CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: Peninsula – Hawaii Kai, LLC
Address: 745 Fort Street, Suite 2110, Honolulu, Hawaii 96813

Project Name(*): PENINSULA AT HAWAII KAI – PROJECT III (Report covers 96 of 208 units) **
Address: 520 Lunalilo Home Road, Honolulu, Hawaii 96825

Registration No. 4849

Effective date: December 9, 2003
Expiration date: January 9, 2005

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 Report dated: _____
[ ] Contingent Final 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 _____

(*)Exactly as named in the Declaration

** The entire condominium project contains a total of 208 apartments. However, this Final Public Report may be used to close the sale of only 96 of the 208 apartments: Apartment Nos. 6101-6124 (inclusive), 6201-6224 (inclusive), 6301-6324 (inclusive) and 6401-6424 (inclusive). The Developer shall obtain a new Contingent Final Public Report for the remaining 112 apartments of the Project.

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 1297/0298/0800/0203

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

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

[X] Changes made are as follows:

1. Section I. has been revised to include the General Contractor's information.
2. Section III.E. has been revised to reflect an updated title report.
3. Section V.B.2. has been revised to reflect that the Reciprocal Park Agreement and the Parking Agreement were executed by the developer on August 13, 2003.
4. Exhibit G has revised to list the additional encumbrances reflected in the updated title report.

As previously noted, this Final Public Report covers only 96 of the 208 units described in the April 11, 2003 Contingent Final Report. Buyers are advised that Building 2 and the recreation area for Project III will be covered in a new Contingent Final Report and will be constructed later.

TABLE OF CONTENTS

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

EXHIBIT A: Rights Reserved by Developer
EXHIBIT B: Boundaries of Each Apartment
EXHIBIT C: Permitted Alterations to Apartments
EXHIBIT D: Apartment Numbers, Locations, Layout, Approximate Net Area and Percentage Common Interest of All Project Apartments
EXHIBIT E: Common Elements
EXHIBIT F: Limited Common Elements
EXHIBIT G: Encumbrances Against Title
EXHIBIT H: Estimated Maintenance Fees
EXHIBIT I: Summary of Purchase Agreement
EXHIBIT J: Summary of Escrow Agreement
EXHIBIT K: Summary of Deed Form
EXHIBIT L: Special Use Restrictions
EXHIBIT M: Summary of Design Guidelines
EXHIBIT N: Summary of Options Agreement

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 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: Peninsula – Hawaii Kai, LLC
Name*
745 Fort Street, Suite 2110
Business Address
Honolulu, Hawaii 96813

Phone 808-537-5220
(Business)

Names of officers and directors of developer 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):

Manager: Hearthstone, Inc., a California corporation
55 San Francisco Street, Suite 55
San Francisco, California 94133

Member: Stanford Carr Development, LLC
745 Fort Street, Suite 2110
Honolulu, Hawaii 96813

Real Estate Broker*: Pacific Island Realty, LLC
Name
745 Fort Street, Suite 2110
Business Address
Honolulu, Hawaii 96813

Phone: (808) 521-4009
(Business)

Escrow: Island Title Corporation
Name
1132 Merchant Street, Suite 400
Business Address
Honolulu, Hawaii 96813

Phone: (808) 531-0261
(Business)

General Contractor*: Hawaiian Dredging Construction Company, Inc.
Name
614 Kapahulu Avenue
Business Address
Honolulu, Hawaii 96815-7416

Phone: (808) 735-3211
(Business)

Condominium Managing Agent*: Certified Management, Inc.
Name
3179 Koapaka Street, 2nd Floor
Business Address
Honolulu, Hawaii 96819-1927

Phone: (808) 836-0911
(Business)

Attorney for Developer: Imanaka Kudo & Fujimoto LLLC
Name
745 Fort Street, 17th Floor
Business Address
Honolulu, Hawaii 96813
Attn: Mitchell A. Imanaka, Esq.

Phone: (808) 521-9500
(Business)

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

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is: *

[ ] Proposed
[X] Recorded -Bureau of Conveyances: Document No 2002-086839
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]:

First Amendment to the Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai – Project III dated December 27, 2002, recorded at said Bureau as Document No. 2003-009156.

Amended and Restated Declaration of Condominium Property Regime of Peninsula at Hawaii Kai – Project III and Condominium Map dated March 12, 2003, recorded at said Bureau as Document No. 2003-065655.

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. 3439
[ ] Filed - _____

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

Amended and Restated Declaration of Condominium Property Regime of Peninsula at Hawaii Kai – Project III and Condominium Map dated March 12, 2003, recorded at said Bureau as Document No. 2003-065655.

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. 2002-086840
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]:

* In addition to the Declaration for Project III, the Developer has recorded a Master Declaration for the development of the Peninsula at Hawaii Kai as noted below:

[ ] Proposed
[X] Recorded -Bureau of Conveyances: Document No. 2001-149858
Book_____Page_____
[ ] Filed - Land Court: Document No._____

First Amendment to the Master Declaration for the Development of The Peninsula at Hawaii Kai dated April 16, 2002, recorded at said Bureau as Document No. 2002-080012.

Second Amendment to the Master Declaration for the Development of The Peninsula at Hawaii Kai dated October 28, 2002, recorded at said Bureau as Document No. 2002-193745.

Third Amendment to the Master Declaration for the Development of The Peninsula at Hawaii Kai dated December 27, 2002, recorded at said Bureau as Document No. 2003-009153.

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 requirement 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:

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

* A copy of the House Rules is on file with the Real Estate Commission, and therefore, is available for purchasers to examine.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	67%
House Rules	---	By a 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:

See attached Exhibit A

III. THE CONDOMINIUM PROJECT

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

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

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

Leases for 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 Subleasehold:

Leases for 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): _____

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: 520 Lunalilo Home Road
Honolulu, Hawaii 96825

Tax Map Key (TMK): (1) 3-9-008: 016

[ ] Address [ ] TMK is expected to change because_____

Land Area: 33.7455* [ ] square feet [X] acre(s)

Zoning: A-1 (Low-Density Apartment) and A-2 (Medium Density Apartment)

* Note that only a 42.105% interest in the Land Area is subject to the Project III Declaration.

Fee Owner: Peninsula – Hawaii Kai, LLC
Name
745 Fort Street, Suite 2110
Address
Honolulu, Hawaii 96813

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 5 Floors Per Building Buildings 1 & 2: 5 levels */ Pool Buildings (2): 1 level / Pavilion: 1 level

[ ] Exhibit _____ contains further explanations.

* Each building has garage parking on the first level. Thus, the Apartments are located on levels 2 through 5 (referred to herein as first floor through fourth floor).

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [ ] Wood

[X] Other Steel and Glass

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
[X] Residential	96*	[X]Yes [ ]No	[ ] Ohana	____	[ ]Yes [ ]No
[ ] Commercial	____	[ ]Yes [ ]No	[ ] Industrial	____	[ ]Yes [ ]No
[ ] Mix Res/Comm	____	[ ]Yes [ ]No	[ ] Agricultural	____	[ ]Yes [ ]No
[ ] Hotel	____	[ ]Yes [ ]No	[ ] Recreational	____	[ ]Yes [ ]No
[ ] Timeshare	____	[ ]Yes [ ]No	[ ] Other:_____	____	[ ]Yes [ ]No

* Building 1 contains ninety-six (96) Apartments; Building 2 contains one hundred twelve (112) Apartments, for a total of two hundred eight (208) total Apartments. This Final Public Report shall only cover those ninety-six (96) Apartments identified on page 1 hereof. The Developer shall obtain a separate Contingent Final Public Report for the remaining apartments in the Project.

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: Up to two (2) pets are permitted per Apartment as set forth in the House Rules. Certified seeing eye dogs, signal dogs and service dogs for physically impaired persons are permitted.

[ ] Number of Occupants:_____

[X] Other: See Exhibit "L," House Rules

[ ] There are no special restrictions.

6. Interior (fill in appropriate numbers):

Elevators: Building 1: 2 elevators / Building 2: 2 elevators
Stairways: Building 1: 4 interior stairways; 2 courtyard stairways / Building 2: 4 interior stairways, 2 courtyard stairways
Trash Chutes: Building 1: 2 chutes / Building 2: 2 chutes

Apt. Type	Quantity	BR/Bath	Living Area (sf)*	Other Area (sf)	(Identify)
See Exhibit "D"					
Colony	96 **				

Total Number of Apartments: 96**

***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.

** Building 1 contains ninety-six (96) Apartments; Building 2 contains one hundred twelve (112) Apartments, for a total of two hundred eight (208) total Apartments. This Final Public Report shall only cover those ninety-six (96) Apartments identified on page 1 hereof. The Developer shall obtain a separate Contingent Final Public Report for the remaining apartments in the Project.

Boundaries of Each Apartment:

see Exhibit "B"

Permitted Alterations to Apartments:

see Exhibit "C"

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

7. Parking Stalls:

Building 1/Building 2; hc = handicapped stalls

Total Parking Stalls: 220/259

	Regular Covered	Regular Open***	Compact Covered	Compact Open	Tandem Covered	Tandem Open	TOTAL
Assigned (for each unit) *	2/2	___	0-1/0-1	___	0-2/0-2	___	192/224
Guest **	4hc/4hc	14/14 + 1hc/2hc	___	___	___	___	19/20
Unassigned	8/13	___	___	___	___	___	8/13
Extra Purchase	___	___	___	___	___	___	___
Other****:	___	1/2	___	___	___	___	1/2

Total Covered & Open:

Building 1:	184	36	156	220
Building 2:	211	48	218	259

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

* Each of the two hundred eight (208) apartments in the Project will have the exclusive use of two (2) tandem stalls (meaning parking for 2 standard vehicles) or two (2) single stalls located within a garage. Parking stall numbers 1 through 164 are tandem stalls, and all other parking stalls are single stalls. The parking assignments are more particularly set forth on pages 2a, 2b, 12a and 12b of the Condominium Map and in Exhibit "D" attached hereto and incorporated herein by this reference.

** There will be ten (10) "temporary" guest stalls located on The Peninsula at Hawaii Kai – Project IV property for the temporary use by guests of Building 1 Apartment Owners as further detailed in that certain unrecorded Parking License Agreement to be executed between the Association of Apartment Owners of Project IV, as Licensor, and the Project Association, as Licensee.

*** Although assigned to certain buildings, these stalls will be available for use by Apartment Owners in all buildings in the Project.

**** Loading space.

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[X] Swimming Pools [ ] Storage Area [X] Recreation Area (collectively Spa, Pool Buildings , Pool and Pavilion) *

[ ] Laundry Areas [ ] Tennis Court [ ] Trash Enclosure(s)

[X] Other: Luna-Kai Marina Park (to the extent conveyed to the Association or made available for use by the Association and the owners by the Developer) and potentially the private parks ("Park D" and "Park E") in The Peninsula at Hawaii Kai – Project II and potentially the common facilities, recreation areas and parks in The Peninsula at Hawaii Kai – Project I and Project II.

* Note that such Recreation Area may not be built in the event Building 2 is not built.

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 "E".

[ ] 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 "F".

[ ] as follows:

3. Common Interest: Each apartment will have an undivided percentage 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 "D" *.

[ ] as follows:

* The Common Interest appurtenant to each Apartment in Building 1 may increase in the event Building 2 is not built.

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

Exhibit "G" describes the encumbrances against the title contained in the title report dated October 16, 2003 and issued by Island Title Corporation.

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**
N/A	

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:

Developer has entered into an agreement with the general contractor for the Project whereby the general contractor will agree to provide, for the benefit of the Seller, the following:

(i) A non-transferable limited warranty which warrants the materials utilized for, and the workmanship of, the "site improvements" of the Project ("Site Work Limited Warranty") to be free from defects, subject to exclusions, limitations and other requirements noted in said Site Work Limited Warranty and the "Homeowner's Manual" prepared by Stanford Carr Development, LLC and provided to each purchaser at closing. The one-year warranty period for the Site Work Limited Warranty begins on the date that the site work improvements were completed and accepted by the Seller; and

(ii) A non-transferable limited warranty ("Building Completion Limited Warranty") which warrants the materials and workmanship in the apartments of the Project to be free from defects for a period of one (1) year, subject to exclusions, limitations and other requirements noted in said Building Completion Limited Warranty and said "Homeowner's Manual." The one-year warranty period for the Building Construction Limited Warranty begins on the date that the apartment deed for an apartment is recorded at the Bureau of Conveyances.

Developer also agrees to provide each Purchaser with a "Ten-Year Limited Warranty" covering construction defects (as such term is defined in the Ten-Year Limited Warranty) in the purchaser's apartment. The term of the Ten-Year Limited Warranty is ten (10) years commencing for each apartment on the date of closing of the apartment. The Ten-Year Limited Warranty requires that all disputes between the Developer and a purchaser concerning the Ten-Year Limited Warranty or the sale or construction of the apartment be resolved by binding arbitration. Developer shall provide each Purchaser with a copy of the Limited Warranty and strongly recommends that each purchaser read the Ten-Year Limited Warranty in its entirety. TO THE EXTENT PERMITTED BY LAW, THE TEN-YEAR LIMITED WARRANTY IS GIVEN IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTIBILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR OTHERWISE. THE TEN-YEAR LIMITED WARRANTY DOES NOT COVER INCIDENTAL, CONSEQUENTIAL OR SECONDARY DAMAGES, NOR DOES IT COVER DAMAGES FOR BODILY INJURY.

2. Appliances:

The Developer will pass on the manufacturers' or other vendors' warranties made to it, if any, on any appliances included as part of the apartment being conveyed.

Note (as to 1 and 2 above): Except as provided above, Developer disclaims any implied warranty of habitability, any implied warranty of merchantability, any implied warranty of fitness for a particular purpose or use, any implied warranty of workmanship and any other express or implied warranties, with respect to the apartments, the project, the common elements thereof, or as to any appliances and furnishings contained within the apartments or the project.

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

The Construction of the Project has already commenced. The Developer estimates, but does not guarantee, that the Project will be completed on December 31, 2005.

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, its successors and permitted assigns, will have the right at any time and from time to time prior to (i) December 31, 2021 to develop additional projects (any such additional projects, including the apartments of such projects, their respective undivided interests in the land underlying each project and the common elements built in connection therewith, shall be referred to herein as a "Subsequent Project") as the Developer may desire, to the extent permitted by applicable law, and (ii) December 31, 2008 (or any subsequent date mutually agreed to in writing by the Developer and the Federal National Mortgage Association) to merge Project I and/or any Subsequent Project with the Project as though they had been developed as a single project. Specifically, but not in limitation of the generality of the foregoing, the Developer has the right to develop the Project, which consists of 208 residential apartments, and up to 423 additional residential apartments on Parcels A, B and D. Said Parcels A, B and D are more particularly depicted on the Condominium Map and the projects to be developed on said Parcels A, B and D shall be referred to as Projects I, II and IV, respectively. No building or other structure built upon Projects I, II and IV shall exceed sixty (60) feet in height.

Developer shall further have the reserved right to execute and record a Declaration of Condominium Regime and condominium map, or an amendment to the Declaration and the Condominium Map to create any Subsequent Project. Developer further reserves the right to modify from time to time any plan of project development by varying the mix and/or number of apartments in any Subsequent Project and/or by modifying, deleting and/or adding types of common elements and/or limited common elements. This right shall include, but shall not be limited to, the right to develop the Project and the project referred to in the Declaration as Project IV as a single project ("Project IIIA"). In the event that the Developer exercises its reserved right to develop Project IIIA, said project shall be developed over the land identified as Parcels C and D on the Condominium Map. Moreover, in furtherance of this reserved right, the Developer shall record an amendment to the Declaration and/or a restatement of the Declaration, an amendment to the Condominium Map, and if necessary, an amendment to the Bylaws, to reflect that the Developer has exercised its reserved right to develop Project IIIA and to clearly describe the plan of development for Project IIIA.

The foregoing reserved right shall be exercised by the Developer pursuant to the terms of and in accordance with Article XXVII of the Declaration.

In the event that the Developer exercises its right to merge Projects I, II and/or IV with the Project (as provided above), the undivided interest in the common elements of the project as then constituted that will be appurtenant to each apartment shall change as set forth in Exhibit "D" attached hereto.

In the event that the Developer exercises its right to merge Projects I and IV with the Project for ownership purposes, the interest in and to the land underlying all three (3) projects shall be increased as set forth in said Exhibit "D."

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 Management 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 [ ] the Developer or the Developer's affiliate.
[ ] self-managed by the Association of Apartment Owners [ ] other_____

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

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

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided. Such maintenance fees may also increase in the event Luna-Kai Marina Park is acquired by the Association or made available for use by the Apartment Owners as described in subsection 2. of the Section entitled "Additional Information Not Covered Above" herein, and in the event the Apartment Owners obtain the right to use Parks D and Park E in The Peninsula at Hawaii Kai – Project II as identified on Condominium Map No. 3507 and as described in subsection 4. of the section entitled "Additional Information Not Covered Above" herein. Such maintenance fees may also increase or decrease depending on the development of Building 2 and the Recreation Area as described in subsection 6. of the Section entitled "Additional Information Not Covered Above" herein.

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

THE AMOUNTS SET FORTH IN SAID EXHIBIT "H" ARE ESTIMATES ONLY AND MAY CHANGE FOR REASONS BEYOND THE CONTROL OF THE DEVELOPER. SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY THE DEVELOPER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.

A PRELIMINARY RESERVE STUDY HAS BEEN UNDERTAKEN BY THE DEVELOPER.

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 and Apartments)
[ ] Gas (__ Common Elements Only _____Common Elements and Apartments)
[X] Water [X] Sewer [X] Television Cable*
[X] Other: Refuse collection

*** Television Cable is not included in the maintenance fees for each apartment as of the effective date of this Contingent Final Public Report. However, the Developer is in the process of negotiating a wholesale "bulk purchase" of cable and roadrunner internet access services with Oceanic Cable. In the event that this purchase is consummated, all buyers will be required to utilize both services for the thirty-six month term of the contract (or be subject to a penalty fee for early termination), and therefore, each buyer's monthly maintenance fees will increase by approximately $50.00 - $100.00 for these services. The $50.00 - $100.00 charge is for basic analog service. Each buyer will have the option to upgrade to digital cable service for an additional $3.00 - $10.00 per month.**

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 March 10, 2003.

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

[X] Other: Apartment Deed. Exhibit "K" contains a summary of the pertinent provisions of the apartment deed, Exhibit "M" contains a summary of the pertinent provisions of the Design Guidelines. The complete Design Guidelines are on file at the Real Estate Commission. Exhibit "N" contains a summary of the Options Agreement.

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

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

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

Supplementary Report to a Preliminary Report: Same as for preliminary report

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

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

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

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

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

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**

B) The buyer has not waived the right to rescind.

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

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

A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
B) Declaration of Condominium Property Regime, 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: Design Guidelines, Master Declaration for the Development of The Peninsula at Hawaii Kai, as amended; Declaration of Protective Provisions for Luna-Kai Marina Park; unrecorded Reciprocal Park License Agreement; unrecorded Parking Agreement. *

* The Reciprocal Park Agreement ("Agreement") grants easement rights and/or confirm use rights of apartment owners in the neighboring projects to use parks located in other projects in the overall development of The Peninsula at Hawaii Kai. Such document creates additional rights and obligations that will be equitable to all Owners in the Project. The Parking Agreement ("License"), executed between the Association of the Project and the Association of Apartment Owners of Project IV, grants use of parking stalls located in Project III to owners in Project IV, and vice versa. The Agreement and License were executed by the developer, for and on behalf of the association of the apartment owners of Project III and of Project IV.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. 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. 4849 filed with the Real Estate Commission on May 13, 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. **Declaration of Protective Provisions for Luna-Kai Marina Park**. The land underlying the Project is subject to that certain Declaration of Protective Provisions for Luna-Kai Marina Park dated March 1, 1971 and recorded at the Bureau of Conveyances on March 12, 1971 in Liber 7444 at Page 188 ("Park Declaration"). Accordingly, the apartments in the Project shall be held, leased, mortgaged, conveyed, used, occupied and improved subject to and with the benefit of the restrictions, covenants, conditions, provisions and easements set forth in the Park Declaration (to and until said Park Declaration expires or otherwise earlier terminates as provided therein), including, without limitation, the following:

   a. The Luna-Kai Marina Park ("Park") shall constitute a common facility of the owners of real property specified in the Park Declaration (the individual interests of said owners shall be herein referred to collectively as "Apartments"), which include the apartment owners of the Project (all owners of Apartments subject to the Park Declaration, including the apartment owners of the Project, shall collectively be referred to herein as the "Affected Owners").

   b. Each Apartment shall have a non-exclusive easement to use and enjoy the park and improvements now or hereafter existing or made for park purposes.

   c. All Affected Owners shall become members of the Luna-Kai Marina Park Association ("Park Association"). The Park Association has the responsibility to maintain and improve the Park, and to supervise and enforce the compliance of all Affected Owners with all applicable protective provisions and covenants.

   d. All Apartments shall be subject to equal (per Apartment) general assessments by the Park Association to provide adequate working funds and reserves for the improvements, care, maintenance and operation of the Park, taxes and assessments attributable thereto, and its other administrative functions. The foregoing assessment shall be included in the monthly maintenance fee assessed to each apartment owner of the Project.

   e. The Park Declaration also provides that all Affected Owners shall indemnify and hold the developer, the fee simple owner of said Park ("Park Owner"), harmless against all claims and demands for loss or damage, including property damage, personal injury and wrongful death, arising out of or in connection with the exercise by said owners or their agents, servants, guests and invitees of any easements and rights created pursuant to the Park Declaration, and shall use and permit the use of the Park at said owners' sole risk without any obligation or responsibility whatsoever of the Park Owner for the condition, control or other use thereof. Said Affected Owners shall also jointly and severally reimburse the Park Owner for all costs and expenses, including reasonable attorneys' fees, incurred in connection with the defense of any such claims or demands or with any failure to act by the Park Association or its agents, or in case the Park Owner, without any fault on their part, shall be made a party to any litigation commenced by or against the Park Association or its agents.

   f. The Park Declaration shall continue in full force and effect for the term of 75 years after March 1, 1971, unless sooner terminated as provided in the Park Declaration.

2. **Development of the Luna-Kai Marina Park**. It is hereby disclosed that the Developer is the fee simple owner of the Park and is currently contemplating development of the Park under one of the following development scenarios: (i) the bifurcation of the Park and the Developer's acquisition of one of the lots resulting from said bifurcation, (ii) the condominiumization of the Park and the Developer's acquisition of a unit or units of the resulting condominium project, or (iii) the development of the Park, together with the owners of the Associations of Apartment Owners of the neighboring "Esplanade" and "Kaimala Marina" condominium projects, as tenants in common, subject to a co-tenancy or other similar agreement entered into by said parties to facilitate the co-ownership of the Park (the real property interest in the Park that is acquired by the Developer, whether it be a newly subdivided lot, a condominium unit together with any limited common element land areas or an undivided interest in the entire lot now comprising the Park shall be referred to herein as the "Park Parcel"). In connection with the Developer's reserved right to develop the Park Parcel under any of the foregoing scenarios, the Developer has the further right to develop any and all improvements on the Park Parcel as it deems appropriate in its sole discretion, including, without limitation, pool facilities and other recreation facilities, and to convey the Park Parcel and said improvements to the Association of Apartment Owners of the Project ("Association") or to the apartment owners (and/or to all apartment owners or the Association of Apartment Owners of the projects as then constituted) (the entity or individuals to whom the Developer shall convey the Park Parcel to pursuant to this reserved right shall be referred to herein as the "Intended Owner") by way of a quitclaim deed. The Developer shall not be obligated to develop the Park Parcel (in any manner set forth above), nor shall the Developer be obligated to improve the Park Parcel or convey the Park Parcel to the Intended Owner. If, however, the Developer elects to convey the Park Parcel to the Intended Owner, the Intended Owner shall accept such deed and title to said interest, together with any improvements constructed thereon, and upon such acceptance, shall have the responsibility to maintain that portion of the Park so acquired and said improvements. Depending on the development scenario selected form above, the maintenance fees for the Project may increase accordingly.

3. **Developer to Pay Actual Costs of Project**. The Developer hereby discloses that it shall initially assume the actual common expenses of the Project, pursuant to Section 514A-15 of the Hawaii Revised Statutes, from the date upon which certificates of occupancy are issued for the respective apartments of the Project. Accordingly, no apartment owner shall be obligated to pay his or her respective share of the common expenses until the Developer files a written statement ("Notification") with the Real Estate Commission of the State of Hawaii ("Commission") notifying the Commission and all apartment owners of the Project that, after a date certain ("Transition Date"), each apartment owner shall thereafter be obligated to pay for the respective share of common expenses allocated to said owner's apartment. The Notification shall be filed with the Commission at least thirty (30) days prior to the Transition Date, and a copy of said amendment shall be delivered to each of the apartment owners whose maintenance expenses were assumed by the Developer.

4. **Use of Private Parks in The Peninsula at Hawaii Kai – Project II**. Subject to the exercise by the Developer of certain reserved rights to grant use and easement rights, Apartment Owners in the Project may use the areas identified by Condominium Map No. 3507, as lawfully amended and/or supplemented from time to time, of The Peninsula at Hawaii Kai – Project II condominium property regime, as "Common Element (Park D)" and "Common Element (Park E)." In return for such use, Apartment Owners may become subject to an increase in maintenance fees.

5. **Use of Common Facilities by Apartment Owners of The Peninsula at Hawaii Kai – Project I**. Subject to the exercise by the Developer of certain reserved rights to grant use and easement rights, Apartment Owners of the Project may have the right to use all parks, recreation centers and other community facilities available to serve the residents of The Peninsula at Hawaii Kai – Project I. As a result of such use right, Apartment Owners may become subject to an increase in maintenance fees.

6. **The Developer's Right to Develop and Construct Building 2 and Recreation Area.** Building 2 and the Recreation Area as depicted on said Condominium Map will not be constructed at the same time as Building 1; provided, however, that the Developer reserves the right at any time and from time to time prior to December 31, 2008 to construct Building 2 and the Recreation Area approximately within the area labeled on the site plans of the Condominium Map as Building 2 and the "Recreation Area". The Developer does not represent that Building 2 will be developed. In the event the Developer does not execute its right to build Building 2 within the time stated above, Apartment Owners may become subject to an increase in its common interest share and consequently in the accompanying maintenance fees by way of an amendment of the Declaration and other Project documents as necessary. Furthermore, amenities available to Building 1 Apartment Owners such as the Pool, Pool Building 1 and Pool Building 2 ("Pool Buildings") and the Pavilion, as depicted on said Condominium Map, will be constructed concurrently with Building 2. Thus, owners of Apartments in Building 1 may not have immediate use of such amenities upon purchase and may not have use of such amenities at all in the event Building 2 is not built.

7. **Developer's Right to Acquire Land for Roadway and Access Purposes**. Developer shall have the reserved right, to and until December 31, 2021, to do all things necessary and proper to acquire and effectuate ownership of certain parcels of land from the City and County of Honolulu for access and roadway purposes ("Roadway Parcel") and to grant easements in accordance with Article XX of the Declaration in order to access such Roadway Parcel for the construction of necessary improvements and for maintenance purposes. The Developer shall further have the reserved right to convey the fee simple title in and to any such Roadway Parcel and any improvements constructed thereon to the Association or the Apartment Owners (and/or to all apartment owners or the Association of Apartment Owners of the Project then constituted) (the entity or individuals to whom the Developer shall convey the Roadway Parcel to pursuant to this reserved right shall be referred to herein as the "Intended Roadway Owner") by way of a quitclaim deed. The Developer shall not be obligated to cause the subdivision, condominiumization or acquisition of the Roadway Parcel, nor shall the Developer be obligated to improve the Roadway Parcel, or to convey the same to the Intended Roadway Owner. If the Developer elects to convey the Roadway Parcel to the Intended Roadway Owner, the Intended Roadway Owner shall accept such deed and title to the Roadway Parcel, together with any improvements constructed thereon, and upon such acceptance, shall have the responsibility to maintain the Roadway Parcel and said improvements. Every Apartment Owner and all holders of liens affecting any of the Apartments of the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Apartment, lien or other interest, consents to and agrees that he shall join in, consent to, execute, deliver and record all instruments and documents, including any deed, necessary or desirable to effect the transfer of title to parcel, and appoints the Developer and its assigns, his attorney-in-fact, with full power of substitution to execute, deliver and record such documents and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights and shall not be affected by the disability of any such party. Upon any conveyance of Roadway Parcel to the Intended Roadway Owner, the Developer shall be absolved from any further responsibility or liability with respect thereto, and said Intended Roadway Owner shall indemnify and hold Developer harmless from any and all loss, costs and expenses incurred by Developer as a result of the ownership or use of said parcel by any party, including the Apartment Owners, their guests, invitees, agents or licensees

8. **Use of Recreation Area by Project IV Apartment Owners**. Subject to the exercise by the Developer of certain reserved rights to grant use and easement rights, apartment owners of the Peninsula at Hawaii Kai Project IV ("Project IV") may have the right to use the Project Recreation Area, as defined in the Project Declaration and depicted on said Condominium Map. Project IV apartment owners may be accordingly assessed to share in the cost of maintaining such area on an equitable basis.

9. **Contingent Final Public Report Obtained for Separate Sales Phase.**. As indicated on Page 1 hereof, this Final Public Report only covers 96 of the 208 apartments that comprise the Project. In other words, as a development strategy, the Developer has opted to obtain a Contingent Final Public Report for the remaining 112 apartments of the Project. Each group of apartments subject to a separate public report shall be referred to in this section as a "Sales Phase."

   Purchasers should therefore be aware that not all 208 units of the Project as described in the Contingent Final Report (Registration No. 4849) will be closing at or about the same time, but rather in two phases over a period of time. Further, the Developer will likely obtain a second Contingent Final Public Report for the remaining 112 units before obtaining a Final Public Reports for said units.

   The Developer hereby discloses, however, that although separate reports will be issued for each Sales Phase of the Project, all 208 apartments still comprise a single condominium project. In other words, the act of separating the various apartments into different Sales Phases does not create separate and distinct condominium projects. Accordingly, the common elements described in Exhibit "E" and the percentage of common interest attributed to each apartment in Exhibit "D" of this Public Report serve each of the 208 apartments. Purchasers should be aware, therefore, that a blanket lien which arises against the common elements will affect all of the apartments of the Project notwithstanding the fact that separate Final Public Reports have been obtained for each Sales Phase.

D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)

E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

PENINSULA-HAWAII KAI, LLC,
a Hawaii limited liability company

By STANFORD CARR DEVELOPMENT, LLC, a Hawaii limited liability company
Its Member

By_____
Name: Stanford S. Carr
Title: Manager

"Developer"

November 10, 2003
Date

Distribution:

Department of Finance, City and County of Honolulu
Planning Department; City and County of Honolulu

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

EXHIBIT "A"

RIGHTS RESERVED BY DEVELOPER

Among other rights, the Developer will have the following reserved rights with respect to the Project which are more particularly set forth in the Declaration. Capitalized terms have the same meaning ascribed to such terms in the Declaration Purchasers are urged to review the Declaration to learn about all of the Developer's and Apartment Owner's reserved rights.

A. **RESERVED RIGHT TO GRANT EASEMENTS.** This right is set forth at Article XX of the Declaration. The Developer will have, among other things, the right until December 31, 2021, to delete, cancel, relocate, realign, reserve, designate, grant and/or receive any and all easements and rights of way over, under, through, across and upon the Common Elements (including the Limited Common Elements) of the Project.

B. **RESERVED RIGHT TO ALTER SPA, POOL, POOL BUILDINGS AND PAVILION.** This right is set forth in Article XXI of the Declaration. The Developer will have the right, to and until December 31, 2021 to alter, modify or change the plans for the "Spa", "Pool Buildings", the "Pool" and the "Pavilion", as such improvements are depicted on the Condominium Map, without obtaining the approval of any party with an interest in the Project, including any other Owner and/or mortgagee. Developer shall further have the reserved right to amend the Declaration and/or Condominium Map as necessary to effect any such alteration, modification or change.

C. **RESERVED RIGHT TO ALTER, SUBDIVIDE AND CONSOLIDATE APARTMENTS.** This right is set forth in Article XXII of the Declaration. The Developer will have the right, to and until December 31, 2021, to (i) alter the floor plan of any Apartment which it owns at any time and in any manner the Developer deems appropriate, in its absolute discretion, (ii) cause the subdivision of any Apartment that it owns into two (2) or more Apartments and convert certain portions of the existing Apartment to Common Element status to facilitate said subdivision, or (iii) to consolidate any two (2) Developer-owned Apartments separated by a party wall, in accordance with said Article XXII of the Declaration.

D. **RESERVED RIGHT TO MODIFY PROJECT TO COMPLY WITH LAW.** This right is set forth in Article XXIV of the Declaration. The Developer will have the right until December 31, 2021 to effect all modifications to Apartments and Common Elements in the Project and/or to execute, record and deliver any amendments to the Declaration, Condominium Map, Bylaws and House Rules for the Project to ensure full compliance by the Project, the Association and the Developer with laws which apply to the Project, including the Fair Housing Act, as amended, 42 U.S.C. §§3601 et seq., including all rules and regulations adopted under it.

E. **RESERVED RIGHT TO DEVELOP AND CONSTRUCT BUILDING 2.** This right is set forth in Article XXV of the Declaration. The Developer, shall have the right, to and until December 31, 2008 (or any date subsequent to this date that is mutually agreed upon, in writing, by the Developer and the FNMA) to construct Building 2 and the appurtenant Recreation Area approximately within the area labeled on the site plan of the Condominium Map as "Building 2" and "Recreation Area". The Developer does not represent or warrant that Building 2 and/or the Recreation Area will be developed. The Developer shall further have the right to alter the Common Interest appurtenant to any Apartment and adjust any maintenance fees as necessary in the event Building 2 is not built. The Developer also has the right to modify the plans for Building 2 and Recreation Area, and may change the square footage, layout, location, types or numbers of apartments constituting Building 2 and Recreation Area, and may further modify, delete and/or add types of Common Elements in connection with the development of Building 2 and Recreation Area so long as the aggregate Common Interest appurtenant to the Apartments in Building 2 remains the same, and may further modify, delete and/or add types of Common Elements in connection with the development of Building 2. Developer, its contractors and subcontractors, and their respective employees and agents, shall also have the right to enter upon the Property and use the area designated as Building 2 and Recreation Area and any common elements to do all things reasonably necessary, desirable or useful for the development of Building 2 and the Recreation Area and an easement in favor of the Developer and its successors and permitted assigns to do so. Developer shall further have the reserved right to amend the Declaration and/or Condominium Map to effect any of the rights hereby established.

F. **RESERVED RIGHT TO SUBDIVIDE AND WITHDRAW LAND**. This right is set forth in Article XXVI of the Declaration. The Developer shall have the right, to and until December 31, 2021, to subdivide the Property and to create separate parcels of land identified as Parcels A, C and D on the Condominium Map, to withdraw said Parcels A, C and D and any other improvements located thereon from the operation of the Declaration, to convey said withdrawn parcel(s) and improvements to a third party or to Developer, and to do all things necessary or proper to effectuate the same.

G. **RESERVED RIGHT TO RIGHT TO DEVELOP, CONSTRUCT AND MERGE ADDITIONAL PROJECTS**. This right is set forth in Article XXVII of the Declaration. The Developer, its successors and permitted assigns, will have the right at any time and from time to time prior to (i) December 31, 2021 to develop additional projects (any such additional projects, including the apartments of such projects, their respective undivided interests in the land underlying each project and the common elements built in connection therewith, shall be referred to herein as a "Subsequent Project") as the Developer may desire, to the extent permitted by applicable law, and (ii) December 31, 2008 (or any subsequent date that is mutually agreed to, in writing by the Developer and FNMA) to merge Project I and/or any Subsequent Project with the Project as though they had been developed as a single project. Specifically, but not in limitation of the generality of the foregoing, the Developer has the right to develop the Project, which consists of 208 residential apartments, and up to 423 additional residential apartments on Parcels A, B and D. As of the date hereof, the construction of the projects to be developed on Parcel A, which shall be referred to as "Project I", and Parcel B, which shall be referred to as "Project II", have commenced. Said Parcels A, B and D are more particularly depicted on the Condominium Map and the projects to be developed on said Parcels B and D shall be referred to as Projects II and IV, respectively. No building or other structure built upon the Project or Projects I, II and IV shall exceed sixty (60) feet in height. Developer further reserves the right to modify the present plan of project development by varying the mix and/or number of apartments in any Subsequent Project and/or by modifying, deleting and/or adding types of common elements and/or limited common elements. This right shall include, but not be limited to, the right to develop this Project and the project referred to in the Declaration as Project IV as a single project. Developer shall further have the reserved right to execute and record a Declaration of Condominium Property Regime and condominium map, or an amendment to the Declaration and the Condominium Map to create any Subsequent Project.

H. **RESERVED RIGHT TO CONDUCT SALES ACTIVITIES**. This right is set forth in Article XXVIII of the Declaration. The Developer will have the right until to conduct extensive sales activities at the Project and from any Apartment owned by Developer, including the use of Storage Room 1 and Storage Room 2 as designated on the Condominium Map as sales offices, during the time period(s) specified in said Article XXVIII.

I. **RESERVED RIGHT TO ADD ADDITIONAL LAND TO THE PROJECT; ASSOCIATION'S RIGHT TO ACT ON BEHALF OF APARTMENT OWNERS**. This right is set forth in Article XXIX of the Declaration. Developer shall have the right, but not the obligation, to and until December 31, 2021, to do all things necessary and proper to effectuate its ownership of that certain parcel of land identified on the Condominium Map as the "Luna-Kai Marina Park" ("Luna-Kai Park") and contemplates development of Luna-Kai Park under one of the following scenarios: (i) the bifurcation of the Park and the Developer's acquisition of one or more of the lots resulting from said bifurcation, (ii) the condominiumization of the Park and the Developer's acquisition of a unit or units of the resulting condominium project, or (iii) the development of the Park, either independently or together with the owners of the Associations of Apartment Owners of the neighboring "Esplanade" and "Kaimala Marina" condominium projects, as tenants in common, subject to a co-tenancy or other similar agreement entered into by said parties to facilitate the co-ownership of the Park (the real property interest in the Park that is acquired by the Developer, whether it be a newly subdivided lot, the entirety of the Luna-Kai Park, a condominium unit together with any limited common element land areas or an undivided interest in the entire lot now comprising the Park shall be referred to herein as the "Park Parcel"). In connection with any of the development scenarios set forth above, the Developer shall have the further reserved right to develop any and all improvements on said Park Parcel as the Developer deems appropriate in its sole discretion, including, without limitation, pool facilities and other recreation facilities, and to convey the fee simple title in and to the Park Parcel and any improvements constructed thereon to the Association or to the Apartment Owners (or to all apartment owners or the Association of Apartment Owners of the project as then constituted) by way of a quitclaim deed in accordance with Article XXIX of the Declaration. Developer shall further have the reserved right, to and until December 31, 2021, to do all things necessary and proper to acquire and effectuate ownership of certain parcels of land from the City and County of Honolulu for access and roadway purposes ("Roadway Parcel") and to grant easements in accordance with Article XX of the Declaration in order to

access such Roadway Parcel for the construction of necessary improvements and for maintenance purposes. The Developer shall further have the reserved right to convey the fee simple title in and to any such Roadway Parcel and any improvements constructed thereon to the Association or the Apartment Owners (and/or to all apartment owners of the Association of Apartment Owners of the Project then constituted) (the entity or individuals to whom the Developer shall convey the Roadway Parcel to pursuant to this reserved right shall be referred to herein as the "Intended Roadway Owner") by way of a quitclaim deed. The Developer shall not be obligated to cause the subdivision, condominiumization or acquisition of the Roadway Parcel, nor shall the Developer be obligated to improve the Roadway Parcel, or to convey the same to the Intended Roadway Owner. If the Developer elects to convey the Roadway Parcel to the Intended Roadway Owner, the Intended Roadway Owner shall accept such deed and title to the Roadway Parcel, together with any improvements constructed thereon, and upon such acceptance, shall have the responsibility to maintain the Roadway Parcel and said improvements. Every Apartment Owner and all holders of liens affecting any of the Apartments of the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Apartment, lien or other interest, consents to and agrees that he shall join in, consent to, execute, deliver and record all instruments and documents, including any deed, necessary or desirable to effect the transfer of title to parcel, and appoints the Developer and its assigns, his attorney-in-fact, with full power of substitution to execute, deliver and record such documents and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights and shall not be affected by the disability of any such party. Upon any conveyance of Roadway Parcel to the Intended Roadway Owner, the Developer shall be absolved from any further responsibility or liability with respect thereto, and said Intended Roadway Owner shall indemnify and hold Developer harmless from any and all loss, costs and expenses incurred by Developer as a result of the ownership or use of said parcel by any party, including the Apartment Owners, their guests, invitees, agents or licensees.

J. **RESERVED RIGHT TO CONVERT PARKING STALLS TO COMMON ELEMENTS AND RECORD PARKING STALL AMENDMENT.** This right is set forth in Article XXX of the Declaration. Developer shall have the reserved right, to and until December 31, 2021, to convert and redesignate any parking stalls that are appurtenant to any of the Apartments that it owns from Limited Common Elements to Common Elements of the Project. Developer shall also have the reserved right (but not the obligation) to record an instrument ("Parking Stall Assignment Summary Amendment") which lists all parking stalls that have been assigned and identifies the Apartment to which each such parking stall was assigned or reassigned in accordance with the procedure set forth in said Article XXX.

K. **RESERVED RIGHT TO SUBDIVIDE STORAGE AREAS, CONSTRUCT STORAGE LOCKERS AND CONVERT STORAGE LOCKERS TO COMMON ELEMENTS.** This right is set forth in Article XXXI of the Declaration. Developer shall have the reserved right, to and until December 31, 2021, to subdivide and construct storage lockers within the Limited Common Elements appurtenant to any of the Apartments that it owns designated as "Storage Area 1" and "Storage Area 2" (collectively, "Storage Areas") as depicted on the Condominium Map and as so assigned in Exhibit "B" to the Declaration. Developer shall further have the accompanying reserved right to convert and redesignate such Limited Common Element Storage Areas as Common Elements of the Project. Developer shall further have the reserved right to amend the Declaration and/or Condominium Map to effect any such subdivision and construction.

L. **RESERVED RIGHT TO CONSTRUCT GROUP MAILBOX STRUCTURES.** This right is set forth in Article XXXII of the Declaration. Developer shall have the reserved right, to and until December 31, 2021, to construct group mailbox structures anywhere within the Project, including, without limitation, within any Limited Common Element area of the Project; provided that the construction of such group mailbox structures shall not adversely impact or impair the square footage of any Apartment of the Project.

M. **ASSIGNMENT OF RESERVED RIGHTS.** Pursuant to Article XXXIII of the Declaration, the rights reserved by the Developer are fully assignable.

Each and every party acquiring an interest in the Project, by such acquisition, consents to Developer's exercise of its reserved rights and to the execution, delivery and recording (if necessary) of any and all documents necessary to effect these rights, including any amendment or amendments of the Declaration and the Condominium Map; agrees to execute, deliver and record such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints the Developer and its assigns such party's attorney-in-fact with full power of substitution to execute, deliver and record such documents and instruments and do such other

things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of these reserved rights, and shall not be affected by the disability of such party or parties.

Notwithstanding anything provided to the contrary, the Developer shall have the reserved right to amend the Declaration without the consent or joinder of any Apartment Owner, lienholder or other person for the purpose of meeting any requirement imposed by any applicable law, any institutional mortgage lender or any governmental or quasi-governmental agency including, without limitation, the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development or the Veterans Administration. Each and every party acquiring an interest in the Project, by such acquisition, consents to such amendments as described in the preceding sentence and agrees to execute, deliver and record such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints the Developer and its assigns his attorney-in-fact with full power of substitution to execute, deliver and record such documents and instruments and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL OF THE RIGHTS RESERVED BY THE DEVELOPER UNDER THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF SUCH RESERVED RIGHTS, PURCHASER SHOULD REFER TO THE CONDOMINIUM DECLARATION TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DECLARATION, THE CONDOMINIUM DECLARATION WILL CONTROL.

EXHIBIT "B"

BOUNDARIES OF EACH APARTMENT

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

Each Apartment shall be deemed to include (i) all walls and partitions which are not load-bearing within its perimeter or party walls, including the decorated or finished surfaces thereof, (ii) all pipes, shafts, vents, ducts, pumps, conduits, cables, wiring, other utility or service lines running through such Apartment or other utility meters, which are utilized for and serve only that Apartment, (iii) the decorated or finished interior surfaces of all perimeter and party walls, load-bearing walls and partitions, floors and ceilings of each Apartment, and the air space located between said walls, floors and ceilings, (iv) the decorated or finished interior surfaces of any doors, door frames, windows or window frames, (v) all cranks and other window hardware, and (vi) all appliances and fixtures installed in the Apartment and replacements therefor.

The respective Apartments shall not be deemed to include: (i) the perimeter or party walls, the undecorated or unfinished interior surfaces thereof, and the decorated or finished exterior surfaces of any perimeter wall, (ii) the floors and ceilings of each Apartment, the undecorated or unfinished surfaces thereof and the roof of the building in which the Apartments is located, (iii) the perimeter doors, door frames, windows and window frames and the decorated or finished exterior surfaces of said doors, door frames, windows and window frames, (iv) the interior load-bearing walls and columns and the undecorated or unfinished surfaces thereof, (v) any pipes, shafts, vents, ducts, pumps, conduits, cables, wiring and other utility or service lines running through each Apartment, or other utility meters, which are utilized for or serve more than one Apartment, the same being deemed Common Elements appurtenant to all Apartments as provided in the Declaration.

EXHIBIT "C"

PERMITTED ALTERATIONS TO APARTMENTS

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

A. **GENERAL PROVISIONS**. Except as otherwise expressly provided in the Declaration or in the Master Declaration, restoration or replacement of the Project or any portion thereof or construction of any additional improvement or structural alteration or addition to any improvement, different in any material respect from the Condominium Map of the Project, shall be undertaken by the Association or any Apartment Owner only pursuant to an amendment of the Declaration in accordance with Article XIII of the Declaration, duly executed pursuant to the provisions thereof, accompanied by the written consent of the holders of all mortgage liens affecting any of the Apartments involved, and in accordance with complete plans and specifications therefor first approved in writing by the Board. Promptly upon completion of such restoration, replacement or construction the Association or Apartment Owner, as the case shall be, shall duly 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.

B. **ADDITIONS OR ALTERATIONS SOLELY WITHIN AN APARTMENT**. Notwithstanding anything to the contrary contained herein, each Owner of an Apartment shall have the right at any time and from time to time at such Owner's sole cost and expense, and without the necessity of the consent or joinder of any other Apartment Owner or the Design Committee, to make any of the following alterations solely within the Apartment: to install, maintain, remove and rearrange non-loadbearing partitions and other non-loadbearing structures from time to time within such Apartment, and to paint, paper, panel, plaster, tile, carpet, re-carpet, finish, and do or cause to be done such other work on the interior surfaces of the ceilings, floors and walls within any such Apartment and to finish, alter or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors and walls as may be appropriate for the utilization of such Apartment by such Owner or the tenants or lessees thereof; provided, however, that nothing contained in this paragraph shall authorize any work or alteration which would jeopardize the soundness or safety of the Apartment or any other part of the Project, reduce the value thereof, adversely affect any other Apartment, affect or impair any easement or rights of any of the other Apartment Owners, or interfere with or deprive any Owner of the use or enjoyment of any part of the Common Elements or directly affect any Owner or alter the external appearance of the Project in contravention of the Design Guidelines.

C. **APARTMENT OWNERS TO EXECUTE AMENDMENT DOCUMENTS IN CERTAIN CASES**. In the event that any change or alteration of an Apartment pursuant to and in compliance with Section B above shall alter the depiction of the particular Apartment on the Condominium Map or the description thereof in the Declaration, then the Owner of such Apartment shall amend the Declaration and/or the Condominium Map to set forth such approved change or alteration, which amendment(s) may be executed by the Owner of the affected Apartment or Apartments and by no other party, and such shall become effective upon recording of the same at the Bureau. The provisions of Article XIII of the Declaration notwithstanding, such amendment shall not require the consent or joinder of the Owner of any other Apartment or any other person or entity, other than any mortgagee of such Apartment or Apartments which are changed or altered. Every Apartment Owner and all holders of liens affecting any of the Apartments of the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Apartment, lien or other interest, consents to and agrees that he shall, if required by law or by any such Owner who shall have changed or altered an Apartment as aforesaid, join in, consent to, execute, deliver and record all instruments and documents necessary or desirable to affect the amendment of the Declaration and/or the Condominium Map; and appoints such Owner and his assigns his attorney-in-fact with full power of substitution to execute, deliver and record such documents and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights and shall not be affected by the disability of any such party.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL RESTRICTIONS ON ALTERATIONS TO APARTMENTS CONTAINED IN THE PROJECT DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL

SUMMARY OF RIGHTS AND OBLIGATIONS UNDER THE PROJECT DOCUMENTS, PURCHASER MUST REFER TO THE DECLARATION, BYLAWS AND HOUSE RULES TO DETERMINE THE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PROJECT DOCUMENTS, THE PROJECT DOCUMENTS WILL CONTROL.

EXHIBIT "D"

APARTMENT NUMBERS, LOCATIONS, LAYOUT, APPROXIMATE NET AREA, PARKING STALL ASSIGNMENTS, STORAGE AREA ASSIGNMENTS, COMMON INTEREST OF APARTMENTS

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

Apartment Number	Plan Type	Bedrooms/ Bathrooms	Approximate Net Square Footage	Approximate Lanai Area(s)	Parking Stall No.(s) (C=compact)	Storage Room No./Storage Area No.	Percentage of Common Interest
6101	1	1/1	904.3	124.5	27/28C		0.344452%
6102	4R	3/2	1,456.7	125.8	3/4		0.554864%
6103	3	2/2	1,345.2	94.3	129/130C		0.512393%
6104	4	3/2	1,456.7	125.8	201/202C		0.554864%
6105	3R	2/2	1,345.2	86.9	7/8		0.512393%
6106	2	2/2	1,287.6	109.4	19/20		0.490453%
6107	2AR	2/2	1,268.7	109.4	21/22		0.483254%
6108	4R	3/2	1,456.7	125.8	195/196		0.554864%
6109	1A	1/1	893.4	85.6	137/138C		0.340300%
6110	3R	2/2	1,345.2	86.9	127/128C		0.512393%
6111	4R	3/2	1,456.7	164.6	77/78		0.554864%
6112	1R	1/1	904.3	124.5	31/32C		0.344452%
6113	1	1/1	904.3	124.5	29/30C		0.344452%
6114	4	3/2	1,456.7	164.6	49/50		0.554864%
6115	3	2/2	1,345.2	86.9	55/56		0.512393%
6116	1AR	1/1	893.4	85.6	147/148C		0.340300%
6117	4	3/2	1,456.7	125.8	109/110		0.554864%
6118	2A	2/2	1,268.7	109.4	157/158C		0.483254%
6119	2R	2/2	1,287.6	109.4	155/156C		0.490453%
6120	3	2/2	1,345.2	86.9	87/88		0.512393%
6121	4R	3/2	1,456.7	125.8	41/42		0.554864%
6122	3R	2/2	1,345.2	86.9	93/94		0.512393%
6123	4	3/2	1,456.7	125.8	43/44		0.554864%
6124	1R	1/1	904.3	124.5	33/34C		0.344452%
6201	1	1/1	904.3	85.6	25/26C		0.344452%
6202	4R	3/2	1,456.7	125.8	17/18		0.554864%
6203	3	2/2	1,345.2	94.3	123/124C		0.512393%
6204	4	3/2	1,456.7	125.8	199C/200		0.554864%
6205	3R	2/2	1,345.2	86.9	67/68		0.512393%
6206	2	2/2	1,287.6	109.4	75/76		0.490453%
6207	2AR	2/2	1,268.7	109.4	79/80		0.483254%
6208	4R	3/2	1,456.7	125.8	175/176		0.554864%
6209	1A	1/1	893.4	85.6	135/136C		0.340300%
6210	3R	2/2	1,345.2	86.9	83/84		0.512393%
6211	4R	3/2	1,456.7	125.8	63/64		0.554864%

Apartment Number	Plan Type	Bedrooms/ Bathrooms	Approximate Net Square Footage	Approximate Lanai Area(s)	Parking Stall No.(s) (C=compact)	Storage Room No./Storage Area No.	Percentage of Common Interest
6212	1R	1/1	904.3	85.6	143/144C		0.344452%
6213	1	1/1	904.3	85.6	141/142C		0.344452%
6214	4	3/2	1,456.7	125.8	107/108		0.554864%
6215	3	2/2	1,345.2	86.9	113/114		0.512393%
6216	1AR	1/1	893.4	85.6	161/162C		0.340300%
6217	4	3/2	1,456.7	125.8	191/192C		0.554864%
6218	2A	2/2	1,268.7	109.4	91/92		0.483254%
6219	2R	2/2	1,287.6	109.4	89/90		0.490453%
6220	3	2/2	1,345.2	86.9	95/96		0.512393%
6221	4R	3/2	1,456.7	125.8	45/46		0.554864%
6222	3R	2/2	1,345.2	86.9	59/60		0.512393%
6223	4	3/2	1,456.7	125.8	101/102		0.554864%
6224	1R	1/1	904.3	85.6	145/146C		0.344452%
6301	1	1/1	904.3	85.6	23/24C		0.344452%
6302	4R	3/2	1,456.7	125.8	5/6		0.554864%
6303	3	2/2	1,345.2	94.3	125/126C		0.512393%
6304	4	3/2	1,456.7	125.8	197C/198		0.554864%
6305	3R	2/2	1,345.2	86.9	71/72		0.512393%
6306	2	2/2	1,287.6	109.4	65/66		0.490453%
6307	2AR	2/2	1,268.7	109.4	9/10		0.483254%
6308	4R	3/2	1,456.7	125.8	171/172		0.554864%
6309	1A	1/1	893.4	85.6	133/134C		0.340300%
6310	3R	2/2	1,345.2	86.9	81/82		0.512393%
6311	4R	3/2	1,456.7	125.8	13/14		0.554864%
6312	1R	1/1	904.3	85.6	37/38C		0.344452%
6313	1	1/1	904.3	85.6	35/36C		0.344452%
6314	4	3/2	1,456.7	125.8	193/194C		0.554864%
6315	3	2/2	1,345.2	86.9	111/112		0.512393%
6316	1AR	1/1	893.4	85.6	159/160C		0.340300%
6317	4	3/2	1,456.7	125.8	178/179		0.554864%
6318	2A	2/2	1,268.7	109.4	61/62		0.483254%
6319	2R	2/2	1,287.6	109.4	97/98		0.490453%
6320	3	2/2	1,345.2	86.9	121/122		0.512393%
6321	4R	3/2	1,456.7	125.8	104/130		0.554864%
6322	3R	2/2	1,345.2	86.9	57/58		0.512393%
6323	4	3/2	1,456.7	125.8	47/48		0.554864%
6324	1R	1/1	904.3	85.6	39/40C		0.344452%
6401	1	1/1	904.3	85.2	139/140C		0.344452%
6402	4R	3/2	1,456.7	120.6	11/12		0.554864%
6403	3	2/2	1,345.2	95.2	85/86		0.512393%
6404	4	3/2	1,456.7	120.6	173/174		0.554864%
6405	3R	2/2	1,345.2	84.6	203/204C		0.512393%
6406	2	2/2	1,287.6	103.9	69/70		0.490453%

Apartment Number	Plan Type	Bedrooms/ Bathrooms	Approximate Net Square Footage	Approximate Lanai Area(s)	Parking Stall No.(s) (C=compact)	Storage Room No./Storage Area No.	Percentage of Common Interest
6407	2AR	2/2	1,268.7	103.9	15/16		0.483254%
6408	4R	3/2	1,456.7	120.6	169/170		0.554864%
6409	1A	1/1	893.4	82.9	131/132C		0.340300%
6410	3R	2/2	1,345.2	84.6	1/2		0.512393%
6411	4R	3/2	1,456.7	120.6	73/74		0.554864%
6412	1R	1/1	904.3	85.2	151/152C		0.344452%
6413	1	1/1	904.3	85.2	149/150C		0.344452%
6414	4	3/2	1,456.7	120.6	177/190		0.554864%
6415	3	2/2	1,345.2	84.6	99/100		0.512393%
6416	1AR	1/1	893.4	82.9	153/154C		0.340300%
6417	4	3/2	1,456.7	120.6	180/181		0.554864%
6418	2A	2/2	1,268.7	103.9	117/118		0.483254%
6419	2R	2/2	1,287.6	103.9	119/120		0.490453%
6420	3	2/2	1,345.2	84.6	53/54		0.512393%
6421	4R	3/2	1,456.7	120.6	51/52		0.554864%
6422	3R	2/2	1,345.2	86.9	115/116		0.512393%
6423	4	3/2	1,456.7	120.6	105/106		0.554864%
6424	1R	1/1	904.3	85.2	163/164C		0.344452%
7101	1	1/1	904.3	124.5			0.344452%
7102	4	3/2	1,456.7	164.6			0.554864%
7103	3R	2/2	1,345.2	86.9			0.512393%
7104	2	2/2	1,287.6	109.4			0.490453%
7105	2R	2/2	1,287.6	109.4			0.490453%
7106	4R	2/2	1,456.7	125.8			0.554864%
7107	3	2/2	1,345.2	86.9			0.512393%
7108	3R	2/2	1,345.2	86.9			0.512393%
7109	4	3/2	1,456.7	125.8			0.554864%
7110	2	2/2	1,287.6	109.4			0.490453%
7111	2AR	2/2	1,268.7	109.4			0.483254%
7112	4	3/2	1,456.7	125.8			0.554864%
7113	1A	1/1	893.4	124.5			0.340300%
7114	1R	1/1	904.3	124.5			0.344452%
7115	1	1/1	904.3	124.5			0.344452%
7116	1AR	1/1	893.4	124.5			0.340300%
7117	4R	3/2	1,456.7	125.8			0.554864%
7118	2A	2/2	1,268.7	109.4			0.483254%
7119	2R	2/2	1,287.6	109.4			0.490453%
7120	4R	3/2	1,456.7	125.8			0.554864%
7121	3	2/2	1,345.2	86.9			0.512393%
7122	3R	2/2	1,345.2	86.9	Building 1: 165-168, 182-185 Building 2: 1-241*	Building 1: 1-2/1-2 Building 2: 1-2/1-3**	0.512393%
7123	4	3/2	1,456.7	125.8			0.554864%

Apartment Number	Plan Type	Bedrooms/ Bathrooms	Approximate Net Square Footage	Approximate Lanai Area(s)	Parking Stall No.(s) (C=compact)	Storage Room No./Storage Area No.	Percentage of Common Interest
7124	2	2/2	1,287.6	109.4			0.490453%
7125	2R	2/2	1,287.6	109.4			0.490453%
7126	3	2/2	1,345.2	86.9			0.512393%
7127	4R	3/2	1,456.7	164.6			0.554864%
7128	1R	1/1	904.3	124.5			0.344452%
7201	1	1/1	904.3	85.6			0.344452%
7202	4	3/2	1,456.7	125.8			0.554864%
7203	3R	2/2	1,345.2	86.9			0.512393%
7204	2	2/2	1,287.6	109.4			0.490453%
7205	2R	2/2	1,287.6	109.4			0.490453%
7206	4R	2/2	1,456.7	125.8			0.554864%
7207	3	2/2	1,345.2	86.9			0.512393%
7208	3R	2/2	1,345.2	86.9			0.512393%
7209	4	3/2	1,456.7	125.8			0.554864%
7210	2	2/2	1,287.6	109.4			0.490453%
7211	2AR	2/2	1,268.7	109.4			0.483254%
7212	4	3/2	1,456.7	125.8			0.554864%
7213	1A	1/1	893.4	85.6			0.340300%
7214	1R	1/1	904.3	85.6			0.344452%
7215	1	1/1	904.3	85.6			0.344452%
7216	1AR	1/1	893.4	85.6			0.340300%
7217	4R	3/2	1,456.7	125.8			0.554864%
7218	2A	2/2	1,268.7	109.4			0.483254%
7219	2R	2/2	1,287.6	109.4			0.490453%
7220	4R	3/2	1,456.7	125.8			0.554864%
7221	3	2/2	1,345.2	86.9			0.512393%
7222	3R	2/2	1,345.2	86.9			0.512393%
7223	4	3/2	1,456.7	125.8			0.554864%
7224	2	2/2	1,287.6	109.4			0.490453%
7225	2R	2/2	1,287.6	109.4			0.490453%
7226	3	2/2	1,345.2	86.9			0.512393%
7227	4R	3/2	1,456.7	125.8			0.554864%
7228	1R	1/1	904.3	85.6			0.344452%
7301	1	1/1	904.3	85.6			0.344452%
7302	4	3/2	1,456.7	125.8			0.554864%
7303	3R	2/2	1,345.2	86.9			0.512393%
7304	2	2/2	1,287.6	109.4			0.490453%
7305	2R	2/2	1,287.6	109.4			0.490453%
7306	4R	2/2	1,456.7	125.8			0.554864%
7307	3	2/2	1,345.2	89.9			0.512393%
7308	3R	2/2	1,345.2	86.9			0.512393%
7309	4	3/2	1,456.7	125.8			0.554864%
7310	2	2/2	1,287.6	109.4			0.490453%

Apartment Number	Plan Type	Bedrooms/ Bathrooms	Approximate Net Square Footage	Approximate Lanai Area(s)	Parking Stall No.(s) (C=compact)	Storage Room No./Storage Area No.	Percentage of Common Interest
7311	2AR	2/2	1,268.7	109.4			0.483254%
7312	4	3/2	1,456.7	125.8			0.554864%
7313	1A	1/1	893.4	85.6			0.340300%
7314	1R	1/1	904.3	85.6			0.344452%
7315	1	1/1	904.3	85.6			0.344452%
7316	1AR	1/1	893.4	85.6			0.340300%
7317	4R	3/2	1,456.7	125.8			0.554864%
7318	2A	2/2	1,268.7	109.4			0.483254%
7319	2R	2/2	1,287.6	109.4			0.490453%
7320	4R	3/2	1,456.7	125.8			0.554864%
7321	3	2/2	1,345.2	86.9			0.512393%
7322	3R	2/2	1,345.2	86.9			0.512393%
7323	4	3/2	1,456.7	125.8			0.554864%
7324	2	2/2	1,287.6	109.4			0.490453%
7325	2R	2/2	1,287.6	109.4			0.490453%
7326	3	2/2	1,345.2	86.9			0.512393%
7327	4R	3/2	1,456.7	125.8			0.554864%
7328	1R	1/1	904.3	85.6			0.344452%
7401	1	1/1	904.3	82.9			0.344452%
7402	4	3/2	1,456.7	120.6			0.554864%
7403	3R	2/2	1,345.2	84.6			0.512393%
7404	2	2/2	1,287.6	103.9			0.490453%
7405	2R	2/2	1,287.6	103.9			0.490453%
7406	4R	2/2	1,456.7	120.6			0.554864%
7407	3	2/2	1,345.2	84.6			0.512393%
7408	3R	2/2	1,345.2	84.6			0.512393%
7409	4	3/2	1,456.7	120.6			0.554864%
7410	2	2/2	1,287.6	103.9			0.490453%
7411	2AR	2/2	1,268.7	103.9			0.483254%
7412	4	3/2	1,456.7	120.6			0.554864%
7413	1A	1/1	893.4	82.9			0.340300%
7414	1R	1/1	904.3	82.9			0.344452%
7415	1	1/1	904.3	82.9			0.344452%
7416	1AR	1/1	893.4	82.9			0.340300%
7417	4R	3/2	1,456.7	120.6			0.554864%
7418	2A	2/2	1,268.7	103.9			0.483254%
7419	2R	2/2	1,287.6	103.9			0.490453%
7420	4R	3/2	1,456.7	120.6			0.554864%
7421	3	2/2	1,345.2	84.6			0.512393%
7422	3R	2/2	1,345.2	84.6			0.512393%
7423	4	3/2	1,456.7	120.6			0.554864%
7424	2	2/2	1,287.6	103.9			0.490453%
7425	2R	2/2	1,287.6	103.9			0.490453%

Apartment Number	Plan Type	Bedrooms/ Bathrooms	Approximate Net Square Footage	Approximate Lanai Area(s)	Parking Stall No.(s) (C=compact)	Storage Room No./Storage Area No.	Percentage of Common Interest
7426	3	2/2	1,345.2	84.6			0.512393%
7427	4R	3/2	1,456.7	120.6			0.554880%
7428	1R	1/1	904.3	82.9			0.344452%
Total			**262,532.80**				**100.00000%**

*Building 2 C (compact stalls) = 79, 81, 83, 85, 87, 89, 91, 93, 95, 97, 99, 101, 103, 105, 107, 109, 111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 173, 175, 177. Note that parking stalls will be reassigned to certain Apartments in Building 1 and Building 2 upon the sale of Apartments in Building 1 and Building 2.

** All storage rooms in Building 1 and Building 2 will be reassigned to the Association as a common element in accordance with provisions of the Declaration. All Storage Areas in Building 1 and Building 2, upon the creation of storage lockers, shall be reassigned to certain Apartments in Building 1 and Building 2 during sale of the Apartments in the Project.

All Apartments of the Project are located in Building 1 and Building 2, as follows:

A. Apartment Locations

1. Building 1: Building 1 is comprised of two (2) segments, Segment A and Segment B.

Segment A contains the following units:
First Floor – 6101 through 6112
Second Floor – 6201 through 6212
Third Floor – 6301 through 6312
Fourth Floor – 6401 through 6412

Segment B contains the following units:
First Floor – 6113 through 6124
Second Floor – 6213 through 6224
Third Floor – 6313 through 6324
Fourth Floor – 6413 through 6424

2. Building 2: Building 2 is comprised of two (2) segments, Segment A and Segment B.

Segment A contains the following units:
First Floor – 7101 through 7114
Second Floor – 7201 through 7214
Third Floor – 7301 through 7314
Fourth Floor – 7401 through 7414

Segment B contains the following units:
First Floor – 7115 through 7128
Second Floor – 7215 through 7228
Third Floor – 7315 through 7328
Fourth Floor – 7415 through 7428

B. Layout of Apartments

All Apartments of the Project have the number of bedrooms and bathrooms indicated in the table above, one (1) kitchen, one (1) living room, one (1) walk-in closet, one (1) dining room and one (1) lanai. All Apartments of the Project, excluding Apartment Nos. 6101, 6109, 6112, 6113, 6116, 6124, 6201, 6209, 6212, 6213, 6216, 6224, 6301, 6309, 6312, 6313, 6316, 6324, 6401, 6409, 6412, 6413, 6416 6424, also have one (1) nook.

C. Approximate Net Square Footage Area

The approximate net square footage of each Apartment was determined by measuring the area between the interior perimeter walls of each Apartment (excluding both the non-load-bearing and load-bearing walls located between said perimeter walls).

D. Common Interests

The common interest attributable to each Apartment in the Project was calculated by dividing the approximate net square footage of each individual apartment by all Apartments within the Project, in both Buildings 1 and 2. In order to permit the common interest attributable to the Apartments in the Project to equal exactly one hundred percent (100%), .000016 percent (.000016%) was added to Apartment No. 7427.

E. Parking Stall Assignment

Each Apartment will be assigned to it, for its exclusive use, the parking stall or stalls (as applicable) bearing the number of the Apartment, as shown on the Condominium Map and as shown on pages 1 through 8 of this Exhibit "D." Note that the parking stall numbers set forth in Exhibit "D" identify those stalls located within the building in which the apartment to which such stall is appurtenant is located, except for Apartment No. 7122 whose assigned parking stalls shall be reassigned to certain Apartments in Building 1 and Building 2 upon the sale of the Apartments in the Project.

Although the Declaration provides that the Common Expenses of this Project are to be charged to the Apartment Owners in proportion to the Common Interest appurtenant to their respective Apartments as set forth above in this Exhibit "D" (which is an undivided percentage interest calculated by dividing the square footage of each individual Apartment by the total square footage of all Apartments within the Project), upon the filing the declaration amendment(s) or Certificate of Merger effecting the ownership merger, the Common Interest appurtenant to said Apartments shall automatically be converted to a fractional undivided interest (to be calculated by dividing one (1) by the total number of apartments in the Merged Project). More particularly, the undivided fractional interest that the Developer anticipates will be appurtenant to each apartment upon the merger of Projects I, II and/or IV with this Project is as follows:

Projects Being Merged[1]	Common Interest Upon Merger[2]
Project I with Projects II, III* and IV	1/631
Project I with Project III only	1/426
Project II with Project III only	1/301
Project III with Project IV only	1/320
Project I with Projects II and III only	1/519
Project I with Projects III and IV only	1/538
Project II with Project III and IV only	1/413

NOTE REGARDING LAND UNDERLYING PROJECTS I, III AND IV: As noted in Article XXVII of the Declaration, as of the date of this public report, Project I, Project III and the project which the Developer may, but is not obligated to, develop as "Project IV" are all situate upon a single lot (i.e., the "Property", as such term is defined herein). As such, the land being submitted to the Declaration of Condominium Property Regime for each such project is (or will be, in the case of Project IV) an undivided interest in and to the Property, which is calculated by dividing the number of units within each project by the total number of units in all three (3) projects. Based on the current plan of development, the undivided interest in and to the Property submitted to the Declaration of Condominium Property Regime for each project is as follows: 38.246% for Project I, 42.105% for Project III and 19.649% for Project IV. Accordingly, if one or more of said projects are merged for ownership purposes, each owners' ownership interest in and to the Property shall be increased as follows:

1. If the all three projects are merged for ownership purposes, the owners of the Merged Project will each have an undivided interest in and to the common elements of the Merged Project, which will include the entire Property.

---

[1] Listed are all of the possible variations of project merger. Some or all of these may occur. The Developer makes no representation that any particular merger of projects will occur, or, if they should occur when they will occur.

[2] The Developer presently intends that Project I will consist of 218 apartments, Project II will consist of 93 apartments, Project III will consist of 208 apartments and Project IV will consist of 112 apartments, for a total of 631 apartments. The Developer has the reserved right, however, to change the number of apartments in any project and to develop up to a maximum of 631 apartments over Parcels A, B, C and D, as shown on the Condominium Map. In the event that the Developer exercises this right, the undivided interest appurtenant to each apartment may differ from that indicated above.

2. If Projects I and III are merged for ownership purposes, the owners of the Merged Project will each have an undivided interest in and to the common elements of the Merged Project, which will include a 80.351% undivided interest in and to the Property.

3. If Projects I and IV are merged for ownership purposes, the owners of the Merged Project will each have an undivided interest in and to the common elements of the Merged Project, which will include a 57.895% undivided interest in and to the Property.

4. If Projects III and IV are merged for ownership purposes, the owners of the Merged Project will each have an undivided interest in and to the common elements of the Merged Project, which will include a 61.754% undivided interest in and to the Property.

As more particularly described in Section C of Article XXVII of the Declaration, if Developer elects not to develop Project IV, or elects not to develop all of the apartments currently scheduled for Project IV, Developer may convey the Reserved Interest to the Owners of Projects I and III, and to thereafter recalculate the undivided interest attributable to each such project by dividing the number of projects in each project by the total number of apartments in Projects I and Project III.

EXHIBIT "E"

COMMON ELEMENTS

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

One freehold estate is designated in the portions of the Project which do not constitute Apartments, herein called the "Common Elements," including specifically but not limited to:

1. The Land in fee simple;

2. The structural components of the buildings in which the Apartments are located, including foundations, floor slabs, load-bearing walls and columns, guides, beams, supports, exterior stairs and stairways, roofs and ceilings (excluding the decorated or finished interior surfaces of any ceiling, that is part of the Apartment);

3. The perimeter walls of each building in which an Apartment is located, (excluding the decorated or unfinished interior surfaces thereof, that are part of the Apartment);

4. The pipes, shafts, vents, ducts, pumps, cables, conduits, wiring and other utility and service lines running through the Apartments and the buildings thereof, and any utility meters, that are utilized for or serve more than one Apartment;

5. Any and all other apparatus and installations existing for common use, such as tanks, motors, fans, compressors and other such installations and apparatus;

6. The landscaping and planter strips along certain roadways, including the trees located between the streets and the sidewalks along certain areas of the Project;

7. All driveways, guest or handicap parking stalls, access lanes, ramps and loading areas (if any), sidewalks and walkways of the Project;

8. All floodlights and other similar lighting devices attached to the exterior of any building within the Project;

9. All lamp posts within the Project;

10. Unimproved areas and maintenance areas, as such areas are depicted on the said Condominium Map, and other similar areas that are not part of an Apartment;

11. The "Recreation Area", including the "Spa", "Pool", "Pool Building 1" and "Pool Building 2" (collectively "Pool Buildings"), and "Pavilion", as shown on the Condominium Map, and other recreational facilities or areas serving the Project; and

12. All other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use, or that are not described as an Apartment or a part thereof.

EXHIBIT "F"

LIMITED COMMON ELEMENTS

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

Certain parts of the Common Elements, herein called the "Limited Common Elements," are hereby designated, set aside and reserved for the exclusive use of certain Apartments, and such Apartments shall have appurtenant thereto exclusive easements for the use of such Limited Common Elements as set forth herein. Owners of Apartments may, upon the consent of such Owners, reassign and/or redesignate such Limited Common Elements appurtenant to such Owner's Apartments between such Apartments and its Owners by way of an amendment of the Declaration as described in Article XIII of the Declaration. The responsibility to maintain, repair, replace, alter, improve and/or add to the Limited Common Elements shall be borne by the Association, and such maintenance, repair and replacement of and any alterations, improvements and additions to a Limited Common Element shall be made in accordance with the terms and restrictions set forth in the Declaration, the Bylaws and Design Guidelines (if any) that may be adopted by the Developer. Costs shall be charged to the Apartment to which the Limited Common Element is appurtenant, and if there is more than one Apartment to which the Limited Common Element shall be appurtenant, then in proportion to the Common Interest appurtenant to each of the respective Apartments, unless a different method is adopted pursuant to the Declaration. The Apartments in the Project shall have appurtenant thereto the following Limited Common Elements:

1. Each Apartment shall have appurtenant thereto as Limited Common Elements the parking stall(s) assigned to said Apartment, as set forth in Exhibit "B" to the Declaration. An Apartment Owner shall have the right, upon complying with the requirements of Section 514A-14 of the Act, to assign and reassign the Limited Common Element parking stall or stalls from time to time to another Apartment in the Project; provided that a copy of any instrument effecting such assignment or reassignment shall be delivered to the Association. All costs and expenses of maintaining said parking stalls, including, without limitation, repaving, repairing and restriping, shall be charged to the Owner of said Apartment in the manner provided for the allocation of Costs for Limited Common Elements, as set forth above.

2. Each Apartment shall have appurtenant thereto as a Limited Common Element the lanai appurtenant to each Apartment.

3. Apartment No. 7122, as noted in Exhibit "B" to the Declaration, shall have appurtenant thereto as Limited Common Elements, "Storage Area 1" and "Storage Area 2" in Building 1, as depicted on said Condominium Map. Apartment No. 7122, as noted in Exhibit "B" to the Declaration, shall have appurtenant thereto as Limited Common Elements, "Storage Area 1" and "Storage Area 2" in Building 2, as depicted on said Condominium Map (all storage areas shall together be referred to as "Storage Areas"). The Owner of such Apartment (as well as the Owners of such Apartments to which such Storage Areas are assigned) shall have the right to assign and reassign the Storage Areas from time to time to another Apartment in the Project; provided that a copy of any instrument effecting such assignment or reassignment shall be delivered to the Association.

4. In any event of a merger of ownership interests pursuant to Section XXXVII.F, all Apartments of Project III shall collectively have appurtenant thereto as Limited Common Elements all Improvements, as defined herein, that constitute a portion of the Project, except to the extent that such Improvements constitute part of an Apartment.

5. Apartment No. 7122, as noted in Exhibit "B" to the Declaration, shall have appurtenant thereto as Limited Common Elements, "Storage Room 1" and "Storage Room 2" in Building 1, as depicted on said Condominium Map. Apartment No. 7122 in Building 2, as noted in Exhibit "B" to the Declaration, shall have appurtenant thereto as Limited Common Elements, "Storage Room 1", "Storage Room 2" and "Storage Room 3", as depicted on said Condominium Map (all storage rooms shall together be referred to as "Storage Rooms"). Such Storage Rooms may be used for sales and promotion, or other purposes, by the Owner of such Apartments, as further described in Article VI.I and Article XXVIII of the Declaration. The Storage Rooms shall remain a Limited Common Element of the Project until the earlier to occur of December 31, 2021 or the execution and recordation at

the Bureau of an amendment to the Declaration by the Owner of said Apartments designating such Storage Rooms as Common Elements, whereupon such Storage Rooms will be redesignated as Common Elements. Each and every party acquiring an interest in the Project, by such acquisition, hereby agrees, consents and approves such redesignation, and to the recording of any and all documents necessary to effect the same at said Bureau, including any amendment or amendments of the Declaration and the Condominium Map; agrees to execute, deliver and record such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints the Developer and its assigns his attorney-in-fact with full power of substitution to execute, deliver and record such documents and instruments and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party of parties; which grant of such power shall be binding upon any assign of, or successor-in-interest to, any such party and shall be deemed to be automatically granted anew by any assign or successor-in-interest upon any transfer of any Apartment or any interest therein, whether by deed, mortgage, or any other instrument of conveyance.

EXHIBIT "G"

ENCUMBRANCES AGAINST TITLE

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

2. Easement 6 (10 feet wide, more or less), as delineated on File Plan No. 1891; for drain purposes.

3. Easement 7 (10 feet wide, more or less), as delineated on File Plan No. 1891; for drain purposes.

4. Easement 8 (10 feet wide, more or less), as delineated on File Plan No. 1891; for drain purposes.

5. Easement dated January 9, 1967 in favor of the City and County of Honolulu recorded at said Bureau at said Bureau in Book 5599 at Page 402; granting an easement to construct, reconstruct, install, maintain, operate, repair and remove a drainage structure or structures, etc., as part of a drainage system, through, under and across the following described "easement area":

   Affecting Easement 7 of Lunalilo Home Road, Improvement District No. 186: Being portion of Royal Patent 4475, Land Commission Award 7713, Apana 30 to V. Kamamalu, situate at Maunalua, City and County of Honolulu, State of Hawaii, being more particularly described as follows:

   Beginning at the South corner of this parcel of land, on the proposed Northwest side of Lunalilo Home Road (80.00 feet wide, more or less), the coordinates of said point of beginning referred to Government Survey Triangulation Station "KOKO HEAD 3" being 8,482.95 feet North and 2,174.21 feet East, and running by azimuths measured clockwise from true South:

1.	115°	10'	25.00	feet along the remainder of Land Commission Award 7713, Apana 30 to V. Kamamalu;
2.	205°	10'	10.00	feet along the remainder of Land Commission Award 7713, Apana 30 to V. Kamamalu;
3.	295°	10'	25.00	feet along the remainder of Land Commission Award 7713, Apana 30 to V. Kamamalu;
4.	25°	10'	10.00	feet along the proposed Northwest side of Lunalilo Home Road (80.00 feet wide, more or less) to the point of beginning and containing an area of 250 square feet, more or less.

   Easement 8 of Lunalilo Home Road, Improvement District No. 186: Being portion of Royal Patent 4475, Land Commission Award 7713, Apana 30 to V. Kamamalu, situate at Maunalua, City and County of Honolulu, State of Hawaii, being more particularly described as follows:

   Beginning at the South corner of this parcel of land, on the proposed Northwest side of Lunalilo Home Road (80.00 feet, wide, more or less), the coordinates of said point of beginning referred to Government Survey Triangulation Station "KOKO HEAD 3" being 8,781.62 feet North and 2,314.54 feet East, and running by azimuths measured clockwise from true South:

1.	115°	10'	25.00	feet along the remainder of Land Commission Award 7713, Apana 30 to V. Kamamalu;
2.	205°	10'	10.00	feet along the remainder of Land Commission Award 7713, Apana 30 to V. Kamamalu;

3.	295°	10'		25.00	feet along the remainder of Land Commission Award 7713, Apana 30 to V. Kamamalu;
4.	25°	10'		10.00	feet along the proposed Northwest side of Lunalilo Home Road (80.00 feet wide, more or less) to the point of beginning and containing an area of 250 square feet, more or less.

6. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in that certain Declaration of Protective Provisions of Luna-Kai Marina Park dated March 1, 1971 recorded at said Bureau in Book 7444 at Page 188.

7. Easement in favor of the City and County of Honolulu dated November 3, 1970, recorded at said Bureau in Book 8047 at Page 41; granting an easement to construct, reconstruct, install, maintain, operate, repair and remove a drainage structure or structures, etc., and rights incidental thereto, as part of a drainage system, through, under and across the following described "easement area":

Affects Easement 6 – Being portion of Royal Patent 4475, Land Commission Award 7713, Apana 30 to V. Kamamalu, situate at Maunalua, City and County of Honolulu, State of Hawaii, being more particularly described as follows:

Ten (10) feet wide, more or less; area: 3,076 square feet, more or less, for drainage purposes beginning at the East corner of this parcel of land, on the Southerly side of Lot B of "Trans-Marina Road Phase I," File Plan No. 1161, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KOKO HEAD 3" being 9,263.70 feet North and 1,857.74 feet East, thence running by azimuths measured clockwise from true South:

1.	76°	48'		312.72	feet along remainder of Royal Patent 4475, Land Commission Award 7713, Apana 30 to V. Kamamalu;
2.					Thence along same, along Kuapa Pond, on a curve to the left with a radius of 300.00 feet, the azimuth and distance being:
	183°	23'	37"	10.43	feet;
3.	256°	48'		189.16	feet along remainder of Royal Patent 4475, Land Commission Award 7713, Apana 30 to V. Kamamalu;
4.	177°	30'		14.70	feet along same;
5.	267°	30'		10.00	feet along same, along the Southerly side of Lot B of "Trans-Marina Road Phase I," File Plan No. 1161;
6.	357°	30'		12.81	feet along remainder of Royal Patent 4475, Land Commission Award 7713, Apana 30 to V. Kamamalu;
7.	256°	48'		68.98	feet along same;
8.	267°	30'		31.83	feet along the Southerly side of Lot B of "Trans-Marina Road Phase I," File Plan No. 1161, along the remainder of Royal Patent 4475, Land Commission Award 7713, Apana 30 to V. Kamamalu;

9.	278°	46'	20"	10.93	feet along same to the point of beginning and containing an area of 3,076 square feet, more or less.

8. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in that certain Unilateral Agreement and Declaration for Conditional Zoning dated July 3, 1986, recorded at said Bureau in Book 19645 at Page 696.

   Said Unilateral Agreement and Declaration for Conditional Zoning was amended by that certain instrument dated June 23, 2000 and recorded at said Bureau as Document No. 2000-112963.

   Said Unilateral Agreement and Declaration for Conditional Zoning was further amended by that certain instrument dated November 28, 2000 and recorded at said Bureau as Document No. 2000-167451.

9. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in that certain Declaration of Protective Provisions dated September 5, 1989, recorded at said Bureau in Book 23720 at Page 249.

10. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in that certain Declaration of Covenants and Conditions dated October 2, 1992, recorded at said Bureau as Document No. 92-162308.

11. The property comprising the Project is located within an area designated "Zone D" (areas in which flood hazards are undetermined) by the Secretary of Housing and Urban Development, on Flood Insurance Rate Map No. 150001 0125 B, Map revised on September 4, 1987, City and County of Honolulu, State of Hawaii, which is the current Flood Insurance Rate Map for the community in which said premises is situated, as disclosed by that certain ALTA/ALSM Land Title Survey dated March 17, 2000, made by George S. Yoshimura, Registered Professional Land Surveyor, Certificate No. 2927.

12. Existing improvement(s) disclosed by that certain surveyor's map and/or report dated March 17, 2000, prepared by George S. Yoshimura, Registered Professional Land Surveyor, Certificate No. 2927, are as follows:

    (a) CRM Rip-Rap Marina wall running along the Northwesterly corner of Lot 9 overlaps into Lot 9.

    (b) A 10-foot building setback line running along the front, rear and side yards.

    (c) Drainage Ditch within the East and Southeast portions of Lot 9, which is utilized to carry the storm water from Lunalilo Home Road into an existing ditch which runs over and across Luna-Kai Marina Park into Kuapa Pond (Waterway).

13. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Deed dated August 31, 2000, recorded at said Bureau as Document No. 2000-121700.

14. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status of national origin) as contained in that certain Master Declaration for The Development of The Peninsula at Hawaii Kai dated August 8, 2001, recorded at said Bureau as Document No. 2001-149858.

    Said Master Declaration for The Development of The Peninsula at Hawaii Kai was amended by that certain instrument dated April 16, 2002 and recorded at said Bureau as Document No. 2002-080012.

Said Master Declaration for The Development of The Peninsula at Hawaii Kai was further amended by that certain instrument dated October 28, 2002 and recorded at said Bureau as Document No. 2002-193745.

Said Master Declaration for The Development of The Peninsula at Hawaii Kai was further amended by that certain instrument dated December 27, 2002 and recorded at said Bureau as Document No. 2003-009153.

15. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status of national origin) as contained in that certain Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai – Project I dated August 9, 2001 and recorded at said Bureau as Document No. 2001-149859.

Said Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai-Project I and Condominium Map were amended by that certain instrument dated April 16, 2002 and recorded at said Bureau as Document No. 2002-080010.

Said Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai-Project I and Condominium Map was further amended by that certain instrument dated September 4, 2002 and recorded at said Bureau as Document No. 2002-170757.

Said Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai-Project I and Condominium Map was further amended by that certain instrument dated October 28, 2002, recorded at said Bureau as Document No. 2002-193746.

Said Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai-Project I was further amended by that certain instrument dated December 27, 2002, recorded at said Bureau as Document No. 2003-009154.

Said Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai-Project I was further amended by that certain instrument dated January 24, 2003, recorded at said Bureau as Document No. 2003-019174.

Said Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai-Project I was further amended by that certain instrument dated April 24, 2003, recorded at said Bureau as Document No. 2003-087350.

Said Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai-Project I was further amended by that certain instrument dated August 13, 2003, recorded at said Bureau as Document No. 2003-174646.

Said Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai-Project I was further amended by that certain instrument dated October 6, 2003, recorded at said Bureau as Document No. 2003-226036.

16. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status of national origin) as contained in those certain Bylaws of the Association of Apartment Owners of The Peninsula at Hawaii Kai – Project I dated August 9, 2001, recorded at said Bureau as Document No. 2001-149860.

Said Bylaws of the Association of Apartment Owners of The Peninsula at Hawaii Kai-Project I were amended by that certain instrument dated April 16, 2002, recorded at said Bureau as Document No. 2002-080011.

17. Condominium Map No. 3339, filed at said Bureau, as amended.

18. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status of national origin) as contained in that certain Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai – Project III dated April 16, 2002, recorded at said Bureau as Document No. 2002-086839.

    Said Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai-Project III was amended by that certain instrument dated December 27, 2002, recorded at said Bureau as Document No. 2003-009156.

    Said Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai-Project III was further amended and restated by that certain instrument dated March 12, 2003, recorded at said Bureau as Document No. 2003-065655.

19. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status of national origin) as contained in those certain Bylaws of the Association of Apartment Owners of The Peninsula at Hawaii Kai – Project III dated April 16, 2002, recorded at said Bureau as Document No. 2002-086840.

20. Condominium Map No. 3439, filed at said Bureau, as amended.

21. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status of national origin) as contained in that certain Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai – Project IV dated May 16, 2002, recorded at said Bureau as Document No. 2002-088674.

    Said Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai-Project IV was amended by that certain instrument dated December 27, 2002, recorded at said Bureau as Document No. 2003-009157.

22. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status of national origin) as contained in those certain Bylaws of the Association of Apartment Owners of The Peninsula at Hawaii Kai – Project IV dated May 16, 2002, recorded at said Bureau as Document No. 2002-088675.

23. Condominium Map No. 3440, filed at said Bureau.

24. Easement in favor of Hawaiian Electric Company, Inc., a Hawaii corporation and Verizon Hawaii, Inc., a Hawaii corporation, dated March 26, 2002, recorded at said Bureau as Document No. 2002-149271; granting an easement for electrical purposes.

25. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status of national origin) as contained in that certain Declaration of Restrictive Covenants (Private Park) dated May 6, 2002, recorded at said Bureau as Document No. 2002-084074.

26. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status of national origin) as contained in that certain Declaration of Restrictive Covenants (Private Park) dated May 29, 2002, recorded at said Bureau as Document No. 2002-109810.

27. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status of national origin) as contained in that certain Declaration of Restrictive Covenants (Private Park) dated May 29, 2002, recorded at said Bureau as Document No. 2002-109811.

28. Easement in favor of Time Warner Entertainment Co., L.P., a Delaware limited partnership, dba Oceanic Time Warner Cable of Hawaii dated August 27, 2002, recorded at said Bureau as Document No. 2002-151287; granting an easement for cable purposes.

29. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County and/or State regulations and/or ordinance and its effect, if any, upon the area of the land herein described.

EXHIBIT "H'

ESTIMATED MAINTENANCE FEES

A description of the maintenance fees (as such term is defined in the Declaration) to be charged to each of the Apartments of the Project is set forth in Exhibit "H-1" attached hereto.

Maintenance fees are intended to cover the Common Expenses of the Project (i.e., the expenses attributable to the maintenance and operation of the "general" Common Elements of the Project). Maintenance fees shall be charged to each Apartment Owner based upon said Owner's Common Interest. The estimated maintenance fees that are attributable to each Apartment of the Project are set forth in Exhibit "H-1" attached hereto.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided. Such maintenance fees may also increase in the event Luna-Kai Marina Park is acquired by the Association or made available for use by the Apartment Owners as described in subsection 2. of the Section entitled "Additional Information Not Covered Above" herein, and in the event the Apartment Owners obtain the right to use Parks D and Park E in The Peninsula at Hawaii Kai – Project II as identified on Condominium Map No. 3507 and as described in subsection 4. of the section entitled "Additional Information Not Covered Above" herein. Such maintenance fees may also increase or decrease depending on the development of Building 2 and the Recreation Area as described in subsection 6. of the Section entitled "Additional Information Not Covered Above" herein.

TELEVISION CABLE IS NOT INCLUDED IN THE MAINTENANCE FEES FOR EACH APARTMENT AS OF THE EFFECTIVE DATE OF THIS CONTINGENT FINAL PUBLIC REPORT. HOWEVER, THE DEVELOPER IS IN THE PROCESS OF NEGOTIATING AWHOLESALE "BULK PURCHASE" OF CABLE AND ROADRUNNER INTERNET ACCESS SERVICES WITH OCEANIC CABLE. IN THE EVENT THAT THIS PURCHASE IS CONSUMMATED, ALL BUYERS WILL BE REQUIRED TO UTILIZE BOTH SERVICES FOR THE THIRTY-SIX MONTH TERM OF THE CONTRACT (OR BE SUBJECT TO A PENALTY FEE FOR EARLY TERMINATION), AND THEREFORE, EACH BUYER'S MONTHLY MAINTENANCE FEES WILL INCREASE BY APPROXIMATELY $50.00 - $100.00 FOR THESE SERVICES. THE $50.00 - $100.00 CHARGE IS FOR BASIC ANALOG SERVICE. EACH BUYER WILL HAVE THE OPTION TO UPGRADE TO DIGITAL CABLE SERVICE FOR AN ADDITIONAL $3.00 - $10.00 PER MONTH.

THE AMOUNTS SET FORTH IN SAID EXHIBIT "H-1" ARE ESTIMATES ONLY AND MAY CHANGE FOR REASONS BEYOND THE CONTROL OF THE DEVELOPER. SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY THE DEVELOPER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.

NOTE: AS STATED IN SECTION C.3 ON PAGES 20-20A OF THE PUBLIC REPORT, THE APARTMENT OWNERS OF THE PROJECT SHALL HAVE NO MAINTENANCE FEE OBLIGATIONS UNTIL THE DEVELOPER FILES A WRITTEN STATEMENT (THE "NOTIFICATION') WITH THE COMMISSION NOTIFIYING ALL OWNERS THAT THEIR MAINTENANCE FEE OBLIGATIONS SHALL BEGIN WITHIN THIRTY (30) DAYS FOLLOWING THE DATE OF THE NOTIFICATION. THE DEVELOPER SHALL ALSO PROVIDE EACH OWNER WITH A COPY OF THE NOTIFICATION. PRIOR TO SUCH TIME, THE DEVELOPER WILL BE PAYING ALL ACTUAL COSTS ASSOCIATED WITH THE PROJECT.

EXHIBIT "H-1"
THE PENINSULA AT HAWAII KAI - THE COLONY
Estimated Annual Common Expense

	Monthly	Annual
Utilities and Services		
Television		
Air Conditioning		
Electricity (common elements only)	$8,400.00	$100,800.00
Gas		
Water	$3,654.00	$43,848.00
Refuse Collection		
Telephone/Communication	$225.00	$2,700.00
Maintenance, Repairs, and Supplies		
Building	$1,980.00	$23,760.00
Grounds	$4,181.00	$50,172.00
Management		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses	$2,460.00	$29,520.00
Insurance	$1,785.00	$21,420.00
Reserves*	$14,556.00	$174,672.00
Taxes and Government Assessments		
Professional Services - Audit	$400.00	$4,800.00
Other - Legal Expenses	$425.00	$5,100.00
Amenities	$334.00	$4,008.00
TOTAL	$38,400.00	$460,800.00

I, DOUGLAS MATTOS, as agent and employed by CERTIFIED MANAGEMENT, INC., the condominium managing agent for the developer, for the condominium project THE PENINSULA AT HAWAII KAI - THE COLONY, hereby certify that the above estimates of initial product fee and assessments and product fee disbursements were prepared in accordance with generally accepted accounting principles.

Douglas Mattos
Vice President of Project Development

14-Mar-03
Date

Note: The budgeted revenues and expenses are based on accrual-basis accounting.

* The $14,556 reserves amount noted above is being funded by Start-Up fees in an amount equivalent to two (2) months of product fees. The "Start-up fees" will be collected from each purchaser, at closing. This is a one-time payment to be made by each purchaser; provided that the Association will collect additional amounts in the future to fund the reserves.

THE PENINSULA AT HAWAII KAI - THE COLONY
ESTIMATE OF INITIAL MAINTENANCE FEE

ESTIMATE OF INITIAL MAINTENANCE FEE

APARTMENT TYPE	Monthly Fee x 12 mos.	Yearly
1 / 1R = 0.344452%	$132.27	$1,587.24
1A / 1AR = 0.340300%	$130.68	$1,568.16
2 = 0.490453%	$188.33	$2,259.96
2A = 0.483254%	$185.57	$2,226.84
2AR = 0.483254%	$185.57	$2,226.84
2R = 0.490453%	$188.33	$2,259.96
3 / 3R = 0.512393%	$196.76	$2,361.12
4 = 0.554864%	$213.07	$2,556.84
4R = 0.554864%	$213.07	$2,556.84
4R = 0.554880% (7427 only)	$213.07	$2,556.84

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

[ ] Revised on _____

THE PENINSULA AT HAWAII KAI - THE COLONY
Certification of Reserve Study

I, DOUGLAS MATTOS, as agent and employed by CERTIFIED MANAGEMENT, INC., the condominium managing agent or the developer, for the condominium project, THE PENINSULA AT HAWAII KAI - THE COLONY, hereby certify that a reserve study has been conducted in accordance with 514A-83.6, HRS, and the and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Douglas Mattos
Vice President of Development

14-Mar-03
Date

EXHIBIT "I"

SUMMARY OF PURCHASE AGREEMENT

The specimen Peninsula at Hawaii Kai – Project III Purchase Agreement ("Agreement") contains, among other things, the following terms and conditions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. The Seller (Developer) has engaged Island Title Corporation ("Escrow") to handle Purchaser's funds and to close the transaction in accordance with the terms of the Agreement. All payments to be made under the Agreement shall be paid by Purchaser to Escrow pursuant to the Escrow Agreement.

B. The Purchaser specifically acknowledges and agrees that the Declaration contains reservations of certain rights in favor of Seller, the Association and other owners, and contains certain other provisions to which the Purchaser consents.

C. The "Closing Date" shall be the date (following the completion of the structure in which the Apartment is located) upon which Seller certifies to the Purchaser in writing that the Apartment is ready for occupancy. All payments shall be due and payable in full on the Closing Date, and, if not paid on said date due to Purchaser's failure to act in a diligent manner in order for said payment to be made on said date, then such nonpayment shall result in a default under the Agreement. If Purchaser, after the delivery by Seller of a copy of the Contingent Final Public Report for the Project, together with any Supplementary Public Report that may have been issued for the Project (except that if the Supplemental Public Report supersedes all prior reports on the Project, then only the Supplementary Public Report need be delivered to the Purchaser), either personally or by registered or certified mail with return receipt requested, shall fail to execute a form of receipt and notice ("Waiver Form") of Purchaser's right to cancel the Agreement (as such right is set forth in and Section 2(d) of the Agreement), the delivery of which is required by Hawaii Revised Statutes Section 514A-62, as amended (or shall fail to give his written approval or acceptance to any material change to the Project as requested by Seller pursuant to the provisions of Hawaii Revised Statutes Section 514A-63, as amended) within thirty (30) days from the date of delivery of such report(s), Seller may at its option: (i) cancel the Agreement upon ten (10) days' written notice to Purchaser of such cancellation and upon such cancellation Seller shall cause Escrow to refund to Purchaser all payments previously made by Purchaser without interest; or (ii) elect (by its failure to give said written notice of cancellation) to treat such failure as a deemed acceptance ("Deemed Acceptance") of such Public Report(s) and as a waiver of the right to cancel the Agreement (or as a Deemed Acceptance of such material change, as the case may be). The conveyance of the Apartment to the Purchaser within said thirty-day period shall also be treated as a Deemed Acceptance of such Public Report(s) by Purchaser and a waiver of Purchaser's rescission rights as set forth in this paragraph.

D. The Purchase Price does not include closing costs which include, among other things, the escrow fee, cost of a preliminary title report, cost of preparation of the Apartment Deed, real property tax and other prorations, all acknowledgment fees, conveyance taxes, dredging fee of approximately $264.00, title insurance, if requested by Purchaser, cost of any lender's title insurance, appraisal fees, costs for drafting of any notes and mortgages, all recording costs or fees, loan fees, credit report costs and all other applicable mortgage costs, all of which the Purchaser shall be responsible to pay at Closing. Purchaser shall also pay a start-up fee equal to two (2) months of the estimated maintenance fee in advance. Escrow shall also collect the two (2) months of maintenance fees at Closing.

E. Purchaser agrees that it will not assign the Agreement to anyone. Seller may, without any consent of Purchaser, freely assign Seller's interests therein.

F. Purchaser shall not be entitled to possession of the Apartment as the owner thereof until Purchaser has completed all required payments and has executed all documents relating to the purchase, and Purchaser has performed the remaining terms and conditions of the Agreement which are to be performed as of the Closing.

G. Notices to either party may be delivered personally or mailed.

H. The Purchaser acknowledges that Purchaser has entered into the Agreement without any reference or representation by Seller or any salesperson that the Seller, or any managing agent of the Project or anyone else affiliated with the Seller will provide, directly or indirectly, any services relating to the rental or sale or management of the Apartment purchased.

I. The laws of the State of Hawaii shall govern all matters with respect to the Agreement.

J. Purchaser has examined and approved the estimate of monthly maintenance charges for the Property as shown in the Public Report. Purchaser is aware that such amounts are only estimates and may change for reasons beyond the control of Seller, and Purchaser hereby specifically accepts and approves any such changes.

K. Purchaser should be aware that there are additional disclosures set forth in paragraph 39 of the Agreement regarding the various Apartment features.

L. Parking Stall Addendum. This addendum advises the Purchaser that the parking stall noted in the addendum will be assigned to the apartment that the Purchaser is purchasing pursuant to the recordation of an assignment instrument at the Bureau of Conveyances a the same time the apartment deed conveying the apartment to the Purchaser is recorded. In this Addendum, both the Seller and Purchaser agree to do all things necessary to complete and record said assignment instrument. Upon the recordation of the assignment instrument, the parking stall will be a limited common element appurtenant to Purchaser's apartment.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE PURCHASE AGREEMENT. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF PURCHASER'S RIGHTS AND OBLIGATIONS UNDER THE PURCHASE AGREEMENT, PURCHASER MUST REFER TO THE PURCHASE AGREEMENT TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PURCHASE AGREEMENT, THE PURCHASE AGREEMENT WILL CONTROL.

EXHIBIT "J"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement for the Project dated March 10, 2003 ("Agreement") contains the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. When Seller (Developer) shall enter into a purchase agreement for the conveyance of an apartment or other interest in the Project ("Purchase Agreement"), it shall require the payments of deposits due thereunder to be promptly made to Escrow, and shall deliver an executed copy of the Purchase Agreement to Escrow together with the address of the Purchaser. Seller shall also promptly pay over to Escrow all monies (including checks) received by Seller from or on behalf of the Purchasers, including those received on any Purchase Agreement, and all payments made on loan commitments from lending institutions on account of any apartment in the Project, other than funds received from interim financing.

B. Escrow shall receive, deposit and hold in separate escrow accounts and disburse as set forth in the Agreement: (a) all payments received by it under Purchase Agreements, (b) such sums received by it under the Agreement from or for the account of Seller, and (c) all sums received by it from any other source with respect to the Project. Escrow shall not at any time commingle or permit the commingling of any Purchaser's funds with funds belonging to or held for the benefit of Seller. All funds and instruments received from Purchasers or prospective Purchasers shall be held by Escrow in accordance with the provisions contained in Chapter 514A of the Hawaii Revised Statutes. All monies received by Escrow hereunder shall be deposited, within a reasonable time of the receipt by Escrow and in reasonably convenient and practical sums, in an interest bearing account with a federally insured bank, savings and loan or trust company authorized to do business in the State of Hawaii under an escrow arrangement, and shall be held in immediately available funds in accordance with the terms of the Agreement.

C. Escrow shall make no disbursements of Purchasers' funds or proceeds from the sale of apartments in the Project (including any payments made on loan commitments from lending institutions), except by way of refunds thereof as provided in the Agreement, until Escrow has received a letter from Seller stating that the Purchasers have signed the required Receipt and Notice of Right to Cancel or are deemed to have receipted for the public reports and to have waived their right to cancel, and stating further that no subsequent events have occurred which would give the Purchasers the right to rescind, the Purchase Agreements have "become binding" and "the requirements of Sections 514A-40, 514A-39.5 and 514A-63" of the Hawaii Revised Statutes have been met, as said phrases are used in Section 514A-65, Hawaii Revised Statutes, and further that the requirements of Section 514A-62 of the Hawaii Revised Statutes have been met, as each of the foregoing sections may be amended on the date the Purchase Agreement becomes binding and effective.

D. Each Purchaser shall be entitled to a return of his or her funds, without interest, and Escrow shall pay such funds to such Purchaser, promptly after request for return by the Purchaser if one of the following has occurred:

(1) Escrow receives a written request from Seller to return to the Purchaser the funds of the Purchaser then being held pursuant to the Agreement by Escrow;

(2) Seller notifies Escrow in writing of Seller's exercise of the option to rescind the Purchase Agreement pursuant to any right of rescission stated therein or otherwise available to Seller;

(3) The conditions providing for a refund under Section 514A-62 or under Section 514A-63 of the Hawaii Revised Statutes (as amended on the date upon which the Purchase Agreement becomes binding and effective) have been met, and written notice thereof has been provided to Seller.

Upon the cancellation of the Purchase Agreement as specified above, Escrow shall be entitled to a cancellation fee commensurate with the work done by Escrow prior to such cancellation, up to a maximum of $250.00. Notwithstanding anything in the Agreement or the Purchase Agreement to the contrary, said compensation to Escrow shall be the sole expense of the individual purchaser and shall not in any way be the obligation of the

Seller, unless cancellation is made pursuant to either Sections 514A-62 or 514A-63 of the Hawaii Revised Statutes, whereupon Seller shall pay such fee.

E. If the Purchaser fails to make any payment on or before the due date thereof or if the Purchaser does or fails to do any act, which would constitute an event of default under the Purchase Agreement, Seller shall promptly give to such Purchaser and to Escrow, written notice of default. If Purchaser has failed to cure the default after the delivery of notice by Escrow and such default continues after the expiration of any grace period, Escrow shall so advise Seller. If Seller shall thereafter certify in writing to Escrow: (1) that Seller has elected to terminate the Purchase Agreement and has notified the Purchaser, or (2) that Purchaser is otherwise in default, then, and in either event, Escrow, subject to the provisions relating to dispute and conflicting demands set forth in paragraph 14 of the Agreement, shall thereafter treat all funds of the Purchaser paid under such Purchase Agreement, less Escrow's cancellation fee, as funds of Seller and not of the Purchaser. Thereafter, such funds shall be held free of the escrow established by the Agreement and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such funds to Seller or order and shall return to Seller the Purchase Agreement of such Purchaser and any other documents theretofore delivered to Escrow in connection with the purchase of the apartment specified in such Purchase Agreement shall be returned to the person from whom or entity from which such documents were received.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE ESCROW AGREEMENT, PURCHASER MUST REFER TO THE ESCROW AGREEMENT TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE ESCROW AGREEMENT, THE ESCROW AGREEMENT WILL CONTROL.

EXHIBIT "K"

SUMMARY OF DEED FORM

Capitalized terms shall have the same meaning ascribed to such terms in the Deed.

The specimen Apartment Deed, Encumbrances and Reservations of Rights for Peninsula at Hawaii Kai – Project III ("Deed" or "Apartment Deed") contains, among others, the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. The premises conveyed comprises a portion of Peninsula at Hawaii Kai – Project III condominium property regime situate at Maunalua, City and County of Honolulu, State of Hawaii.

B. The Grantor (Developer) is the lawful owner of the fee simple interest in the real property and the rights to be transferred to the Purchaser; the same are free and clear of and from all encumbrances except as identified in the Deed and except for the lien of real property taxes not yet by law required to be paid; that the Grantor has good right and title to sell and convey said real property in the manner set forth in the Deed; and the Grantor will WARRANT AND DEFEND the same unto the Purchaser forever against the lawful claims and demands of all persons, except as mentioned in the Deed.

C. Purchaser agrees and consents to the exercise by Grantor of any of its reserved rights set forth in the Declaration, and Purchaser agrees to sign such documents and do such things as may be required to permit Grantor to exercise those reserved rights, including signing, delivery and recording of all documents which may be necessary, and Purchaser appoints Grantor as Purchaser's "attorney-in-fact" which means that Grantor can act for Purchaser or on Purchaser's behalf, with "full power of substitution," which means that someone else may take Grantor's place to sign, deliver and record all documents and to do all things on Purchaser's behalf, which grant of authority, being coupled with an interest, which means that the Grantor has an interest beyond just in the power Purchaser is giving, cannot be revoked by Purchaser for the term of the reserved rights, and will not be affected by Purchaser's disability.

D. Purchaser agrees, for the benefit of all other owners of the other apartments in the Project, to at all times observe, perform, comply with and abide by all of the covenants, agreements, obligations, conditions and other provisions set forth in the Master Declaration, the Declaration, the Bylaws, the House Rules and the Design Guidelines, as any of the same exist or may hereafter be amended in accordance with law and does accept and approve of the Master Declaration, the Declaration, the Bylaws, the House Rules and the Design Guidelines.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE APARTMENT DEED. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE APARTMENT DEED, PURCHASER MUST REFER TO THE APARTMENT DEED TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE APARTMENT DEED, THE APARTMENT DEED WILL CONTROL.

EXHIBIT "L"

SPECIAL USE RESTRICTIONS

Capitalized terms shall have the same meanings ascribed to such terms in the Declaration.

1. **APARTMENTS: USES OTHER THAN RESIDENTIAL USE PROHIBITED.** Except as provided in this section, the Apartments shall be occupied and used only as private dwellings by the respective Owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The Apartments shall not be used for timesharing, as such term is defined in Hawaii Revised Statutes Chapter 514E, nor shall the Apartments be rented for transient or hotel purposes, which are defined as (i) rental for any period less than thirty (30) days, or (ii) any rental in which the occupants of the Apartment are provided customary hotel services. No business or trade of any kind may be conducted in or from any Apartment or any portion of the Project except that an Owner or occupant residing in an Apartment may conduct business activity within the Apartment so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from the exterior of the Apartment; (b) the business activity conforms to all zoning requirements for the Project; (c) the business activity does not involve persons coming onto the Project who do not reside in the Project; (d) the business activity does not increase the liability or casualty insurance obligation or premium of the Association; and (e) the business activity is consistent with the residential character of the Project and does not constitute a nuisance or hazardous or offensive use, as may be determined in the sole discretion of the Board.

The terms "business" and "trade," as used in this Section, shall be construed to have their ordinary generally accepted meaning and shall include, without limitation, any work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; and (iii) a license is required therefor.

2. **OWNERS' RIGHT TO LEASE APARTMENTS.** Subject to the prohibitions on timesharing and transient or hotel uses, the Owners of the respective Apartments shall have the absolute right to lease such Apartments subject to all provisions of the Declaration, the Master Declaration, the Bylaws, the House Rules and the Design Guidelines; provided, however, that (i) all leases shall be in writing, signed by the Owner or Owner's representative, and the tenant, (ii) all leases shall have a term of not less than thirty (30) days, and (iii) no leasing of less than an entire Apartment shall be allowed.

3. **OWNERS' RIGHT TO SELL APARTMENTS.** The Owners of the respective Apartments shall have the absolute right to sell or otherwise transfer such Apartments subject to all provisions of the Act, the Declaration, the Bylaws, the House Rules, the Design Guidelines and the Master Declaration.

4. **OWNERS' RIGHT TO MORTGAGE.** The Owners of the respective Apartments shall have the right to mortgage or otherwise transfer an interest in their respective Apartments as security for the repayment of a loan.

5. **PROHIBITION ON ACTIVITIES WHICH JEOPARDIZE THE PROJECT.** No Apartment Owner shall do or suffer or permit to be done anything on any Apartment or appurtenant Limited Common Element or elsewhere on the Project which will (i) injure the reputation of the Project, (ii) jeopardize the safety or soundness of the Project, (iii) create a nuisance or interfere with or unreasonably disturb the rights of other Owners and occupants, or (iv) reduce the value of the Project, (v) result in the cancellation of insurance applicable to the Project, or adversely affect the right of recovery thereunder or result in reputable companies refusing to provide insurance as required or permitted by the Bylaws; or (vi) increase the rate of insurance applicable to the Apartments or the contents thereof, or to the Project.

6. **PROHIBITION ON UNAUTHORIZED CHANGES TO THE EXTERIOR OF CERTAIN UNITS.** No Owner shall, without the written approval and continuing consent of the Design Committee as provided

in the Design Guidelines, change the exterior appearance of said Apartment in any manner, and any and all changes made to any Apartment of the Project shall strictly comply with the Design Guidelines.

7. **OWNERS TO MAINTAIN APARTMENTS IN GOOD ORDER.** The Owner of an Apartment shall keep the Apartment and all plumbing, electrical and other fixtures and appurtenances constituting a part of the Apartment in good order and repair, and shall be responsible for any damage or loss caused by his or her failure to do so.

8. **USE OF COMMON ELEMENTS.** Each Apartment Owner may use the Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Apartment Owners, subject always to the rights reserved to the Declaration herein and in the Master Declaration, and further subject to:

a. The right of the Board, upon the approval of the Owners of seventy-five percent (75%) of the Common Interest, to change the use of the Common Elements;

b. The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those Common Elements which are not actually used by any of the Apartment Owners for an originally intended special purpose, as determined by the Board; provided that unless the approval of the Owners of seventy-five percent (75%) of the Common Interest is obtained, any such lease shall not have a term exceeding five years and shall contain a provision that the lease or agreement for use may be terminated by either party thereto on not more than sixty (60) days written notice;

c. The right of the Board to lease or otherwise use for the benefit of the Association those Common Elements not falling within Section 8(b) above, upon obtaining: (i) the approval of the Owners of seventy-five percent (75%) of the Common Interest, including all directly affected Owners and all Owners of Apartments to which such Common Elements are appurtenant in the case of Limited Common Elements, and (ii) the approval of all mortgagees of record which hold mortgages on Apartments with respect to which owner approval is required by (i) above, if such lease or use would be in derogation of the interest of such mortgagees; and

d. The exclusive use of the Limited Common Elements as provided herein.

9. **DEVELOPER'S RIGHT TO USE.** Notwithstanding anything provided to the contrary, as long as there are unsold Apartments in the Project, Developer shall have the right to use any Apartment which it owns for promotional purposes, and shall have the right to have guests stay in such Apartments for any length of time; provided that such guests shall abide by and be subject to all of the provisions of the Declaration, Bylaws and House Rules. Additionally, the Developer will have the right to utilize Apartments as sales offices or as a place which is utilized to provide services to the Owners or other occupants of the Project, to the extent such use or uses are permitted under applicable law.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL USE RESTRICTIONS CONTAINED IN THE DECLARATION, BYLAWS , HOUSE RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF SUCH USE RESTRICTIONS, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE PROJECT TO DETERMINE ALL OF THE USE RESTRICTIONS THAT MAY APPLY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DECLARATION, BYLAWS, HOUSE RULES OR OTHER DOCUMENTS OF THE PROJECT, SUCH DOCUMENTS WILL CONTROL.

EXHIBIT "M"

SUMMARY OF DESIGN GUIDELINES

The Design Guidelines Peninsula at Hawaii Kai – Project III ("Design Guidelines") will apply as applicable to the Apartment Improvements in Project III. Such Design Guidelines contain, among other things, the following terms and conditions (which may be modified or otherwise limited by the provisions not summarized below). Capitalized terms shall have the meanings ascribed to such terms in the Design Guidelines.

A. There shall be a Design Committee, the function of which shall be to oversee and exercise control over improvements, renovations, replacements or other modifications made to certain of the Apartments of the Project, including the design, style and/or construction relating thereto, as applicable, for the purpose of protecting and maintaining the standards, the visual character and the plan of the development of the Project. The Design Committee is concerned with all exterior Apartment and landscaping designs and materials visible from the street, parks and neighboring Apartments. The Design Committee shall consist of not less than three (3) members, at least one of whom shall be an engineer or an architect licensed in the State of Hawaii who shall be designated the "Professional Member.

B. The Design Committee shall meet from time to time as is necessary to perform its duties hereunder. The vote or written consent of any two (2) members of the Design Committee shall constitute authority for the Design Committee to act, unless the unanimous vote or consent of its members is otherwise required by these Design Guidelines or any Design Committee Rules adopted by the Design Committee.

C. The Developer shall be exempt from the Design Guidelines, the Design Committee Rules, if any, and any other guidelines, interpretations or standards established pursuant thereto; and the rights, powers and duties of the Design Committee shall not be deemed to limit or affect in any way the rights of the Developer to develop and make Improvements to real property owned by the Developer or to limit or affect the rights of persons or parties specifically exempted by the Developer in writing to develop and make Improvements to the property owned by such persons or parties.

D. Unless otherwise indicated herein or in the Design Committee Rules, no Improvement requiring Design Committee approval shall be commenced, erected or installed unless the Apartment Owner of any impacted Apartment, first obtains the approval of the Design Committee in the manner set forth in the Design Guidelines.

E. No approval by the Design Committee of any item submitted to the Design Committee shall in any manner constitute a representation, warranty or agreement by the Design Committee, the Developer, the Board, the Association, and their respective members, duly authorized representatives and attorneys, that such item (1) has been prepared free of defects or is of good workmanship or design, or will result in Improvements that are readily marketable or free of design or construction defects, (2) complies with applicable laws (including building code requirements) or (3) will result in the approval of the same by any governmental agency or subdivision thereof, or any other person.

F. The Design Committee shall have the right to amend the Design Guidelines from time to time, upon a majority vote of the Design Committee or a unanimous written consent of the members of the Design Committee for such amendment, provided that no amendment which shall adversely impact the Developer's rights hereunder or under any of the Project documents shall be effective without the Developer's prior written consent, which may be withheld in its sole discretion. Specifically, the provisions of Section I.C. of the Design Guidelines regarding the appointment of the members of the Design Committee shall not be altered or modified without the Developer's consent.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE DESIGN GUIDELINES. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE DESIGN GUIDELINES, PURCHASER MUST REFER TO THE DESIGN GUIDELINES TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DESIGN GUIDELINES, THE DESIGN GUIDELINES WILL CONTROL.

EXHIBIT "N"

SUMMARY OF OPTIONS AGREEMENT

The Options Agreement for Peninsula at Hawaii Kai ("Options Agreement") contains, among other things, the following terms and conditions (which may be modified or otherwise limited by the provisions not summarized below. Capitalized terms shall have the meanings ascribed to such terms in the Options Agreement.

A. Provided that Purchaser is not in default hereunder or under any other agreement which Purchaser may have with Seller, Seller agrees to construct and/or install the Options (i.e., upgrades that Purchaser has elected for his or her apartment). Said Options shall be installed on or before that date upon which Seller closes the sale of the Apartment to Purchaser.

B. Purchaser will pay the amount indicated in the Options Agreement for said Options to Island Title Corporation ("Escrow"). Fifty percent (50%) of the total price of all Options selected by Purchaser shall be paid upon Purchaser signing the Options Agreement. For special requests, one hundred percent (100%) of the total price of all Options selected by Purchaser shall be paid upon Purchaser signing the Options Agreement. Such sums shall be non-refundable, and shall be disbursed to Seller immediately upon either (i) closing of the sale of the Apartment; or (ii) cancellation of the Options Agreement or cancellation of the Purchase and Sale Agreement for the Apartment (whether cancelled by Seller or Purchaser). Any balance due (if 100% of the total price has not been paid) shall be paid at closing of the sale of the Apartment unless Seller requests an earlier payment, in which event payment will be made within ten (10) days after any such request by Seller.

C. In any event that Purchaser decides not to go through with the installation of said Options, or in the event that the Options Agreement or the Purchase and Sale Agreement for the Apartment is cancelled, it is understood and agreed that all deposits held by Escrow will be forwarded to Seller immediately upon notice by Seller to Escrow to release said deposits. No additional instruction from Purchaser will be necessary in connection with such release of deposits, and Purchaser does hereby waive any and all rights which it may have to retain or make a claim as to such deposits in such event. Purchaser irrevocably instructs Escrow to disburse said deposits to Seller in the event that Purchaser shall elect not to pursue the installation of the Options or in the event that the Options Agreement or the Purchase and Sale Agreement for the Apartment is cancelled. Purchaser further agrees to pay the balance due for the Options to Seller as indicated below immediately upon any cancellation.

D. It is understood and agreed that the Options Agreement is wholly separate and independent of the transaction and obligations pertaining to the purchase and sale of the Apartment. Purchaser has requested that Seller install the Options, and, while Seller would not ordinarily do so, Seller has agreed to do so notwithstanding that closing of the sale of the Apartment has not yet occurred. Accordingly, Seller will be incurring substantial costs in connection with such installation, and will, by installing such Options, be tailoring the Apartment to the individual tastes of Purchaser. Because Seller is accommodating Purchaser in this way, Purchaser agrees that Purchaser shall pay for the costs of installation whether or not Purchaser closes on the purchase of the Apartment from Seller, and Purchaser acknowledges and agrees that the payment to Seller of the price of the Options is fair compensation given Seller's accommodation, and that such price includes not only Seller's cost for the Options and the installation thereof, but shall also be deemed consideration to Seller to cover the accommodation to Purchaser in installing said Options.

E. Any dispute arising under the Options Agreement shall first be resolved by binding arbitration in accordance with the terms of paragraph 9 of the Options Agreement.

F. The Options chosen by Purchaser are final and absolute, and, except as set forth below in paragraph 6 of the Options Agreement, no changes, additions or deletions may be made to such Options.

G. Purchaser should be aware that there are additional disclosures set forth in paragraph 11 of the Agreement regarding the various Apartment features.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE OPTIONS AGREEMENT. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE OPTIONS AGREEMENT, PURCHASER MUST REFER TO THE OPTIONS AGREEMENT TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE OPTIONS AGREEMENT, THE OPTIONS AGREEMENT WILL CONTROL.