CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:
Developer KUNIA RESIDENTIAL PARTNERS
Address 100 Kahelu Avenue, 2nd Floor, Mililani, Hawaii 96789
Project Name (*): EXPRESSIONS III AT ROYAL KUNIA - PHASE II
Address: Polina Place, Waipahu, Hawaii

Registration No. 4816

Effective date: July 24, 2002
Expiration date: August 24, 2003

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.
__	**CONTINGENT FINAL: (green)**	The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date. Contingent Final public reports may not be extended or renewed. [ ] No prior reports have been issued. [ ] This report supersedes all prior public reports.
X	**FINAL: (white)**	The developer has legally created a condominium and has filed complete information with the Commission. [ ] No prior reports have been issued. [X] 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 1297 / 0298 /0800

General:429859.2

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required and attached to this report as Exhibit "H"

[ ] Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[X] Changes made are as follows:

1. The Declaration of Merger of Condominium Phases, the Declaration of Condominium Property Regime, the By-Laws of the Association of Apartment Owners, and the Condominium Map have been recorded in the Bureau of Conveyances of the State of Hawaii. Prior to recordation, the drafts of the Declaration of Condominium Property Regime and the By-Laws were revised since the issuance of the Preliminary Public Report.

2. The Rules and Regulations have been adopted. These are the equivalent of "House Rules".

3. The forms of the Apartment Deed (One-Year Restriction on Transfer) and the Apartment Deed (Two-Year Restriction on Transfer) were revised since the issuance of the Preliminary Public Report.

SPECIAL DISCLOSURE:

The Developer has agreed with the City and County of Honolulu (which, together with its own Department of Planning and Permitting, is herein called the "City"), that the Developer will offer apartments in the Project for sale to owner-occupants. Notwithstanding any other provision contained in this Public Report to the contrary, during the effective period and pursuant to the terms of Ordinance 99-51, and subject to any restrictions imposed by the City, the Developer may offer and sell apartments within the Project to owner-occupant purchasers free from any conditions relating to (a) eligibility requirements (other than owner-occupancy requirements), (b) two-year restrictions on use and transfer of apartments, and (c) first options by the City to purchase the apartments. However, if Ordinance 99-51 is repealed or if required by the City, offers and sales of apartments in the Project may be subject to eligibility requirements, two-year restrictions on use and transfer of apartments, and first options by the City to purchase the apartments. If apartments are offered without first options by the City to purchase the apartments, the transfer of the apartments to buyers will be made subject to (and the Apartment Deed will so provide) the condition that the apartment will be the buyer's primary residence for at least one (1) year after the recordation of the Apartment Deed (the "Occupancy Period"), and the transfer of the apartment to buyer also will be made subject to (and the Apartment Deed will so provide) certain restrictions on transfer of the apartment during the Occupancy Period.

SPECIAL ATTENTION:

The Developer has disclosed the following:

1. This is a CONDOMINIUM PROJECT, not a subdivision. The yard areas, consisting of the land appurtenant to and under the apartments, are designated as LIMITED COMMON ELEMENTS and are not legally subdivided lots. The lines on the Condominium Map bounding the designated yard areas should not be construed to be the property lines of legally subdivided lots.

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

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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: Kunia Residential Partners
Name*
100 Kahelu Avenue, 2nd Floor
Business Address
Mililani, Hawaii 96789

Phone: (808) 548-4811
(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):
Castle & Cooke Kunia, Inc. – General Partner
Halekua Development Corporation – Limited Partner
Kunia Holdings, Inc. – Limited Partner

Real Estate Broker*: Herbert K. Horita Realty, Inc.
Name
2024 N. King Street, Room 200
Business Address
Honolulu, Hawaii 96819

Phone: (808) 847-4241
(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*: Castle & Cooke Homes Hawaii, Inc.
Name
100 Kahelu Avenue, 2nd Floor
Business Address
Mililani, Hawaii 96789

Phone: (808) 548-4811
(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: Goodsill Anderson Quinn & Stifel
(Gail O. Ayabe)
Name
1099 Alakea Street, 18th Floor
Business Address
Honolulu, Hawaii 96813

Phone: (808) 547-5600
(Business)

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), 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
[X] Recorded - Bureau of Conveyances: Document No. 2002-124113
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

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

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

The Condominium Map for this condominium project is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances Condo Map No. 3463
[ ] Filed - Land Court Condo Map No. _____

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

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

The Bylaws for this condominium are:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 2002-124114
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

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

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

The House Rules for this condominium are:

[ ] Proposed [X] Adopted [ ] Developer does not plan to adopt House Rules

NOTE: If interested, prospective purchasers should request seeing the "Rules & Regulations" for this project.

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	** The Developer's written consent also is required to amend any provision that gives the Developer any right or authority
Declaration (and Condo Map)	75%*	75%**	
Bylaws	65%	65%	
House Rules	--	Majority of the Board of Directors	

* 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:

The Developer may amend the Declaration, By-Laws and Condominium Map (a) at any time prior to the filing of the first apartment conveyance to a party not signatory to the Declaration; (b) to make any amendments required by law, by the Real Estate Commission of the State of Hawaii, by any title insurer issuing title insurance on the Project or any of the apartments, by any institutional lender lending funds on the security of the Project or any of the apartments, by any purchaser, insurer or guarantor of loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to purchase, insure or guarantee a loan made on the security of the Project or any of the apartments, or by any governmental agency; (c) to file the "as built" verified statement required by Section 514A-12, HRS; (d) to reflect alterations of the Project which the Developer is permitted to make pursuant to Paragraph 3 of Section R of the Declaration; (e) to reflect alterations of the Project which the Developer is permitted to make pursuant to Paragraph 4 of Section R of the Declaration; (f) to reflect alterations of the Project which the Developer is permitted to make pursuant to Paragraph 5 of Section R of the Declaration; (g) at any time to effect the changes provided in the Declaration of Merger of Condominium Phases referred to in Section S of the Declaration, including the right to merge the Project with one or more condominium projects located or to be located on lands (or a portion or portions thereof) in the vicinity of the Project site.

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: Polina Place
Waipahu, Hawaii

Tax Map Key (TMK): (1) 9-4-146-017 (portion)

[ ] Address [X] TMK is expected to change because the land was subdivided recently.

Land Area: 3.101 [ ] square feet [X] acre(s) Zoning: A-1

Fee Owner: Kunia Residential Partners
Name

100 Kahelu Avenue, 2nd Floor
Address

Mililani, Hawaii 96789

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: 28 Floors Per Building 3 - one floor, 25 - two floors

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [ ] Hollow Tile [X] Wood

   [X] Other galvanized light gauge steel, gypsum board, composition siding, asphalt shingles, glass and other allied construction materials

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning	
[X] Residential	28	[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: No animals allowed, except that dogs, cats and other household pets (as determined by the Board of Directors) in reasonable number and size (as determined by the Board of Directors) may be kept by owners and occupants.

[ ] Number of Occupants: _____

[X] Other: Ask to see "Rules & Regulations" (House Rules) regarding other possible restrictions. Also see owner-occupancy requirements noted on page 2a of this Report and Exhibit K on covenants.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 25-1 in each 2-story building Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
See EXHIBIT A					

Total Number of Apartments: 28

***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 B

Permitted Alterations to Apartments:

SEE EXHIBIT C

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 5I4A-102, HRS; or include the information here in this public report and in the announcement. Developer has elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 56*

	Regular		Compact		Tandem		TOTAL
	Covered	Open	Covered	Open	Covered	Open	
Assigned (for each unit)							0
Guest							0
Unassigned							0
Extra for Purchase							0
Other:	28*		28*				56
Total Covered & Open:	28		28		0		56

*Each apartment shall include a 2-car garage, containing one (1) regular size stall and one (1) compact size stall.

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

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit _____ 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): Not Applicable

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 D.

[ ] as follows:

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

[ ] There are no limited common elements in this project.

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

[X] described in Exhibit E/F.

[ ] as follows:

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

[X] described in Exhibit F.

[ ] as follows:

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

Exhibit G describes the encumbrances against the title contained in the title report dated June 27, 2002, and issued by Title Guaranty of Hawaii, Incorporated.

Blanket Liens:

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

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

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

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

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

F. **Construction Warranties:**

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

1. Building and Other Improvements:

   SEE SECTION 3 OF EXHIBIT H (DISCLOSURE ABSTRACT)

2. Appliances:

   SEE SECTION 3 OF EXHIBIT H (DISCLOSURE ABSTRACT)

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

Construction of the Project commenced in April 2002. The Developer estimates that the project will be completed in or before October 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):

The Developer, at its option, has the right, but not the obligation, to expand the Project by merging, either through an administrative merger or mergers or an ownership merger or mergers, the Project with one or more condominium projects located or to be located on lands (or a portion or portions thereof) in the vicinity of the Project site, and to amend the Declaration to provide for such merger or mergers without obtaining the approval, consent or joinder of any owner, mortgagee or purchaser of any apartment, all as set forth in that certain Declaration of Merger of Condominium Phases referred to in Section S of the Declaration.

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 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 fees may vary depending on the services provided.

(Disclosure Abstract)
Exhibit H 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)

[X] Water* [X] Sewer* [ ] Television Cable

[X] Other Telephone/communication (common elements only)

*Common elements only

V. MISCELLANEOUS

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

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

[ ] Notice to Owner Occupants

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

[X] Escrow Agreement dated January 18, 2002
Exhibit J contains a summary of the pertinent provisions of the escrow agreement.

[X] Other Eligibility Affidavit; Disclosure of Real Property Condition Statement

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

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

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

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

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

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

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

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

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

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

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
B) Declaration of Condominium Property Regime, as amended.
C) Bylaws of the Association of Apartment Owners, as amended.
D) House Rules, if any.
E) Condominium Map, as amended.
F) Escrow Agreement.
G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
H) Other Royal Kunia Covenants (See Summary, Exhibit K); Declaration of Merger of Condominium Phases

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

This Public Report is a part of Registration No. 4816 filed with the Real Estate Commission on February 14, 2002.

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

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

C. **Additional Information Not Covered Above**

1. ROYAL KUNIA COVENANTS. The Declaration of Condominium Property Regime provides that all present and future apartment owners, tenants and occupants of apartments shall be bound by and subject to the provisions of that certain Declaration of Protective Covenants for Royal Kunia Community dated April 17, 1989, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 23083 at Page 509, as amended from time to time (the "Royal Kunia Covenants"). The Royal Kunia Covenants provide, among other things, that each apartment owner, by virtue of being such an owner, shall be a member of the Royal Kunia Community Association and shall pay assessments to the Royal Kunia Community Association, as set forth in the Royal Kunia Covenants. See Summary of Covenants in Exhibit K.

2. RESTRICTIONS ON USE AND TRANSFER OF APARTMENTS. The transfer of the apartment to buyer will be made subject to (and the respective Apartment Deed will so provide) the condition that the buyer will use and occupy the apartment at all times for a 2-year period after the purchase, and that if buyer fails to do so, the City shall have the right, in the nature of an option (but shall not be obligated), to repurchase the apartment at a price established as set forth in the respective Apartment Deed. The transfer of the apartment to buyer also will be made subject to (and the respective Apartment Deed will so provide) certain restrictions on transfer of the apartment, including without limitation, a first option to purchase (at a price established as set forth in the respective Apartment Deed) the apartment in favor of the City, for a period of two (2) years after the purchase, in the event that buyer attempts to transfer title to the apartment.

3. REPAIR AND MAINTENANCE OF APARTMENTS AND COMMON ELEMENTS. The By-Laws provide that every apartment owner shall at his own expense at all times well and substantially repair, maintain, amend and keep his apartment, including without limitation all doors, sliding glass doors (if any), windows, window fixtures, and all internal installations within the apartment such as water, electricity, gas (if any), telephone, sanitation, lights, and all other fixtures and accessories belonging to such apartment, if any, and all foundations, walls, floors, ceilings and roofs of such apartment, with all necessary reparations and amendments whatsoever in good order and condition, except as otherwise provided by law or the Declaration, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work diligently, and in case of such failure after reasonable notice to perform shall reimburse to the Association promptly on demand all expenses incurred by it in performing any such work authorized by the Board of Directors or the Managing Agent.

In addition, each apartment owner shall at his own expense at all times well and substantially repair, maintain, amend and keep (a) the limited common elements appurtenant to and reserved for the exclusive use of such owner's apartment, including, without limitation, the yard area appurtenant to and reserved for the exclusive use of such owner's apartment, in good order and condition, (b) the common element planter strip, if

any, in front of such owner's apartment, in good order and condition, (c) the Association Trees (as defined in the By-Laws), if any, in front of or adjacent to such owner's apartment, in accordance with the provisions regarding Association Trees contained in the By-Laws, and (d) that portion of the Non-Perimeter Retaining Wall (and any fence located thereon), if any, located within the yard area appurtenant to such apartment, in good order and condition, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work, and in case of such owner's failure after reasonable notice to keep said areas as aforesaid, the Association (through the Board of Directors or the Managing Agent) shall have the right (but not the obligation) to perform any such work and the cost thereof shall be charged to such apartment owner as a special assessment constituting a lien against his interest in his apartment which may be foreclosed by the Board or Managing Agent in the same manner as provided in the Condominium Property Act for unpaid common expenses.

Except as hereinabove expressly provided to the contrary, all maintenance, repairs and replacements to the common elements (including, without limitation, the roads, curbs, sidewalks and street lights), whether located inside or outside of the apartments, shall be made by the Board and be charged to all the owners as a common expense or a limited common expense; provided, however, that any such maintenance, repair or replacement necessitated by the negligence, misuse or neglect of an apartment owner or occupant or any person under either of them, shall be charged to such apartment owner or the apartment owner of the apartment of such occupant, as a special assessment constituting a lien against his interest in his apartment which may be foreclosed by the Board or Managing Agent in the same manner as provided in the Condominium Property Act for unpaid common expenses.

4. LANDSCAPING OF YARD AREA. Each owner shall commence landscaping of the yard area assigned to his apartment, if any, within ninety (90) days after the closing of the purchase of the apartment and shall complete such landscaping within one (1) year after the closing of the purchase of the apartment (unless the yard area has already been completely landscaped). Before commencing any yard area landscaping, each owner shall submit to the Board of Directors a landscape plan (which shall include, without limitation, a proposed plant/tree list and hardscape plan) for the Board's review and written approval, which approval shall not be unreasonably withheld or delayed, and which approval shall be deemed to be granted if not denied in writing, within sixty (60) days of the Board's receipt thereof. The Board, in determining whether to grant or deny approval of a landscape plan, may consider any landscape requirements that apply to the Project, including, without limitation, those requirements contained in the Land Use Ordinance of the City and County of Honolulu. A construction warranty and a termite treatment warranty on the apartments have been or will be provided by or on behalf of the Developer, as described in Exhibits H and I attached hereto. Prior to commencing any yard area landscaping, apartment owners should review the terms of these warranties to ensure that the performance of such landscaping does not void or limit any of the warranties.

5. ADDITIONS AND ALTERATIONS TO APARTMENTS; WARRANTIES. Apartment owners may make certain additions and alterations to the apartments as described in Exhibit C attached hereto. A construction warranty and a termite treatment warranty on the apartments have been or will be provided by or on behalf of the Developer, as described in Exhibits H and I attached hereto. Prior to making any additions or alterations to their apartments, apartment owners should review the terms of these warranties to ensure that the performance of such additions or alterations to the apartments does not void or limit any of the warranties.

6. ASSOCIATION TREES.

a. One or more trees may be planted within the common area rights-of-way in front of or adjacent to the apartments within the Project (the "Association Trees"). The Association Trees are common elements and are subject to the Declaration, the By-Laws, and the Rules and Regulations;

b. Apartment owners shall use their best efforts to water, weed and fertilize the Association Trees in front of or adjacent to their respective apartments in order to maintain and promote the growth and health of the Association Trees; and

c. Apartment owners shall not cut, prune, spray, replace, remove, transplant, injure or destroy any of the Association Trees without the prior consent of the Board.

7. WATER SUPPLY AND OTHER ISSUES. With respect to any adverse conditions existing in the general neighborhood/area of the Project (such as pesticides, soil problems, water supply issues, irrigation, etc.), studies and reports have been conducted on behalf of the Developer and by Government agencies. Refer to the Developer's Sales Office for copies of such studies and reports and other materials that are within the Developer's possession. The Developer is unaware of any contaminants in the air, soil or water source of the Project in excess of maximum permissible levels as established by governmental agencies. The following also are noted:

a. Wells serving the Project have been turned over to the Board of Water Supply of the City and County of Honolulu (the "Board of Water Supply"). In certain cases, water treatment facilities may be used.

b. The Board of Water Supply administers tests to monitor water quality, the results of which typically are not given to Seller. Seller is, however, in possession of a Board of Water Supply water quality report dated May 2001 ("water quality report"). After treatment test results contained in this water quality report did not reveal any contaminants in excess of Maximum Contaminant Levels, the level defined in the report as the highest level of a contaminant that is allowed in drinking

water. It is also further noted that the after treatment test results for Nitrates, which occurs naturally in groundwater and may also come from man made sources, was below both the Maximum Contaminant Level and the Maximum Contaminant Level Goal, which is defined in the report as the level of a contaminant in drinking water below which there is no known or expected risk to health. However, supplemental information to the water quality report indicates that persons caring for an infant should ask advice from their health care provider about Nitrate levels between 5 to 10 ppms and after treatment test results showed levels of Nitrates in this range. Copies of this water quality report are available for review at Seller's Sales Office. The Board of Water Supply has informed Seller that it has budgeted funds for the design and construction of a Nitrate treatment facility and the design work should be completed by December 2002 with construction to commence immediately thereafter. Construction is expected to take approximately one year and the Board of Water Supply expects the facility to be in operation in the later part of 2003 or early 2004. The Project has the same water source as Village Park.

c. Construction activities, processes (such as steel framing assembly), vehicles, and equipment incidental to construction will be present in the Project. Materials incidental to construction such as fuel, oil, grease, and maintenance of vehicles and equipment may be present.

d. The Project is located on property that was formerly used or was in the vicinity of property that was formerly used for agricultural purposes. Chemicals used in connection with the former agricultural use of the property may have come into contact with the soil. Documents relating to a study of the Characterization of Organic Material and a Phase I Environmental Site Assessment prepared for the Developer are available for review at the Developer's Sales Office.

e. Media has reported questions raised by residents of Village Park (a residential community in the vicinity of the Project) concerning the possibility that soil, water or other environmental contamination has affected the health of Village Park residents. At times before the development of Royal Kunia and this Project, Village Park received untreated water. The water source is now filtered. A copy of a Board of Water Supply water quality report dated May 2001 is available for review at the Developer's Sales Office.

f. On October 7, 1999, various individuals filed a Complaint against various defendants in the Circuit Court of the First Circuit, State of Hawaii (Civil No. 99-3757-10). On March 7, 2000, a First Amended Complaint was filed in this lawsuit. It is alleged in this lawsuit that chemicals used in connection with the planting, cultivation and harvesting of pineapple and sugar cane are present in the air, soil and water of Central Oahu and that plaintiffs have or are suffering harm as a result. To the Developer's knowledge, there has been no judicial determination that the allegations are true. Documents relating to a study of the Characterization of Organic Material and a Phase 1

Environmental Site Assessment prepared for the Developer, and a Soil Sampling Study of the Village Park Community prepared by the Hawaii Department of Health, Office of Hazard Evaluation & Emergency Response (Fact Sheet No. 1, October 1999) are available for review at the Developer's Sales Office. Copies of the Complaint and First Amended Complaint in Civil No. 99-3757-10 are available for review at the Developer's Sales Office.

g. On September 27, 1999, the Board of Water Supply filed a Complaint against various defendants in the Circuit Court of the First Circuit, State of Hawaii (Civil No. 99-3618-09). In this lawsuit, the Board of Water Supply alleged, among other things, that it built and will continue to build facilities to remove chemicals used in connection with the growing of pineapple and other activities that have migrated into aquifers and groundwater sources. The Board of Water Supply sought, among other things, to recover expenses associated with the treatment or filtering of water. There were no allegations of unsafe drinking water and the complaint was not specifically directed at or limited to the water source for Royal Kunia but instead addressed all groundwater sources in Central Oahu. Neither the Developer nor any Castle & Cooke, Inc. entity was a party to this lawsuit. The lawsuit has been settled. Information relating to the lawsuit is available for review at the Developer's Sales Office.

8. DESIGNATION AND GRANT OF EASEMENT FOR LANDSCAPE, WALL AND FENCE PURPOSES. The Developer will construct or has constructed a wallcrete (sound barrier) wall along certain yard areas within the Project, including, without limitation, Yard Areas Y-4 to Y-19, inclusive (the "Wallcrete (Sound Barrier) Wall"). The Wallcrete (Sound Barrier) Wall will be owned and maintained by the Royal Kunia Community Association. The Developer has reserved the right and is in the process of designating or has designated an easement over an area (the "Easement Area") that includes the Wallcrete (Sound Barrier) Wall for landscape, wall and fence purposes. The Developer plans to grant to the Royal Kunia Community Association an easement for landscape, wall and fence purposes over the Easement Area.

9. YARD AREA Y-18. Access over the driveway located within Yard Area Y-18 to a gate adjacent to the Wallcrete (Sound Barrier) Wall has been or will be granted to the Royal Kunia Community Association in order to enable it to maintain the Wallcrete (Sound Barrier) Wall. In order to maintain this access, the driveway shall be maintained in its current configuration, no permanent structures shall be placed over or upon the driveway, and no plantings or other items, other than grass and/or gravel, shall be placed in front of the gate that provides access to the Wallcrete (Sound Barrier) Wall.

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.

KUNIA RESIDENTIAL PARTNERS,
a Hawaii limited partnership

By Castle & Cooke Kunia, Inc.,
a Hawaii corporation
Its General Partner

By: _____ JUL 17 2002
Duly Authorized Signatory* Date

ALAN K. ARAKAWA VICE PRESIDENT
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.***

CONDOMINIUM PUBLIC REPORT ON
EXPRESSIONS III AT ROYAL KUNIA – PHASE II

EXHIBIT A

APARTMENT DESCRIPTION

Apt. Type	Quantity	Bedroom/ Bath	Approx. Net Living Area in Sq. Ft.	Approx. Net Garage Area in Sq. Ft.	Approx. Net Entry Area in Sq. Ft.
A1	1	3/2	932	359	12
A1R	2	3/2	932	359	12
B1	1	3/2	1,212	394	28
B1R	1	3/2	1,212	394	28
C1R	1	3/2.5	1,296	392	33
C2	2	3/2.5	1,296	392	33
D1	1	4/2.5	1,428	392	33
D1R	2	4/2.5	1,428	392	33
D2	1	4/2.5	1,428	392	33
D3	2	4/2.5	1,428	392	33
D3R	1	4/2.5	1,428	392	33
E1	5	3/2.5	1,504	377	56
E1R	1	3/2.5	1,504	377	56
E2	4	3/2.5	1,504	377	56
E2R	3	3/2.5	1,504	377	56

Total Apartments: 28

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

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

CONDOMINIUM PUBLIC REPORT ON
EXPRESSIONS III AT ROYAL KUNIA – PHASE II

EXHIBIT B

BOUNDARIES OF EACH APARTMENT

Each apartment consists of the spaces within the underside of the concrete slabs, the outside of the roofs and the outer surfaces of the perimeter walls of the respective apartment, as shown on the Condominium Map. The respective apartments shall not be deemed to include any pipes, wires, vents, shafts, ducts, cables, conduits or other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within such apartment which are utilized for or serve more than one apartment, all of which are deemed common elements as hereinafter provided. Each apartment shall be deemed to include the following:

(a) the perimeter walls, foundations, columns, girders, beams, floor slabs, footings, supports, stairways, roofs, skylights (if any), ceilings and floors located at the perimeter of or surrounding such apartment;

(b) the walls and partitions within the apartment;

(c) the windows, window frames, louvers, shutters (if any), doors and door frames along the perimeter of the apartment;

(d) the garage, entry and lanai (if any) therein as shown on the Condominium Map;

(e) all mechanical, electrical, heating, incinerating and refrigeration equipment originally installed and utilized for or serving only such apartment;

(f) any pipes, wires, vents, shafts, ducts, cables, conduits or other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within such apartment, which are utilized for or serve only such apartment; and

(g) all of the fixtures and appliances originally installed therein.

CONDOMINIUM PUBLIC REPORT ON
EXPRESSIONS III AT ROYAL KUNIA – PHASE II

EXHIBIT C

PERMITTED ALTERATIONS TO APARTMENTS

Except as otherwise provided in the Declaration or in the By-Laws, restoration, repair or replacement of the Project or of any building or other facility or construction of any additional building or structural alteration or addition to any structure, different in any material respect from said Condominium Map of the Project, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of the Declaration, duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the apartment owners and accompanied by the written consent of the holders of all liens affecting any of the apartments, and in accordance with all of the requirements of Paragraph 4 of Section I of the Declaration, and promptly upon completion of such restoration, replacement or construction, the Association shall duly 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 notwithstanding any other provision in the Declaration to the contrary, the owner of an apartment may make any interior alterations within an apartment so long as such owner obtains written approval thereof, including approval of the apartment owner's plans therefor, by the holders of first mortgage liens affecting such apartment (if the lien holders require such approval), and by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, and such alterations may be undertaken without an amendment to the Declaration or filing of a complete set of floor plans of the Project as so altered; PROVIDED, FURTHER, HOWEVER, that notwithstanding any other provision in the Declaration to the contrary, the owner of an apartment may rebuild or restore the exterior of such owner's apartment or make any alterations or additions to the exterior of such owner's apartment within the yard area appurtenant to and for the exclusive use of such apartment or construct or alter one or more fences or walls within the yard area appurtenant to and for the exclusive use of such apartment so long as such rebuilding, restoration, alterations, additions or construction: (a) do not, in total at any time, increase the total area that the Original Apartment (as defined hereinbelow), covers on the yard area appurtenant to and for the exclusive use of such apartment (also known as the "building footprint") by more than 100 square feet; (b) do not, in total at any time, increase the total square footage of living area of the Original Apartment by more than 400 square feet; and (c) do not result in a total height of the apartment from finish grade to the highest point of the apartment, of more than 25 feet. The rebuilding, restoration, alterations, additions or construction of or

to the exterior of an apartment or within a yard area permitted by the immediately preceding proviso shall require only the written approval thereof, including approval of the apartment owner's plans therefor, by the holders of first mortgage liens affecting such apartment (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, and by the Board of Directors of the Association, and such alterations or additions may be undertaken without an amendment to the Declaration or filing of a complete set of floor plans of the Project as so altered. The Board shall not unreasonably withhold or delay its consent to such request, and any such request shall be deemed to be granted if not denied in writing, within forty-five (45) days of the Board's receipt thereof, or within forty-five (45) days of the Board's receipt of additional information reasonably required by the Board in order to consider such request, whichever shall last occur. As used herein, the term "Original Apartment" shall mean and refer to the apartment as originally constructed by the Developer, including without limitation, the garage and the entry as originally constructed by the Developer, and with respect to those apartments for which an optional lanai is offered by the Developer, any lanai constructed by the Developer or the owner of the apartment, the dimensions of which lanai shall not exceed those of the optional lanai as shown on the Condominium Map.

Notwithstanding any other provision in the Declaration to the contrary, prior to (a) the time that all apartments in the Project have been sold and recorded and (b) the filing by the Developer of the "as-built" verified statement (with plans, if applicable) required by Section 514A-12 of said Condominium Property Act (but in no event later than December 31, 2009), the Developer shall have the right to make alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any apartment (and the limited common elements appurtenant thereto) in the Project which is not sold and recorded; or to make other alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which make minor changes in any apartment in the Project or the common elements which do not affect the physical location, design or size of any apartment which has been sold and recorded, including, without limitation, changes to the metes and bounds of the limited common elements; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 3 of Section T of the Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of apartments in the Project and the recordation in the Bureau of Conveyances of the State of Hawaii of apartment conveyances transferring interests in the apartments from the Developer to parties not signatory to the Declaration.

Notwithstanding any other provision in the Declaration to the contrary, prior to the time that all apartments in the Project have been sold and recorded, the Developer shall have the right to make alterations in the Project (and to amend the Declaration, the By-Laws and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which consist of changing the apartment type of any of the apartments in the Project; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 4 of Section T of the Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of apartments in the Project and the recordation in the Bureau of Conveyances of the State of Hawaii of apartment conveyances transferring interests in the apartments from the Developer to parties not signatory to the Declaration.

Each Type A1 and Type A1R apartment in the Project will be offered to initial purchasers with an optional floor plan which deletes a bedroom and adds a den in lieu thereof. Each Type B1 and Type B1R apartment in the Project will be offered to initial purchasers with an optional floor plan which deletes a bedroom and adds a family room in lieu thereof. Each Type D1, Type D1R, Type D2, Type D3 and Type D3R apartment in the Project will be offered to initial purchasers with an optional floor plan which deletes a bedroom and adds a family room in lieu thereof. Each Type E1, Type E1R, Type E2 and Type E2R apartment in the Project will be offered to initial purchasers with an optional floor plan which deletes the study and enlarges the master bedroom or another bedroom. The basic floor plan and the optional floor plan for each of these apartment types are shown or described on the Condominium Map. Notwithstanding any other provision in the Declaration to the contrary, prior to the time that all apartments in the Project have been sold and recorded and construction of all of the apartments in the Project has been completed by the Developer, the Developer shall have the right to make alterations in the Project (and to amend the Declaration, the By-Laws and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, to construct or modify each Type A1, Type A1R, Type B1, Type B1R, Type D1, Type D1R, Type D2, Type D3, Type D3R, Type E1, Type E1R, Type E2 and Type E2R apartment in accordance with the respective optional floor plans shown or described on the Condominium Map; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 5 of Section T of the Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of Apartments in the Project and the recordation in the Bureau of Conveyances of the State of Hawaii of apartment conveyances transferring interests in the apartments from the Developer to parties not signatory to the Declaration.

Notwithstanding any other provision in the Declaration to the contrary, prior to the time that all apartments in the Project have been sold and recorded and construction of all of the apartments in the Project has been completed by the Developer,

the Developer shall have the right to make alterations in the Project (and to amend the Declaration, the By-Laws and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which consist of installing an uncovered lanai and/or a covered lanai within one or more yard areas; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 6 of Section T of the Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of apartments in the Project and the recordation in the Bureau of Conveyances of the State of Hawaii of apartment conveyances transferring interests in the apartments from the Developer to parties not signatory to the Declaration.

An apartment owner or occupant may install air-conditioning units in accordance with (a) air-conditioning guidelines prepared by the Project architect, Design Partners Incorporated (for which Board approval shall not be required) or (b) plans and specifications prepared by a licensed architect (if so required by the Board) that are submitted to and approved by the Board, all in accordance with all provisions of the Declaration.

No highly reflective finish, other than glass (which, however, may not be tinted or mirrored), shall be used on the exterior of any building in the Project; provided, however, that a gray film tint without visible purple tinge (as approved by the Board of Directors of the Association) and with an approved reflective value (as determined by the Board) may be installed by an apartment owner on the glass located along the perimeter of his apartment. If any bubbling or cracking shall occur, the apartment owner shall immediately remove the tint and may replace it in accordance with the foregoing provisions.

CONDOMINIUM PUBLIC REPORT ON
EXPRESSIONS III AT ROYAL KUNIA – PHASE II

EXHIBIT D

COMMON ELEMENTS

The common elements consist of all portions of the Project other than the apartments, including specifically, but not limited to:

(a) The Land in fee simple;

(b) All walkways, roadways, sidewalks, street lights, retaining walls, fences (if any), gates (if any), yard areas, driveways, yards, grounds, landscaping, Association Trees, planter strips and refuse areas (if any);

(c) All pipes, wires, vents, shafts, ducts, cables, conduits, drainage systems, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, wiring 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 (if any), sewer, water, telephone and television signal distribution (if any);

(d) 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;

(e) The limited common elements described in Exhibit E attached hereto.

CONDOMINIUM PUBLIC REPORT ON
EXPRESSIONS III AT ROYAL KUNIA – PHASE II

EXHIBIT E

LIMITED COMMON ELEMENTS

(a) Each of the yard areas within the Project, consisting of the land appurtenant to and under the apartment located within the respective yard areas, designated on the Condominium Map as Yard Areas Y-4 to Y-26, inclusive, and Y-57 to Y-61, inclusive, together with all walkways, retaining walls (if any), fences (if any), gates (if any), driveways, yards (if any), grounds, landscaping (if any), and refuse areas (if any) located thereon, shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it is assigned, as set forth in Exhibit F attached hereto;

(b) Any walkway, stairway, entrance, exit, or steps which would normally be used only for the purposes of ingress to and egress from a specific apartment or apartments shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment or apartments;

(c) Any mailbox assigned to an apartment by the Developer or the Association of Apartment Owners of the Project shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment.

CONDOMINIUM PUBLIC REPORT ON
EXPRESSIONS III AT ROYAL KUNIA – PHASE II

EXHIBIT F

COMMON INTERESTS AND LIMITED COMMON ELEMENTS

Apt. No.	Apt. Type	Yard Area No.	Common Interest
4	E2	Y-4	3.57143%
5	C1R	Y-5	3.57143%
6	E1	Y-6	3.57143%
7	D1R	Y-7	3.57143%
8	E2	Y-8	3.57143%
9	A1R	Y-9	3.57142%
10	E1	Y-10	3.57143%
11	D1R	Y-11	3.57143%
12	E2R	Y-12	3.57143%
13	D2	Y-13	3.57143%
14	E1	Y-14	3.57143%
15	A1	Y-15	3.57142%
16	E2	Y-16	3.57143%
17	C2	Y-17	3.57143%
18	E1	Y-18	3.57143%
19	D3R	Y-19	3.57143%
20	E2R	Y-20	3.57143%
21	B1R	Y-21	3.57143%
22	B1	Y-22	3.57142%
23	A1R	Y-23	3.57142%
24	D3	Y-24	3.57143%
25	E1R	Y-25	3.57143%
26	D1	Y-26	3.57143%
57	E2R	Y-57	3.57143%
58	D3	Y-58	3.57143%
59	E1	Y-59	3.57143%
60	E2	Y-60	3.57143%
61	C2	Y-61	3.57143%

CONDOMINIUM PUBLIC REPORT ON
EXPRESSIONS III AT ROYAL KUNIA – PHASE II

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

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

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Certificate dated December 1, 1986, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 20114 at Page 517, by Waitec Development, Inc., a Hawaii corporation; Consent thereto given by Bishop Trust Company, Limited, Trustee of the J.L.P. Robinson Limited Partnership Trust, et al.

4. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Protective Covenants for Royal Kunia Community dated April 17, 1989, recorded in Liber 23083 at Page 509, as amended by instruments dated August 10, 1989, recorded in Liber 23530 at Page 506, dated January 29, 1990, recorded as Document No. 90-013425, dated February 13, 1992, recorded as Document No. 92-032688, dated August 3, 1992, recorded as Document No. 92-125987, and dated and effective as of July 22, 1993, recorded as Document No. 93-140024, and as amended and restated by instrument dated March 18, 1994, recorded as Document No. 94-049225, and as further supplemented, amended and restated. See Summary, Exhibit K.

   By Assignment of Declarant's Rights dated August 3, 1992, recorded as Document No. 92-125990, the interest of Halekua Development Corporation, a Hawaii corporation, in said Declaration was assigned to Kunia Residential Partners, a Hawaii limited partnership.

5. Unilateral Agreement and Declaration for Conditional Zoning dated February 8, 1991, recorded as Document No. 91-019058.

6. Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) dated June 16, 1999, recorded as Document No. 99-186473.

7. Designation of Easement "SL-1", as shown on File Plan No. 2256, for slope purposes.

8. Grant of Slope Easement dated April 1, 1997, recorded as Document No. 99-022221, in favor of the State of Hawaii, by its Director of Transportation.

9. Designation of Easement "LS-1" (4 feet wide), as shown on survey map prepared by Roy T. Yama, Licensed Professional Land Surveyor with ParEn, Inc. dba Park Engineering dated May 22, 2000, and being more particularly described in instrument dated ---, recorded as Document No. 2001-076394, for landscape, wall and fence purposes.

10. Designation of Easement "1", as shown on File Plan No. 2318, for access and utility purposes.

11. Designation of Easement "3", as shown on File Plan No. 2318, for transformer vault purposes.

12. Designation of Easement "4", as shown on File Plan No. 2318, for transformer vault purposes.

13. Designation of Easement "5", as shown on File Plan No. 2318, for transformer vault purposes.

14. Declaration of Merger of Condominium Phases dated June 5, 2002, recorded as Document No. 2002-099019, as amended from time to time.

15. Grant of Easement dated June 13, 2002, recorded as Document No. 2002-108397, in favor of Hawaiian Electric Company, Inc., a Hawaii corporation, and Verizon Hawaii Inc., a Hawaii corporation, of a utility easement.

16. Declaration of Condominium Property Regime of Expressions III at Royal Kunia - Phase II dated July 16, 2002, recorded as Document No. 2002-124113, as amended from time to time, and Condominium File Plan No. 3463, as amended from time to time.

17. By-Laws of the Association of Apartment Owners of Expressions III at Royal Kunia - Phase II dated July 16, 2002, recorded as Document No. 2002-124114, as amended from time to time.

CONDOMINIUM PUBLIC REPORT ON
EXPRESSIONS III AT ROYAL KUNIA - PHASE II

EXHIBIT H

DISCLOSURE ABSTRACT

1. (a) PROJECT: Expressions III at Royal Kunia - Phase II
Waipahu, Hawaii

(b) DEVELOPER: Kunia Residential Partners
100 Kahelu Avenue, 2nd Floor
Mililani, Hawaii 96789
Telephone: (808) 548-4811

(c) MANAGING AGENT: Certified Management, Inc.
3179 Koapaka Street
Honolulu, Hawaii 96819
Telephone: (808) 836-0911

2. USE OF APARTMENTS:

(a) Number of Apartments in Project for Residential Use: 28

(b) Proposed Number of Apartments in Project for Hotel Use: -0-

(c) Extent of Commercial or Other Nonresidential Development in Project: None

3. WARRANTIES:

(a) Developer warrants that the Apartment is constructed in substantial conformity with the plans and specifications (including any amendments thereof, or changes and variations therein) and against any defects in equipment, material, or workmanship and materials of the Apartment resulting in noncompliance with standards of quality as measured by acceptable trade practices. This warranty shall continue for a period of one (1) year from the date of recordation of the conveyance of title to the original buyer of the Apartment. The Developer shall remedy, at the Developer's expense, any substantial nonconformity or such defects and shall restore any work damaged in fulfilling the terms and conditions of this warranty. Notwithstanding the generality of the foregoing, Developer's warranty shall not cover defects in any appliances or floor coverings within the Apartment. All appliances and floor coverings

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

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

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

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

(e) Buyer understands and acknowledges that the City and County of Honolulu (which, together with its own Department of Planning and Permitting, is herein called the "City") is not a party to the development or sale of the Property. Therefore, the Buyer indemnifies and holds harmless the City, its officers, employees and agents, against any of the Buyer's claims arising from the purchase of the Property and against any damages suffered by the Buyer resulting from workmanship or materials; provided that this agreement to indemnify and hold harmless shall not be applicable to, and shall not extend to obligate, any institutional lender or investor (including any successor or assign) who holds a mortgage covering the Property or who takes title to the Property upon foreclosure or by way of deed in lieu of foreclosure or otherwise, and provided, further, that this agreement to indemnify and hold harmless shall likewise not be applicable to,

and shall not extend to obligate, any owner or holder of the Property who is in the chain of title subsequent to such institutional lender or investor.

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

Attached to this Disclosure Abstract as Exhibit "1" is a breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, prepared by Certified Management, Inc., a Hawaii corporation, for the one-year period commencing February 1, 2002, and certified to have been based on generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each apartment are subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments. The breakdown of the estimated cost for each apartment contained in this Disclosure Abstract does not include the Buyer's obligation for the payment of the Royal Kunia Community Association initiation assessment of $100.00 or the Royal Kunia Community Association dues (as of January 1, 2002, $21.97 per month) or real property taxes, and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

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

5. TEMPORARY ASSUMPTION BY DEVELOPER OF ACTUAL COMMON EXPENSES:

The Developer will assume all the actual common expenses of the Project (and therefore an apartment owner will not be obligated for the payment of his respective share of the common expenses) until such time as the Developer files with the Real Estate Commission of the State of Hawaii an amended Disclosure Abstract which states

that after a date certain, the respective apartment owner shall thereafter be obligated to pay for his respective share of common expenses that is allocated to his apartment; provided, however, that such amended Disclosure Abstract shall be filed at least 30 days in advance with the Real Estate Commission, with a copy thereof being delivered either by mail or personal delivery after the filing to each of the apartment owners whose maintenance expenses were assumed by the Developer. The Developer shall have no obligation to pay for any cash reserves or any other reserve amounts with respect to or attributable to the period during which the Developer assumes the actual common expenses of the Project.

6. ROYAL KUNIA COMMUNITY ASSOCIATION DUES:

Each apartment owner will be required to be a member of the Royal Kunia Community Association. As such member, each apartment owner will be required to pay Royal Kunia Community Association an initiation assessment of $100.00 and monthly dues, which, as of January 1, 2002, are $21.97 per month.

CERTIFICATE

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

1. That I am the Vice President of Project Development of Certified Management, Inc., a Hawaii corporation, designated by the Developer of the Expressions III at Royal Kunia - Phase II condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. That I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, as set forth in Exhibit "1" attached hereto and hereby incorporated herein by reference, were determined pursuant to a reserve study conducted in accordance with Section 514A-83.6 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, and are reasonable estimates for the one-year period commencing February 1, 2002, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 29th day of January, 2002.

Douglas Mattos
Vice President of Project Development

Subscribed and sworn to before me
this 29th day of January, 2002.

Typed or Printed Name: Candace MT Villarmia
Notary Public, State of Hawaii

My Commission expires: 07/09/04

EXHIBIT "1"

EXPRESSIONS III AT ROYAL KUNIA - PHASE II

Estimated Annual Common Expenses

	MONTHLY	ANNUAL
Utilities		
Electricity (common elements only)	$20.00	$240.00
Water and Sewer (common elements only)	50.00	600.00
Telephone/Communication (common elements only)	50.00	600.00
Maintenance, Repairs and Supplies		
Grounds	200.00	2,400.00
Management		
Management Fee	269.00	3,228.00
Office Expenses	106.00	1,272.00
Insurance	1,731.00	20,772.00
Reserves	141.00	1,692.00
Professional Services – Audit	40.00	480.00
Other – Legal Expenses	25.00	300.00
TOTAL DISBURSEMENTS	$2,632.00	$31,584.00

ESTIMATED MAINTENANCE CHARGES OR FEES FOR EACH APARTMENT:

The estimated monthly maintenance charge for each apartment is $94.00 per month.

CONDOMINIUM PUBLIC REPORT ON
EXPRESSIONS III AT ROYAL KUNIA – PHASE II

EXHIBIT I

SUMMARY OF SALES AGREEMENT

A specimen Reservation and Sales Agreement, together with a specimen Option Selection Addendum to Reservation and Sales Agreement, a specimen V.A. Addendum to Reservation and Sales Agreement [applicable only to buyers who are eligible and apply for Veterans' Administration guaranteed loans], a specimen Co-Mortgagor Addendum to Reservation and Sales Agreement, and a specimen One-Year Restriction on Transfer Addendum to Reservation and Sales Agreement (collectively the "Sales Agreement"), have been submitted to the Real Estate Commission and are available in the Sales Office of the Seller. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES AGREEMENT, INCLUDING THE APPLICABLE ADDENDUM, IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of their provisions. The Sales Agreement, among other things, covers in more detail the following items:

1. (a) Seller warrants that the Apartment is constructed in substantial conformity with the plans and specifications (including any amendments thereof, or changes and variations therein) and against any defects in equipment, material, or workmanship and materials of the Apartment resulting in noncompliance with standards of quality as measured by acceptable trade practices. This warranty shall continue for a period of one (1) year from the date of recordation of the conveyance of title to the original buyer of the Apartment. The Seller shall remedy, at the Seller's expense, any substantial nonconformity or such defects and shall restore any work damaged in fulfilling the terms and conditions of this warranty. Notwithstanding the generality of the foregoing, Seller's warranty shall not cover defects in any appliances or floor coverings within the Apartment. All appliances and floor coverings within the Apartment shall be covered solely by the warranties of the respective manufacturers thereof and the warranty periods of such warranties may vary.

(b) Seller has contracted or will contract with a licensed soil treatment applicator (the "Applicator") for the pre-construction soil treatment process for the control of subterranean termites and the Seller will require the Applicator to warrant that if termite infestation should occur within one (1) year from the date of treatment of the building in which the Apartment is located, the Applicator will re-treat the soil under the

building in which the Apartment is located using the standards in effect at the time of re-treatment. The Applicator shall further agree to repair all construction damage by subterranean termites within the one-year warranty period. Seller will transfer to buyer any warranty from the Applicator or the Applicator shall issue the warranty directly to buyer. Seller further agrees without incurring any legal liability, to cooperate with buyer to have the Applicator perform all warranties for which the Applicator is responsible. Buyer understands that the Seller does not promise that the Applicator will honor his warranties. The one-year warranty period may be extended for buyers who purchase an Apartment from Seller utilizing certain types of financing.

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

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

(e) Buyer understands and acknowledges that the City and County of Honolulu (which, together with its own Department of Planning and Permitting, is herein called the "City") is not a party to the development or sale of the Property. Therefore, the Buyer indemnifies and holds harmless the City, its officers, employees and agents, against any of the Buyer's claims arising from the purchase of the Property and against any damages suffered by the Buyer resulting from workmanship or materials; provided that this agreement to indemnify and hold harmless shall not be applicable to, and shall not extend to obligate, any institutional lender or investor (including any successor or assign) who holds a mortgage covering the Property or who takes title to the Property upon foreclosure or by way of deed in lieu of foreclosure or otherwise, and provided, further, that this agreement to indemnify and hold harmless shall likewise not be applicable to, and shall not extend to obligate, any owner or holder of the Property who is in the chain of title subsequent to such institutional lender or investor.

2. The Condominium Map for the Project is intended to show only the layout, location, apartment numbers and dimensions of the apartments in the Project. Buyer understands and acknowledges that items shown on the Condominium Map, including, without limitation, the metes and bounds of the limited common elements, such as yard areas, may change due to field changes and other factors, and Seller reserves

the right to amend the Condominium Map, the Declaration and the other Project documents from time to time to reflect such changes. BUYER AGREES THAT THE CONDOMINIUM MAP IS NOT INTENDED TO BE AND IS NOT A WARRANTY OR PROMISE OF ANY KIND BY SELLER.

3. Buyer understands and agrees that (a) Seller's obligation to provide landscaping within the common elements of the Project will be deemed fully satisfied upon planting of the plant materials (which need not be in full coverage and maturity) and installation of the irrigation system pursuant to Seller's landscaping plans, as the same may be amended from time to time in Seller's sole discretion; (b) installation of the plant materials and irrigation system may be completed after the Closing Date; (c) full maturity of the plant materials will only be reached over an extended period of time and Seller is not responsible for providing landscaping maintenance to reach full coverage and maturity; and (d) the Association will be responsible for maintaining the landscaping after installation thereof, even if the landscaping has not reached full coverage or maturity.

4. Seller may (but does not have to) cancel the Sales Agreement (a) if the buyer's mortgage loan application is rejected or not approved within 60 days after application, or (b) if the buyer plans to pay the purchase price in cash but Seller is not satisfied for any reason with the buyer's ability to make the cash payments.

5. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS TALKED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S APARTMENT. IF BUYER WANTS TO RENT OR SELL THE APARTMENT, HOW BUYER DOES IT WILL BE UP TO BUYER SUBJECT TO THE RESTRICTIONS CONTAINED IN THE SALES AGREEMENT. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE APARTMENT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE APARTMENT OR ABOUT THE TAX EFFECTS OF BUYING THE APARTMENT.

6. Buyer will pay for the following closing costs: all of the Escrow fee, all notary fees, all appraisal fees, all recording costs, all charges for buyer's credit report, all costs of preparing any mortgages and promissory notes, and all title insurance costs. Buyer will also pay all mortgage costs. Buyer will also pay a nonrefundable start-up fee which will be held and used by the Seller and the first Managing Agent of the Association to pay for certain initial common expenses of the Project such as insurance premiums and as a working capital fund for the benefit of all the apartment owners.

Buyer agrees that Seller does not have to pay any start-up fee for any apartment in the Project even if it is owned by Seller. Proration of maintenance charges and other common expenses, and real property taxes will be made as of the scheduled Closing Date.

7. The buyer agrees that buyer may not transfer the Sales Agreement or any of buyer's rights or interests under the Sales Agreement without first getting Seller's written consent (which Seller may withhold in its sole and absolute discretion).

8. Buyer understands that Seller has agreed with the Department of Planning and Permitting of the City and County of Honolulu (the "City") that Seller will offer certain apartments in the Project for sale initially only to eligible "Moderate Income Purchasers" as that term is defined below. The Seller has further agreed with the City that "Moderate Income Purchasers" will be eligible, based upon family size and income, to purchase selected apartments in the Project offered for sale within designated price ranges, in accordance with guidelines established by the City. Buyer represents to Seller that buyer is a "Moderate Income Purchaser". The term "Moderate Income Purchaser" as used herein means an owner-occupant buyer whose income (including the income of all members of such buyer's household) does not exceed 140% of the median income (adjusted for family size) for the City and County of Honolulu, as most recently determined by the United States Department of Housing and Urban Development. The following are such income limits (as of March 2001) by family size for the Project:

Family Size	Median	140% Income Limit
1	$43,680	$ 61,150
2	49,920	69,890
3	56,160	78,620
4	62,400	87,360
5	67,390	94,350
6	72,380	101,340
7	77,380	108,330
8	82,370	115,320

If Seller or the City shall determine that buyer is not a "Moderate Income Purchaser", as designated in Article II of the Sales Agreement, Seller shall have the right to cancel the Sales Agreement at any time. If Seller cancels the Sales Agreement as aforesaid, Seller will tell Escrow to give buyer back all of buyer's payments, without interest, and neither

party will have any other obligations under the Sales Agreement or relating to the Project. Buyer shall be responsible for the escrow cancellation fee and all other costs associated with the purchase, up to a maximum of $250.00. Buyer further understands that all of the apartments in the Project may not be sold to eligible "Moderate Income Purchasers", and apartments in the Project may be sold to purchasers who do not qualify as eligible "Moderate Income Purchasers", without restrictions on use and transfer of such apartments.

9. That certain Declaration of Merger of Condominium Phases recorded or to be recorded in the Bureau of Conveyances of the State of Hawaii (hereinafter called the "Declaration of Merger"), among other things, gives Seller the right, in its sole and absolute discretion, to cause and effect an administrative merger or mergers of the Project with a condominium project or projects located or to be located on lands (or a portion or portions thereof) in the vicinity of the land of the Project, as part of the same incremental plan of development of the Project, such that the use of the respective common elements, the respective common expenses and the management of the respective affairs of the Project and the additional phases are shared, and the administration of the Project and the additional phases is unified under one association of apartment owners, but the ownership interests of the apartment owners in the Project and the additional phases are not altered or affected. The Declaration of Merger also gives the Seller the right, in its sole and absolute discretion, to cause and effect an ownership merger or mergers of the Project and the additional phases, as an alternative to an administrative merger or mergers of the Project and the additional phases, to provide for the common ownership of the Project and the additional phases by all of the apartment owners of the Project and the additional phases. Upon an ownership merger, all of the apartments in the merged phases shall be treated as though they were all included in a single condominium project (the "Merged Project"), all common elements of the merged phases will become the common elements of the Merged Project, and the common interest appurtenant to the Apartment shall be altered from the percentage set forth in Article I of the Sales Agreement to a percentage as set forth in the "Certificate of Ownership Merger" filed by the Seller, in accordance with the Declaration of Merger. Nothing herein will be deemed to require Seller to develop the additional phases or to merge the additional phases into the Project, or to prohibit Seller from dealing with any lands in the vicinity of the Project not merged with the Project, including without limitation, developing all or any part of such lands for purposes inconsistent with the merger of such lands into the Project.

10. The transfer of the Property to buyer will be made subject to (and the apartment deed will so provide) certain restrictions on use and transfer, including, without limitation, (a) a first option to purchase the Property at a designated price, in

favor of the City, in the event buyer violates the covenant requiring buyer to occupy the Property for a period of two (2) years from the date of the conveyance of the Property to buyer, as more particularly described in the apartment deed, and (b) a first option to purchase the Property at a designated price, in favor of the City, for a period of two (2) years from the date of the conveyance of the Property to buyer, in the event buyer desires to transfer title to the Property, as more particularly described in the apartment deed.

11. Seller has given to and/or may need to give to one or more lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment of loan(s) and covering the Project, including the Property to be sold to buyer. In the Sales Agreement, all these lenders will be called the "Lender". Seller has given or may give to the Lender a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment. The mortgage or mortgages, security agreement or agreements, and other instruments will cover the Seller's ownership rights in the Project, including the Property to be sold to buyer. Buyer agrees that all of the rights and interests which Seller gives to the Lender will have priority over buyer's rights and interests under this Agreement. This applies to any changes to the loan or loans or the mortgage or mortgages, security agreement or agreements, or other instruments (including, among other things, extensions, renewals and other changes). BUYER GIVES UP AND SUBORDINATES THE PRIORITY OF BUYER'S RIGHTS AND INTERESTS UNDER THIS AGREEMENT IN FAVOR OF THE RIGHTS AND INTERESTS OF SELLER'S LENDER UNTIL THE FINAL CLOSING AND DELIVERY OF A SIGNED APARTMENT DEED TO THE BUYER. If Seller's Lender asks buyer to do so, buyer will sign other documents to confirm the promises and agreements which buyer is making in Section A.6 of the Sales Agreement. If Seller's Lender takes the place of the Seller and wants the buyer to follow through with the Sales Agreement, buyer will keep all of buyer's promises and agreements contained in the Sales Agreement. Buyer agrees that under the Sales Agreement buyer has no rights or interests in the Property or the Project other than a contractual right enforceable only against the Seller and not against the Property or the Project.

12. Conditions Affecting the Property and Project. The buyer understands, acknowledges, covenants and agrees to the following:

(a) Military Effects. The Project is located in the vicinity of the Department of Navy-Naval Magazine Waikele Branch Blast Zone and Hickam Air Force Base (collectively, the "Military Facilities"), aircraft from the Military Facilities may fly in the proximity of or directly over the Property or the Project, military activities will be conducted on or near the Military Facilities, and such overflights and other military activities may result in noise, dust, vibration, and other nuisances, disturbances or hazards

(collectively, the "Military Effects") to persons and property on or within the Property or the Project;

(b) Agricultural Effects. The Project is located on and is near or adjacent to lands and easements used for or in connection with the cultivation of pineapple, sugar cane and diversified agricultural operations, which may include, but are not limited to, open burning, trucking, plowing, hauling, fertilizing, grading, storing, herbicide and pesticide spraying, crop dusting, water diversion, irrigation, and all other activities incidental to the planting, cultivating, harvesting and processing of crops, including night time activities, and the grazing and raising of livestock, poultry and other animals, which may from time to time cause surface water runoff, noise, soot, smoke, dust, light, heat, vapors, odors, chemicals, vibrations, insect pests, and other substances and phenomena of every description (collectively, the "Agricultural Effects") to be discharged, emitted, dispersed or transmitted over and upon the Property or the Project which may bother or be a nuisance to the buyer and any person occupying or using the Property, and the buyer also acknowledges that the Hawaii Right to Farm Act (Chapter 165 of the Hawaii Revised Statutes) and Hawaii law limit the circumstances under which farming operations may be deemed to be a nuisance;

(c) Utility Effects. The Property is or may be located adjacent to or in the vicinity of electric, water and other utilities and public roads and thoroughfares, including, without limitation, such things as electrical substations, electrical substation access roads, high-powered electrical transmission lines, water pump stations, water tanks, reservoirs, freeways and exit ramps which may result in nuisances, such as noise and dust, disturbances or hazards (collectively, the "Utility Effects") to persons and to property on or within the Property. In recent years, concerns have been raised about possible adverse health effects of electric and magnetic fields from power lines. Seller is not insuring or guaranteeing the health of buyer or other occupants or users of the Property and disclaims liability for personal injury, illness or any other loss or damage caused by or arising from the Utility Effects including, without limitation, the presence or malfunction of any electrical distribution systems that may be located adjacent to, near, or over any part of the Property;

(d) Development Effects. (i) The Project is or may be located adjacent to or in the vicinity of other phases of Expressions III at Royal Kunia, a public park, and various construction activities, including, but not limited to, ongoing residential and related construction, proposed construction of future residential subdivisions and roads, road widening, commercial and office buildings, retail establishments, land development activities, one or more recreational centers and facilities, a golf course, and other construction and development projects (collectively, the "Proposed Development");

(ii) construction of the Proposed Development will or may result in noise, dust, vibration and other nuisances, disturbances or hazards to buyer and to persons and property on or within the Property or the Project, and may limit buyer access to the Project; (iii) when completed, traffic, lights, noise, dust, vibration and other nuisances, disturbances or hazards to persons and property on or within the Property or the Project may be generated from the Proposed Development; (iv) no representations or warranties are made by Seller, its employees or agents concerning plans, or the absence of plans, by Seller or others for future development of adjacent or nearby properties, and any plans for the future development of adjacent and nearby properties by Seller are subject to change in the sole and absolute discretion of the Seller or its successors and assigns; and (v) Seller makes no representations regarding the view from the Property or any view easements or rights, and the views from the Property are not guaranteed and may be altered, diminished, eliminated or blocked entirely by the future development of adjacent or surrounding properties (items (i) through (v) are hereinafter collectively called the "Development Effects"); and

(e) Waiver, Release and Indemnity. Buyer represents and warrants to Seller that buyer, in buyer's sole discretion, has determined that the benefits of owning and enjoying the Property outweigh the risks of the Military Effects, the Agricultural Effects, the Utility Effects and the Development Effects (collectively, the "Property Conditions"). Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Military Effects, the Agricultural Effects, and the Utility Effects. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Development Effects, for a period of ten (10) years after the date of recordation of the Apartment Deed. Buyer hereby covenants and agrees to assume all risks of impairment of buyer's use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from the Property Conditions, and buyer, for the buyer and the buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, and those who use the Property through the buyer for an extended period of time (collectively, the "Occupants"), hereby waives any claims or rights of action or suits against Seller, its successors and assigns, the City and County of Honolulu, the State of Hawaii, and any agency or subdivision of the foregoing, arising from such impairment of the Occupants' use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from one or more of the Property Conditions. Buyer shall indemnify, hold harmless and defend Seller, its successors and assigns, the City and County of Honolulu, the State of Hawaii, and any agency or subdivision of the foregoing, from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from such impairment of the Occupants' use and enjoyment of the Property or the Project, loss of market value of the Property, or

property damage or personal injury to the property or person of the Occupants as a result of one or more of the Property Conditions. Buyer further covenants that buyer will notify all Occupants and transferees of the Property of the risks of the Property Conditions.

13. If buyer fails to make any payment when it is due or fails to keep any of buyer's other promises or agreements contained in the Sales Agreement, then Seller will have the right, at Seller's sole option and in addition to any other rights contained in the Sales Agreement, to do any one or more of the following:

(a) Seller may cancel the Sales Agreement by giving buyer written notice of cancellation and Seller may keep all sums paid by buyer under the Sales Agreement as "liquidated damages" (i.e., the amount agreed to by buyer and Seller as properly payable in settlement for breach of contract), and not as a penalty. Without limiting the generality of the foregoing, buyer understands and acknowledges that if buyer defaults under the Sales Agreement after it has become a binding contract (as described in Article V, Section E.1 of the Sales Agreement), Seller may keep the Option Deposit (as defined in the Sales Agreement) in addition to all other sums paid by buyer under the Sales Agreement. If Seller cancels the Sales Agreement, buyer agrees that it will be difficult and expensive to determine the amount of loss or damage Seller will suffer. This is because of, among other things, Seller's commitments relating to the financing of the Project, the effect of default and cancellation of one sale on other apartment sales, and the nature of the real estate market in Hawaii. Buyer agrees that the sums paid by buyer under the Sales Agreement are a reasonable estimate of a fair payment to Seller for Seller's loss or damage resulting from buyer's default.

(b) Seller may file a lawsuit for damages.

(c) Seller may file a lawsuit for "specific performance" (in other words, a lawsuit to make buyer keep all of buyer's promises and agreements, including, without limitation, closing the purchase of the Property).

(d) Seller may take advantage of any other rights which the law allows or which Seller may have under the Sales Agreement.

Buyer also agrees to pay for all costs, including Seller's reasonable lawyers' fees (for both in-house and outside counsel) and the escrow cancellation fee, which are incurred because of buyer's default.

14. If Seller fails to keep any of Seller's promises or agreements contained in the Sales Agreement, buyer, if not in default under the Sales Agreement,

may file a lawsuit for specific performance to require Seller to go through with the Sales Agreement (unless the Sales Agreement is only a "reservation" in which case the terms of Article V, Section E.1 of the Sales Agreement will control) or buyer may exercise any other remedy to which buyer is entitled to at law or equity, including cancel the Sales Agreement, if applicable. If buyer cancels the Sales Agreement because of Seller's default, Seller will repay to buyer all sums paid by buyer to Seller or Escrow under the Sales Agreement, without interest (unless buyer is entitled to the interest pursuant to Article V, Section B.1 of the Sales Agreement).

15. (a) If Closing occurs and any dispute or claim arises out of the Sales Agreement or in any way is connected with the design, development, construction, sale, marketing, financing, warranties, or any other activity or matter relating to the Property, between buyer and Seller (a "Dispute"), and the parties to such Dispute are unable to resolve the Dispute through negotiation, buyer and Seller each agree first to attempt in good faith to settle such Dispute by non-binding mediation conducted in Honolulu, Hawaii. The mediation shall be conducted under the Commercial Mediation Rules of the American Arbitration Association ("AAA") except as may be inconsistent with this section; provided, however, that the parties may agree on the selection of a single mediator instead of having a mediator appointed by AAA, and the parties may agree to use a recognized mediation service other than AAA. The costs for the mediator shall be shared equally by the parties, and each party shall be responsible to pay all other fees and costs, including attorneys' fees, that it incurs in connection with the mediation. At Seller's option, the mediation shall include any of Seller's agents, architects, consultants, engineers, contractors, subcontractors, suppliers, representatives or other third parties (the "Other ADR Parties") as parties.

(b) If Closing occurs and the parties are unable to resolve the Dispute through mediation as provided in the preceding section within 30 calendar days after either party's written request to the other to commence the mediation process, then such Dispute shall be decided in Honolulu, Hawaii, by neutral binding arbitration. The arbitration shall be conducted before a single arbitrator acting under the Commercial Arbitration Rules of the AAA, except as may be inconsistent with this section; provided, however, that the parties may agree on the selection of a single arbitrator instead of having an arbitrator appointed by AAA, and the parties may agree to use a recognized arbitration service other than AAA. Judgment upon an award rendered by the arbitrator may be entered in any court having jurisdiction thereof in accordance with Chapter 658 of the Hawaii Revised Statutes or any successor statute. The costs for such arbitrator shall be shared equally by the parties, and each party shall be responsible to pay all other fees and costs, including attorneys' fees, that it incurs in connection with the arbitration. No punitive damages shall be awarded in any Dispute involving buyer, Seller or any

Other ADR Parties. At Seller's option, the arbitration shall include any of the Other ADR Parties as parties.

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

CONDOMINIUM PUBLIC REPORT ON
EXPRESSIONS III AT ROYAL KUNIA – PHASE II

EXHIBIT J

SUMMARY OF ESCROW AGREEMENT

Copies of the Escrow Agreement between the Seller and Title Guaranty Escrow Services, Inc. have been submitted to the Real Estate Commission and are available for inspection in the Sales Office of the Seller. The Escrow Agreement, among other things, covers in more detail the following items:

1. All monies received by Escrow under the Escrow Agreement will be deposited within a reasonable time of their receipt by Escrow and in reasonably convenient and practical sums in a special account or accounts with a federally insured bank or savings and loan association in Honolulu, Hawaii. The accounts must provide for interest at the prevailing interest rate, and all interest paid on the accounts will belong to Seller.

2. Disbursements from the buyer's escrow fund shall be made by Escrow in accordance with the respective sales contracts upon the direction of Seller.

3. An additional escrow fee shall be charged to the buyer for each mortgage obtained by the buyer if the buyer does not obtain a mortgage loan from a lender designated by Seller.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF 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.

CONDOMINIUM PUBLIC REPORT ON
EXPRESSIONS III AT ROYAL KUNIA – PHASE II

EXHIBIT K

SUMMARY OF ROYAL KUNIA COVENANTS

Apartment owners, tenants and occupants of apartments in the Project are subject to the Declaration of Protective Covenants for Royal Kunia Community dated April 17, 1989, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 23083 at Page 509, as amended from time to time (the "Royal Kunia Covenants"). ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE ROYAL KUNIA COVENANTS IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of its provisions. The Royal Kunia Covenants, among other things, cover in more detail the following items:

1. All buyers automatically become a member of the Royal Kunia Community Association upon issuance of the apartment deed to buyer, and buyer must pay dues to the Royal Kunia Community Association. As of January 1, 2002, these dues are $21.97 per month. An initiation assessment must also be paid to the Royal Kunia Community Association.

2. All buyers and future owners of the Property are bound by various restrictions, including, but not limited to, restrictive covenants pertaining to the use of areas within Royal Kunia and the construction of improvements. The Royal Kunia Covenants may be amended by appropriate voting percentage of the Royal Kunia Community Association.

3. A Declarant ("Declarant") under the Royal Kunia Covenants may annex additional property owned by such Declarant in the Hoaeae and Waikele area to Royal Kunia. The Royal Kunia Community Association may also annex adjacent property subject to certain approval rights of voting members. Kunia Residential Partners and Halekua Development Corporation are currently the Declarants under the Royal Kunia Covenants.

4. A Declarant may also (i) amend, repeal, add to or limit the effect of any covenants, conditions, limitations or restrictions set forth in Articles III and IV of the Royal Kunia Covenants (concerning land classifications and restrictions on use and improvements) with respect to property in Royal Kunia owned by the Declarant, and

(ii) add additional covenants, conditions, limitations and restrictions to any property owned by the Declarant.

5. Each Declarant has reserved the right to exclude from the operation and effect of the provisions of the Royal Kunia Covenants (i) areas which are isolated and separated from the rest of Royal Kunia by natural features such as cliffs, ravines, gullies and streams, including any Condominium Apartment Area, abandoned park sites and phases along the fringe areas of Royal Kunia, or areas determined to be economically not feasible for inclusion within the development, (ii) areas owned by the Declarant, (iii) areas owned by certain agencies, institutions and other organizations, and (iv) areas designated for non-residential development such as commercial, industrial and golf course use.

6. All land within Royal Kunia is classified by area type. Each Declarant has the right to designate and redesignate the areas it develops into the land classifications described in the Royal Kunia Covenants. Each Declarant has reserved the right to change its development plans and land classifications from time to time.

7. The Declarants reserve the right to increase the number of Design Committee members and the Declarant with the most votes may appoint Design Committee members for a specified period of time.

8. Each Declarant is a member of the Royal Kunia Community Association and has voting rights as described in the Royal Kunia Covenants so long as the Declarant owns property within Royal Kunia.

9. The Declarants have the right to convey property to the Royal Kunia Community Association.

10. A Declarant has the right to transfer some or all of its rights under the Royal Kunia Covenants to the Royal Kunia Community Association or anyone who acquires undeveloped land in Royal Kunia.