALES CONTRACT.

1. The Sales Contract does not become a binding contract until the Effective Date occurs. Until the Effective Date, the Sales Contract is only a reservation for the Apartment and is not legally binding on either Buyer or Developer. The Effective Date of the Sales Contract shall be the date on which all of the following conditions are fulfilled:

(a) A copy of the Final Public Report covering the Apartment is mailed or otherwise delivered to the Buyer;

(b) Buyer has waived or be deemed to have waived Buyer's right to terminate the Sales Contract pursuant to Hawaii Revised Statutes, Section 514A-62, as amended; and

(c) The Sales Contract has been accepted by Developer through execution of the Sales Contract by Developer's officers or designated agents.

2. If the Apartment covered by a particular Sales Contract is an Owner-Occupant Designated Apartment, and Buyer has executed an affidavit stating Buyer's intent to become an owner-occupant of the Apartment, then Buyer agrees when signing the Sales Contract that Buyer will occupy the Apartment as Buyer's principal residence. Any such Buyer shall be required to reaffirm his or her intent to be an owner-occupant no earlier than the Buyer's receipt of the Final Public Report and no later than the Closing Date. Failure to sign the reaffirmation upon the reasonable request of Developer shall constitute a default under the Sales Contract by such Buyer and Developer shall have the remedies provided in the Sales Contract.

3. Section G.3 of the Sales Contract provides as follows:

> Warranties. Seller, either directly or by its construction manager, Towne Realty of Hawaii, Inc., makes no warranties itself regarding the Apartment or the Project, but Seller agrees that any and all warranties given to Seller by contractors (which does NOT include Towne Realty of Hawaii, Inc.) retained by the Seller for the Project relating to the Apartment shall accrue to Buyer on closing without further instruments or documents. Buyer acknowledges and agrees that Seller and Towne Realty of Hawaii, Inc. are not adopting any contractor's warranty or acting as co-warrantor but Seller is merely attempting to pass through to Buyer the benefit of such contractor's warranty, if any.
>
> Seller shall also assign or cause to be assigned to Buyer the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances in the Apartment. Buyer acknowledges that the Seller is only passing through to Buyer any such manufacturer's or dealer's warranties. Seller and Towne Realty of Hawaii, Inc. are not undertaking to adopt any such warranties or to act as co-warrantor with respect to any furnishings, fixtures or appliances covered thereby. The terms of the manufacturer's or dealer's written warranties are available for the Buyer's examination at the Seller's Sales Office.

Except for the agreements set forth above, it is expressly understood and agreed by and between Seller and Buyer that SELLER AND TOWNE REALTY OF HAWAII, INC. MAKE NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, CONSUMER PRODUCTS INSTALLED THEREIN, THE PROJECT OR ANYTHING INSTALLED THEREIN, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE APARTMENT FOR A PARTICULAR USE OR PURPOSE OR FOR SUFFICIENCY OF DESIGN.

4. Buyer agrees that all payments required by the Sales Contract will be deposited with Escrow and that all checks will be made payable to Escrow. Buyer also agrees that any money that Buyer deposits with Escrow may be deposited together with other buyers' money in a federally insured interest bearing account, and that Escrow may distribute the money in this account according to an Escrow Agreement between Developer and Escrow. Buyer also agrees that all the interest earned from the funds deposited by buyers will be credited to Developer.

In case Buyer is late in making payments to Escrow, the late payment will bear interest at the rate of one percent (1%) per month until paid.

5. All taxes, assessments, and charges of any kind assessable against the Apartment or the land of the Project will be prorated as of the Closing Date. This means that Buyer will have to pay Buyer's share of these taxes and assessments at the Closing Date. In addition, Buyer will be responsible for paying all closing costs in connection with the purchase of the Apartment, including all costs related to any mortgages, all notary fees, recording fees, escrow fees, title insurance, conveyance taxes and fees, and preparation of the Apartment Deed to Buyer.

6. In addition to all other funds due, Buyer must deposit with Escrow at Preclosing a nonrefundable "start-up" fee for the Condominium Association. This start-up fee is an initial contribution to the Association common expenses reserve. The minimum amount of the start-up fee will be equal to two (2) months of estimated assessments for common expenses. Also, Buyer must deposit with Escrow the amount of the Initiation Assessment required under the Declaration of Covenants, Conditions and Restrictions of the Launani Valley Community, which constitutes a non-refundable "start-up" fee for the Launani Valley Community Association. These amounts are separate from the purchase price and closing costs for the Apartment.

7. Buyer may not assign Buyer's rights under the Sales Contract without the prior written consent of Developer. Under no circumstances may Buyer assign Buyer's rights to the agreement after the Preclosing or the Closing Date. If Buyer attempts to assign the agreement without Developer's written consent, Buyer shall be in default under the Sales Contract.

8. The Developer may, at its option, preclose the sale of Apartments by requiring the Buyer to deliver all documents necessary for closing and certain funds to Escrow up to sixty (60) days prior to the closing date. Buyer will have ten (10) days notice of such preclosing. Buyer must deposit all funds other than the proceeds of Buyer's first mortgage loan or the balance of the purchase price for a cash sale with Escrow, including the advanced payment for a maintenance assessment fund. Buyer must also sign all documents required for closing.

9. Buyer shall not be able to occupy the Apartment until the Closing Date for the sale of the Apartment. Developer or Escrow will notify Buyer of when the Closing Date will take place. Buyer will not be able to take occupancy until all payments required by the Sales Contract have been made. Keys will not be issued for the Apartment unless all payments have been made. If Buyer attempts to take occupancy of the Apartment prior to the Closing Date, then Buyer will be in default of the Sales Contract, and Developer has the right to remove Buyer from the Apartment using any lawful means.

10. Buyer agrees to accept an Apartment as suitable for occupancy even if there are defects or damage to the Apartment, as long as Developer promises to repair these defects within a reasonable time after Developer takes occupancy. If Buyer wrongfully refuses to take occupancy of a defective Apartment, Buyer may have to bear the cost of Developer's costs in any resulting legal action. Developer will notify Buyer that the Apartment is ready for inspection prior to occupancy. Buyer then has fifteen (15) days from the date Buyer receives notification to inspect the Apartment. If Buyer does not inspect the Apartment within this time, Developer may appoint an appropriate person to inspect the Apartment on Buyer's behalf and decide if it is acceptable.

11. The Developer reserves the right to change the Project and modify the condominium map and any other condominium documents for any reason up to the Effective Date of the agreement.

12. Developer will complete construction so that Buyer may occupy the Apartment within two (2) years of the Effective Date of the Sales Contract. However, this two (2) year period may be extended if construction is delayed by any matters beyond Developer's control.

13. By signing the Sales Contract, Buyer represents that Buyer is financially capable of paying the purchase price for the Apartment. Buyer also represents that any financial data he has given Developer is accurate. If Buyer does not notify Developer that Buyer's financial situation has changed as of the Closing Date, Developer will assume that the information Developer has is accurate. If the Developer discovers that any important financial data provided to Developer is not accurate and Buyer failed to notify Developer of this inaccuracy, Developer has the right to cancel the Sales Contract.

If Buyer intends to finance the purchase of an Apartment, Buyer must apply for financing and inform Developer of the name and address of the lending institution within five (5) days of Developer's acceptance of the Sales Contract or, if the Sales Contract is a reservation, from the Effective Date of the Sales Contract. Buyer agrees to do everything possible and/or necessary to successfully obtain the loan. Within fifty-five (55) days of Developer's acceptance of the Sales Contract or, if the Sales Contract is a reservation, from the Effective Date of the Sales Contract, Buyer must deliver to Developer a written, unqualified loan commitment that is reasonably acceptable to Developer signed by the lending institution agreeing to make the loan to Buyer.

If Buyer tries in good faith and with diligent effort to obtain financing but is unsuccessful in doing so, then either Developer or Buyer may cancel the Sales Contract upon written notice to the other party. If the Sales Contract is cancelled in this manner, Buyer is entitled to a refund from Escrow of Buyer's money, without interest and minus any costs incurred by Developer, Escrow, or any lending institution in processing the Sales Contract or the Buyer's loan application(s).

If Buyer does not apply for and do everything possible and/or necessary to successfully obtain the loan, then Developer may cancel the Sales Contract upon written notice to Buyer and Developer may keep all money previously paid by Buyer and any interest earned.

If Buyer is making a cash purchase of an Apartment, Buyer must provide proof to Developer within ten (10) days after Developer accepts the Sales Contract that Buyer is financially capable of making all payments under the Sales Contract. Developer has the option to terminate the Sales Contract if Developer determines at any time that Buyer is unable to make the required payments. If the Sales Contract is cancelled in this manner, Buyer is entitled to a refund from Escrow of Buyer's money, without interest and less escrow charges, the cost of any credit reports and all other costs incurred by Developer. Developer will give Buyer notice of any such cancellation.

14. As long as the Sales Contract is only a reservation, it may be terminated for any reason and at any time at the option of either Buyer or Developer, by giving written notice of termination to the other party. In the event of a termination, the Developer will instruct Escrow to refund all payments previously made by Buyer, without interest. Additionally, if the Buyer is terminating the Sales Contract pursuant to Hawaii Revised Statutes,

Section 514A-63, as amended, then Escrow shall deduct an escrow cancellation fee and all costs incurred by Developer, escrow, or any lending institution in processing the Sales Contract or loan application.

15. If Buyer defaults, Developer may cancel the Sales Contract by notifying Buyer in writing. If the cancellation occurs after the Effective Date of the Sales Contract, the Developer may keep any amounts previously paid by Buyer as liquidated damages to compensate Developer for its damages. In addition, Developer may also pursue any other legal remedy for Buyer's default.

If Developer defaults after the Effective Date of the Sales Contract, Buyer's only remedy is to cancel the Sales Contract and have all of Buyer's money refunded.

17. If less than 25 Apartments have been sold as of June 30, 2001, Developer has the option to cancel the Sales Contract. If Developer cancels the Sales Contract, Buyer will be entitled to a refund of any money Buyer has deposited with Escrow, without interest and minus an escrow cancellation fee. When Buyer has received this refund, Buyer and Developer will no longer have any obligations under the Sales Contract.

18. Developer has the option to cancel the Sales Contract if unanticipated delays in construction cause the cost of development to increase to the point where the Project is no longer economically feasible for the Developer. In this case, Developer may cancel the Sales Contract and refund Buyer's money in the same way as for a cancellation due to lack of sales described above.

19. By entering into the Sales Contract, Buyer acknowledges that Buyer has never received any information of representations from Developer or any of Developer's agents regarding rental income from the Apartment or other economic or tax benefits that Buyer may receive from ownership of the Apartment. The Buyer further agrees that he or she will not participate in any rental pool for the renting of the Apartment. Buyer may be required to sign documents which satisfy the Developer that no such representations have been made.

20. The Developer may have made one or more construction loans to finance construction of the Project. Any rights which a Buyer may possess under a Sales Contract for one of the Apartments in the Project are subject to and subordinate to the rights of the lender(s) of the construction loan(s).

21. Buyer acknowledges that the Project is located within the vicinity of Wheeler Army Airfield and may be subject to noise, vibrations, nuisances, disturbances or other hazards to persons or property caused by military and airfield operations at Wheeler Army Airfield. These operations are not subject to regulation by Developer, the City and County of Honolulu (the "City") or the State of Hawaii (the "State"). Buyer acknowledges that the noise level at the Project caused by these military and airfield operations may exceed government noise level standards and that there are some individuals for whom these noise levels are not acceptable. Buyer agrees to assume the risks of impairment to Buyer's use and enjoyment of the Apartment, loss of market value and injury or damage caused by the military and airfield operations, except for violations of law, gross negligence or willful misconduct, and agrees to indemnify, hold harmless and defend Developer, the City and the State from all claims by Buyer, damages, and costs arising from such operations. Buyer also releases and agrees not to file any claim or lawsuit against the Developer, the City or the State related to the military and airfield operations at Wheeler Army Airfield including but not limited to claims for costs or damages resulting from aircraft noise and/or vibration.

EXHIBIT "K"

SUMMARY OF ESCROW AGREEMENT

A copy of the Escrow Agreement between the Developer and Title Guaranty Escrow Services, Inc. ("Escrow"), has been submitted to the Real Estate Commission and is available for inspection at the Developer's office. The following is a summary of some of the provisions of the Escrow Agreement.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS IN FULL AS THIS SUMMARY DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS IN THE ESCROW AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE ESCROW AGREEMENT, AND DOES NOT ALTER OR AMEND THE ESCROW AGREEMENT IN ANY MANNER.

1. A signed copy of each sales contract for an Apartment in the Project must be given to Escrow.

2. All purchasers who are to be owner-occupants as defined in Section 514A-103, Hawaii Revised Statutes, must submit an affidavit to Escrow affirming their owner-occupant status. The affidavit setting forth the purchasers' intent to be owner-occupants must be reaffirmed no earlier than their receipt of the final public report but no later than the closing of escrow for the Apartment and all prospective owner-occupants must submit the reaffirmed affidavit and proof of receipt of the final public report to Escrow.

3. All money received by the Developer from buyers under sales contracts for apartments in the Project must be given to Escrow. Escrow, in accordance with written instructions from the Developer, shall deposit all money so received in accounts at a federally insured bank, savings and loan association or other financial institution which pays interest on deposits. Any interest earned on funds deposited into Escrow will accrue to the credit of the Developer unless otherwise provided.

4. Escrow may not make any disbursements of funds until certain conditions, including the issuance of a Final Public Report of the Project by the Real Estate Commission, have been met.

5. Under certain conditions, a buyer shall be entitled to a refund. Escrow shall pay this refund to the buyer without interest less a reasonable escrow cancellation fee. However, no escrow cancellation fee will be deducted from refunds to individuals on the Developer's owner-occupant reservation list to whom no Sales Contract was ever offered.

6. If a buyer fails to claim a refund for a cancelled sales contract, Escrow shall deposit the refund in a special account in a bank or other depository selected by Escrow, in the name of the Developer as trustee for the benefit of the buyer. Escrow will then attempt to notify the buyer about the refund.

7. If a buyer is to make a payment under a sales contract directly to Escrow, Escrow shall promptly give the buyer notice of the amount and due date of the payment. If the buyer fails to make a payment to Escrow in a timely manner, Escrow will notify Developer. If the Developer subsequently notifies Escrow in writing that Developer has terminated the sales contract and provides Escrow with copies of all notices of termination sent to the buyer, Escrow will then treat any funds the buyer has already paid as though they belong to the Developer. Upon written request by the Developer, Escrow will pay all such sums to Developer minus any escrow cancellation fee.