CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

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

Project Name(*): THE PENINSULA AT HAWAII KAI – PROJECT I (Report covers 103 of 218 units)**
Address: 520 Lunalilo Home Road, Honolulu, Hawaii 96825

Registration No. 4869

Effective date: November 27, 2002
Expiration date: December 27, 2003

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

___ **CONTINGENT FINAL (green)** The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date. Contingent Final public reports may 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: _____
[ ] 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 218 apartments. An effective date for two Final Public Reports were previously issued for 67 of the apartments, and for 48 of the apartments, on May 13, 2002 and October 2, 2002, under Reg Nos 4722 and 4938, respectively. This Final Public Report covers the remaining 103 of the 218 apartments, as follows: Apartment Nos. 110-115 (inclusive), 116-127 (inclusive), 201-207 (inclusive), 211-220 (inclusive), 248-269 (inclusive), 2401-2413 (inclusive), 3401-3411 (inclusive), 4401-4411 (inclusive) and 5401-5411 (inclusive). See Note on pg. 2.

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project.

[ ] Required and attached to this report [X] Not Required - Disclosures covered in Contingent Final Public Report.

Summary of Changes from Earlier Public Reports:

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

[X] Contingent Final Public Reports have been issued by the developer under Registration Nos. 4722 and 4869. See Note on page 2A.

[X] Changes made are as follows:

1. Exhibit "G" to the last Contingent Final Public Report has been revised to reflect the following encumbrances:

   Second Amendment to Master Declaration for The Development of The Peninsula at Hawaii Kai dated October 28, 2002, recorded at said Bureau on October 29, 2002 as Document No. 2002-193745.

   Second Amendment to Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai-Project I and Condominium Map dated September 4, 2002, recorded at said Bureau on September 26, 2002 as Document No. 2002-170757.

   Third Amendment to Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai-Project I and Condominium Map; Grant of Easement Appurtenant dated October 28, 2002, recorded at said Bureau on October 29, 2002 as Document No. 2002-193746.

   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 on May 13, 2002 as Document No. 2002-84074.

   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 on June 24, 2002 as Document No. 2002-109810.

   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 on June 24, 2002 as Document No. 2002-109811.

2. Exhibit "H" to the last Contingent Final Public Report has been revised to reflect that the total estimated Maintenance and Product Fees to be assessed to the owner of each Carriage Ways Apartment is $185.00, and not $197.00 as previously indicated. Moreover, the total estimated Maintenance and Product Fees to be assessed to owners of both the Type 1 and Type 3 Cottages were revised on said Exhibit to correct the oversight described in Paragraph 2 under SPECIAL ATTENTION.

3. In Exhibit "H-3" to the Contingent Final Public Report, the estimated Product Fee assigned to Type 1 Cottage apartments, is actually the Product Fee attributable to the Type 3 Cottage apartments. Similarly, the estimated Product Fee assigned to Type 3 Cottage apartments is actually the Product Fee attributable Type 1 Cottage apartments. Accordingly, Exhibit "H-3" has been revised to set forth the correct Product Fees for both apartment types.

SPECIAL ATTENTION

1. The Developer has adjusted the language in the Declaration in Article XXXII pertaining to the Luna-Kai Marina Park to indicate that the entire park (as opposed to only a portion of the park) may be acquired and added to the project.

2. The Declaration and Condominium Map have been amended to designate certain areas adjacent to Villas apartments that the Developer has granted an exclusive easement over in favor of various Villas apartments. Buyers should refer to the Condominium Map to locate such easement areas.

3. Villa Nos. 2410, 3403, 3404, 3405, 3406, 3407 and/or 3408 are located within an area of exposure to noise which exceeds normal levels within residential areas, and such noise levels may not be acceptable to certain individuals. Accordingly, the owners of such apartments and other persons with an interest in such apartments agree to hold harmless the City and County of Honolulu and State of Hawaii from liability arising from noise and/or vibration occurring in such apartments.

NOTE: THE PENINSULA AT HAWAII KAI - PROJECT I is a single condominium project of 218 units under a master condominium declaration. On September 25, 2001, the Commission issued an effective date for Condominium Public Report No. 4722 (Contingent Final) on said project, THE PENINSULA AT HAWAII KAI-PROJECT I. On May 13, 2002, the Commission issued a Final Public Report covering only 67 of the 218 units. On June 25, 2002, because the original Contingent Final Public Report expired, a second Contingent Final Public Report was issued for the remaining 151 apartments. On October 2, 2002, the Commission issued a Final Public Report covering 48 of the remaining 151 apartments. This Final Public Report Registration No. 4869 covers the remaining 103 units, which 103 units constitute a separate "project" for public report purposes. Accordingly, as of the effective date of this Final Public Report, all of the original 218 units are now covered by Final Public Reports. The ultimate completion date of the 218 units is still estimated to be August, 2003.

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 Fractional Common Interest of All Project Apartments and Product Fee Share of Certain Apartments
EXHIBIT E: Common Elements
EXHIBIT F: Limited Common Elements
EXHIBIT G: Encumbrances Against Title
EXHIBIT H: Estimated Annual Common Expense
EXHIBIT I: Summary of Purchase Agreement and Addenda to 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 or general partners 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

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

Phone: (808) 521-4009
(Business)

Escrow: Fidelity National Title & Escrow of Hawaii, Inc.
Name
201 Merchant Street, Suite 2100
Business Address
Honolulu, Hawaii 96813

Phone: (808) 536-0404
(Business)

General Contractor*: Robert M. Kaya Builders, Inc.
Name
525 Kokea, Suite B3
Business Address
Honolulu, Hawaii 96817

Phone: (808) 845-6477
(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 2001-149859
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 I and Condominium Map dated April 16, 2002, recorded at said Bureau as Document No. 2002-080010.

Second Amendment to the Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai – Project I and Condominium Map dated September 4, 2002, recorded at said Bureau as Document No. 2002-170757.

Third Amendment to the Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai – Project I and Condominium Map; Grant of Easement Appurtenant dated October 28, 2002, recorded at said Bureau as Document No. 2002-193746.

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. 3339
[ ] Filed - _____

The Condominium Map 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 I and Condominium Map dated April 16, 2002, recorded at said Bureau as Document No. 2002-080010. (This also amended the Condominium Map.)

Second Amendment to the Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai – Project I and Condominium Map dated September 4, 2002, recorded at said Bureau as Document No. 2002-170757.

Third Amendment to the Declaration of Condominium Property Regime of The Peninsula at Hawaii Kai – Project I and Condominium Map; Grant of Easement Appurtenant dated October 28, 2002, recorded at said Bureau as Document No. 2002-193746. (This also amended the Condominium Map.)

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. 2001-149860
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.

First Amendment to Bylaws of the Association of Apartment Owners of The Peninsula at Hawaii Kai – Project I dated April 16, 2002, recorded at said Bureau as Document No. 2002-080011.

* In addition to the Declaration for Project I, 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._____

The Master Declaration referred to above has been amended by the following instruments:

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

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:

[ ] Proposed [X] 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 Exhibit A attached.

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 N/A

Land Area: 33.7455 (exclusive of Parcel B) [ ] square feet [X] acre(s)

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

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

Lessor: _____
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: 18 Executive Residences, 39 Carriage Ways Buildings, 4 Villa Buildings Floors Per Building 1 or 2

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [X] 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	103*	[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

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

[X] Yes [ ] No

* Although The Peninsula at Hawaii Kai – Project I condominium project is comprised of a total of 218 apartments, this Final Public Report only covers those 103 apartments identified on Page 1 hereof. The Developer has previously obtained Final Public Reports for 115 apartments of the Project.

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: Pets are permitted 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 dated August 27, 2001 and First Amendment to House Rules dated April 16, 2002.

[ ] There are no special restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: from 0 to 1 per unit Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Living Area (sf)*	Other Area (sf)	(Identify)
See Exhibit "B" attached.					

(Only 103 apartments, as indicated below, are covered by this Final Public Report.)

Executive Residences	18				
Carriage Ways	39				
Cottages	0				
Villas	46				

Total Number of Apartments: 103**

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

****Although The Peninsula at Hawaii Kai – Project I condominium project is comprised of a total of 218 apartments, this Final Public Report only covers those 103 apartments identified on Page 1 hereof. The Developer has previously obtained Final Public Reports for 115 apartments in the project.**

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

Boundaries of Each Apartment:

see Exhibit "B" attached.

Permitted Alterations to Apartments:

see Exhibit "C" attached.

Apartments Designated for Owner-Occupants Only:

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

7. Parking Stalls: (For those apartments covered by this Final Public Report only.)

Total Parking Stalls: 206

	Regular		Compact		Tandem		TOTAL
	Covered	Open	Covered	Open	Covered	Open	
Assigned (for each unit)	177*	29	___	___	___	___	206
Guest	___	___	___	___	___	___	___
Unassigned	___	___	___	___	___	___	___
Extra Purchase	___	___	___	___	___	___	___
Other:*	___	___	___	___	___	___	___
Total Covered & Open:	206		0		0		206

* Each apartment has within it either a one-car or two-car garage, which is a part of the apartment and not a common element.

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit_____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[ ] Swimming Pools [ ] Storage Area [ ] Recreation Area

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

[X] Other: The "Promenade", walkways along the marina and two (2) private "pocket" parks

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" attached.

[ ] 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" attached.

[ ] as follows:

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

[X] described in Exhibit "D" attached.

[ ] as follows:

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

Exhibit "G" attached to this Final Public Report describes the encumbrances against title contained in the title report dated October 29, 2002 and issued by Fidelity National Title Insurance Company. Five additional encumbrances not noted in the Contingent Final Public Report dated June 25, 2002 and in the Supplementary Public Report dated October 2, 2002 are reflected in Exhibit "G," and are as follows:

Master Declaration for The Development of The Peninsula at Hawaii Kai was further amended by that certain instrument recorded at said Bureau on October 29, 2002 as Document No. 2002-193745.

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, recorded at said Bureau on September 26, 2002 as Document No. 2002-170757.

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 on October 29, 2002 as Document No. 2002-193746.

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 on May 13, 2002 as Document No. 2002-084074.

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 on June 24, 2002 as Document No. 2002-109810.

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 on June 24, 2002 as Document No. 2002-109811.

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 Ten-Year 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 August 30, 2003.

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 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 218 residential apartments, and up to 445 additional residential apartments on Parcels B, C and D. Said Parcels B, C and D are more particularly depicted on the Condominium Map and the projects to be developed on said Parcels B, C and D shall be referred to as Projects II, III and IV, respectively. No building or other structure built upon Projects II, III 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 projects referred to in the Declaration as Projects III and 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 XXVIII of the Declaration.

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

In the event that the Developer exercises its right to merge Project III 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" attached.

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.

Exhibit "H" attached 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 ** [ ] Television Cable***
[X] Other: Refuse collection, telephone/communication

*Water charges will be included in the maintenance fees for the Villas only.

**Sewer charges will be included in the maintenance fees for all Apartments of the Project.

***Television Cable is not included in the maintenance fees for each apartment as of the effective date of this 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 $58.38 for these services. The $58.38 charge is for basic analog service. Each buyer will have the option to upgrade to digital cable service for an additional $3.70 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" attached contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated May 25, 2001.

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

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

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:

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 for the Project and Master Declaration for the Development of The Peninsula at Hawaii Kai. Declaration of Protective Provisions for Luna-Kai Marina Park.

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

This Public Report is a part of Registration No. 4869 filed with the Real Estate Commission on June 6, 2002.

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

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C. **Additional Information Not Covered Above**

1. **Final Public Reports Obtained for Separate Sales Phases**. As indicated on Page 1 hereof, this Final Public Report only covers 103 of the 218 apartments that comprise the Project. In other words, as a development strategy, the Developer has opted to obtain one or more separate Final Public Reports for the remaining apartments of the Project. Each group of apartments subject to a separate Final Public Report shall be referred to in this Paragraph C.1 as a "Sales Phase."

   Purchasers should therefore be aware that not all 218 units of the Project as described in the Project documents will be closing at or about the same time, but rather in phases over a period of time coinciding with the obtaining of building permits, financing, bonds and execution of building permits for each sales phase.

   The Developer hereby discloses, however, that although separate Final Public Reports will be issued for each Sales Phase of the Project, all 218 apartments still legally 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, but only creates separate "projects" for public report purposes. Accordingly, the common elements described in Exhibit "E" attached serve each of the 218 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.

2. **Amendment of Condominium Map**.

   The Condominium Map has been amended to reflect changes made to the floor plans, site plans and elevations of certain apartments of the Project. Each change that has been made to the map has been "clouded" on the appropriate plan. Since the Condominium Map covers all 218 apartments, and is, therefore, quite voluminous, the page numbers of the floor plans of the 103 apartments (set forth in the amended map filed at said Bureau on May 7, 2002) covered by this Final Public Report are listed below for a purchaser's convenience:

Apartment No(s).	Page Nos.
Apartment Nos. 110, 112, 116, 121, 127	Page 10
Apartment Nos. 111, 114, 117, 119	Page 14
Apartment Nos. 122, 124, 126	Page 22
Apartment Nos. 113, 115, 118, 120	Page 30
Apartment Nos. 123, 125	Page 34
Apartment Nos. 202, 205, 249, 255	Page 37
Apartment Nos. 212, 218, 262, 265	Page 45
Apartment Nos. 203, 207, 250, 252, 254, 257, 259, 269	Page 53
Apartment Nos. 213, 215, 217, 219, 263, 267	Page 60
Apartment Nos. 204, 206, 220, 251, 253, 256, 258, 260	Page 67
Apartment Nos. 201, 211, 214, 216, 248, 261, 264, 266, 268	Page 74
Apartment Nos. 2401-2413	Page 142
Apartment Nos. 3401-3411, 5401-5411	Page 146
Apartment Nos. 4401-4411	Page 151

3. **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 Trustees of Bernice Pauahi Bishop ("Trustees"), the fee simple owner of said Park, 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 Trustees for the condition, control or other use thereof. Said Affected Owners shall also jointly and severally reimburse the Trustees 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 Trustees, 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.

4. **Development of the Luna-Kai Marina Park**. It is hereby disclosed that the Developer is currently negotiating with the fee simple owner of the Park ("Park Owner") to effect acquisition of the Park under any of the following development scenarios: (i) the bifurcation of the Park the Developer's acquisition of one of the lots resulting from said bifurcation, or the entire Park (ii) the condominiumization of the Park and the Developer's acquisition of a unit or units of the resulting condominium project, or (iii) the acquisition of the Park in fee simple by the Developer, together with the owners of the Associations of Apartment Owners of the neighboring "Esplanade" and "Kaimala Marina" condominium projects, together 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 Peninsula at Hawaii Kai – Project I ("Association") or to the apartment owners (and/or to all apartment owners or the Association of Apartment Owners of the project as the 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.

5. **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.

D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Section 514A-1.6.

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"

11-15-02
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.

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 receive 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 AND/OR EXPAND, SUBDIVIDE AND CONSOLIDATE APARTMENTS.** This right is set forth in Article XXI of the Declaration. The Developer will have the right, to and until December 31, 2021, to (i) alter and/or expand the floor plan of any Apartment which it owns at any time and in any manner the Developer deems appropriate, in its absolute discretion; provided, however, that the undivided percentage interest which constitutes the Produce Fee Share of any Carriage Ways Apartment, Cottage or Villa being so altered and/or expanded shall not change notwithstanding any increase to the net interior living area of said Apartment due to such alteration and/or expansion, (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 XXI.

C. **APARTMENT OWNER'S RESERVED RIGHT TO ALTER AND/OR EXPAND APARTMENTS.** This right is set forth in Article XXII of the Declaration. Owners of Apartments in the Project shall have the right to alter and/or expand the floor plan of the Apartment which such Apartment Owner owns at anytime without having to obtain the prior approval of any other party with an interest in the Project, but subject to the approval of the Design Committee, which may be withheld in the Design Committee's sole and unreasonable discretion.

D. **RESERVED RIGHT TO CONSTRUCT "OPTION AREAS."** This right is set forth in Article XXIII of the Declaration. The Developer and certain apartment owners of Executive Residences Apartments and Carriage Ways Apartments shall have the reserved right to construct or initiate and facilitate the construction of the "Option Area(s)" (as such term is defined in the Declaration) for each Apartment, as such Option Areas are depicted on the Condominium Map, in accordance with said Article XXIII.

E. **RESERVED RIGHT TO RECONFIGURE OR RECHARACTERIZE LIMITED COMMON ELEMENTS.** This right is set forth in Article XXIV of the Declaration. The Developer shall have the right, but not the obligation, to and until December 31, 2021, to amend the Declaration to (i) reconfigure any Executive Residences Land Area or Carriage Ways Land Area as the Developer determines necessary in its sole discretion; or (ii) recharacterize and redesignate certain Limited Common Elements as may be appurtenant to an Apartment owned by the Developer as being Common Elements of the Project.

F. **RESERVED RIGHT TO MODIFY PROJECT TO COMPLY WITH LAW.** This right is set forth in Article XXV 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 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.

G. **RESERVED RIGHT TO REDESIGNATE LIMITED COMMON ELEMENTS AS APPURTENANT TO OTHER APARTMENTS.** This right is set forth in Article XXVI of the Declaration. The Developer shall have the right, to and until December 31, 2021, to amend the Declaration to designate all or a portion of certain Limited Common Elements as may be appurtenant to any Apartment owned by the Developer, to another Apartment or Apartments owned by the Developer, and to execute, record and deliver any amendments to the Declaration and to the Condominium Map as may be necessary or required to effect the same.

H. **RESERVED RIGHT TO SUBDIVIDE AND WITHDRAW LAND.** This right is set forth in Article XXVII of the Declaration. The Developer shall have the right, to and until December 31, 2021, to subdivide the Property to create separate parcels of land identified as Parcels C and D on the Condominium Map, to withdraw said Parcels 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 itself, and to do all things necessary or proper to effectuate the same.

I. **RESERVED RIGHT TO RIGHT TO DEVELOP, CONSTRUCT AND MERGE ADDITIONAL PROJECTS.** This right is set forth in Article XXVIII 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 Developer and the Federal National Mortgage Association) to merge 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 218 residential apartments, and up to 445 additional residential apartments on Parcels B, C and D. Said Parcels B, C and D are more particularly depicted on the Condominium Map and the projects to be developed on said Parcels B, C and D shall be referred to as Projects II, III and IV, respectively. No building or other structure built upon Projects II, III and IV shall exceed sixty (60) feet in height. 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. 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 should include, but shall not be limited to, the right to develop the projects referred to in the Declaration as Projects III and IV as a single project in accordance Article XXVIII of the Declaration.

J. **RESERVED RIGHT TO CONDUCT SALES ACTIVITIES.** This right is set forth in Article XXIX of the Declaration. The Developer will have the right until December 31, 2021 to conduct extensive sales activities at the Project and from any Apartment owned by Developer.

K. **RESERVED RIGHT TO CONSTRUCT, MAINTAIN AND CONVEY BOAT SLIPS.** This right is set forth in Article XXX of the Declaration. Developer shall have the right to and until December 31, 2021, to construct up to the maximum number of boat slips permitted by the Hawaii Kai Marina Association along the marina frontage of the Project, excluding, however, those areas of marina frontage that the owners of Executive Residences Apartments may utilize to construct boat slips pursuant to Article XXXI of the Declaration. All such boat slips shall belong to and shall be owned by Developer, which shall have an exclusive easement right to such slips; and which shall have an easement over the Project to access such slips. Such construction shall be completed in accordance with all laws applicable at the time of the proposed construction, and shall be subject to any and all approvals and/or permits that Developer may be required to obtain from the City and County of Honolulu, the State of Hawaii and/or the Hawaii Kai Marina Association and any rules and regulations promulgated by the Hawaii Kai Marina Association. In connection with such construction, Developer shall have the right to grant certain Apartment Owners and/or the Association a license to use such boat slip(s). Developer shall further have the reserved right, to and until December 31, 2005, to assign its reserved right to construct boat slips to the Association. Developer shall further have the reserved right, to and until December 31, 2005, to convey, assign or otherwise transfer any or all of its right, title and interest in and to the boat slips constructed pursuant to Article XXX of the Declaration to the Association or to any other party, including any Apartment Owner, and upon such conveyance, assignment or transfer, the Developer shall be relieved of any responsibility for the maintenance or upkeep thereof, and shall be relieved of any liability associated therewith.

L. **APARTMENT OWNERS' RESERVED RIGHT TO CONSTRUCT, MAINTAIN AND CONVEY BOAT SLIPS.** This right is set forth in Article XXXI of the Declaration. Each Apartment Owner of an Executive Residences Apartment shall have the reserved right to and until December 31, 2021, to construct a boat slip adjacent to an Executive Residences Land Area along the marina frontage of the Project. All such boat slips, upon construction, shall be deemed a Limited Common Element appurtenant to the Executive Residences Land Area to which such

boat slip shall be adjacent. Such construction shall be completed in accordance with all laws applicable at the time of the proposed construction, shall be subject to any and all approvals and/or permits that such Apartment Owner may be required to obtain from the City and County of Honolulu, State of Hawaii, the Hawaii Kai Marina Association and/or the Design Committee.

M. **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 XXXII 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 (i) effect or otherwise facilitate the subdivision of that certain parcel of land identified on the Condominium Map as the "Luna-Kai Marina Park" ("Luna-Kai Marina Park") and acquire the fee simple title in and to any one of the lots created pursuant to said subdivision, (ii) effect or otherwise facilitate the condominiumization of Luna-Kai Park and acquire the fee simple title in and to any unit or units of the condominium project, or (iii) acquire fee simple title to Luna-Kai Park together with the owners of Associations of Apartment Owners of the neighboring "Esplanade" and "Kaimala Marina" condominium projects, together as tenants in common, and to negotiate and enter into a co-tenancy or other similar agreement to facilitate the co-ownership of said park (the real property interest in Luna-Kai Park that is acquired by the Developer, whether it be a newly subdivided lot, a condominium unit together with any appurtenant limited common element land areas or an undivided interest in the entire lot now comprising Luna-Kai 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 XXXII of the Declaration.

N. **RESERVED RIGHT TO CONVERT PARKING STALLS TO COMMON ELEMENTS AND RECORD PARKING STALL AMENDMENT.** This right is set forth in Article XXXIII 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 XXXIII.

O. **RESERVED RIGHT TO CONSTRUCT GROUP MAILBOX STRUCTURES.** This right is set forth in Article XXXIV 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.

P. **RESERVED RIGHT OF CERTAIN COTTAGE OWNERS TO CONSTRUCT WALKWAYS AND STAIRWAYS TO PROMENADE.** This right is set forth in Article XXXV of the Declaration. The Owners of Cottage Nos. 310 through 312 (inclusive), 316 through 318 (inclusive), 322 through 324 (inclusive), 330 through 332 (inclusive), 338 through 340 (inclusive), 346 through 348 (inclusive), 354 through 356 (inclusive) and 361 through 365 (inclusive), as shown on the Condominium Map, shall have the reserved right, to and until December 31, 2021 and in accordance with Article XXXV of the Declaration, to construct or cause the construction of sidewalks and/or stairways leading from the Yard Area appurtenant to each such Apartment to the Promenade, as each such Yard Area and the Promenade are depicted and identified on the Condominium Map; provided, however, that the construction of such sidewalks and/or stairways may not commence unless and until the plans for such construction have been reviewed and approved by the Design Committee, in its sole and absolute discretion.

Q. **ASSIGNMENT OF RESERVED RIGHTS.** Pursuant to Article XXXVI 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.

EXHIBIT "B"

BOUNDARIES OF EACH APARTMENT

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

1. **EXECUTIVE RESIDENCES APARTMENTS.** (Article II, Section B.1 of the Declaration) There shall be twenty-seven (27) Executive Residences Apartments. Each Executive Residences Apartment shall be deemed to include the entire structure of said Apartment as depicted on the Condominium Map, including (i) the perimeter walls, all the walls and partitions which are within the perimeter walls and the decorated or finished surfaces thereof, (ii) the interior load-bearing walls and columns (if any) and the decorated or finished surfaces thereof, (iii) the roof, including the decorated or finished surfaces thereof, (iv) the perimeter doors, door frames, windows and window frames, and the decorated or finished surfaces thereof, (v) the foundation and all supporting members, (vi) the floors and the ceilings of each Executive Residences Apartment and the decorated or finished surfaces thereof, (vii) the air space located between the walls, floors and ceilings noted above, (viii) any pipes, shafts, vents, ducts, pumps, wires, conduits, other utility or service lines running through an Executive Residences Apartment, or utility meters, which are utilized for and serve only that Apartment, (ix) all appliances and fixtures installed in an Executive Residences Apartment, and replacements therefor, (x) the single two-car garage or two (2) single-car garages (as applicable) situate at the front of the Executive Residences Apartment (including the garage door), (xi) any lanai or porch areas of the Executive Residences Apartment (as applicable), and (xii) the interior stairway connecting the first and second floors of each Executive Residences Apartment. The respective Executive Residences Apartments shall also be deemed to include any pipes, wires, conduits or other utility or service lines or meters which are located within, under or upon any Limited Common Element land and yard area of such Apartment and which serve only that Apartment.

2. **CARRIAGE WAYS APARTMENTS.** (Article II, Section B.2 of the Declaration) There shall be sixty-nine (69) Carriage Ways Apartments. Each Carriage Ways Apartment shall be deemed to include the entire structure of said Apartment as depicted on the Condominium Map, including (i) the perimeter walls, all the walls and partitions which are within the perimeter walls and the decorated or finished surfaces thereof, (ii) the interior load-bearing walls and columns (if any) and the decorated or finished surfaces thereof, (iii) the roof, including the decorated or finished exterior surfaces thereof, (iv) the perimeter doors, door frames, windows and window frames and the decorated or finished surfaces thereof, (v) the foundation and all supporting members, (vi) the floors and the ceilings of each Carriage Ways Apartment and the decorated or finished surfaces thereof, (vii) the air space located between the walls, floors and ceilings noted above, (viii) any pipes, shafts, vents, ducts, pumps, wires, conduits, other utility or service lines running through a Carriage Ways Apartment, or utility meters, which are utilized for and serve only that Apartment, (ix) all appliances and fixtures installed in a Carriage Ways Apartment, and replacements therefor, (x) the garage situate at the rear of each Carriage Ways Apartment (including the garage door), (xi) any lanai or porch areas of the Carriage Ways Apartment, and (xii) the stairway connecting the first and second floors of each Carriage Ways Apartment. The respective Carriage Ways Apartments shall also be deemed to include any pipes, wires, conduits or other utility or service lines or meters which are located within, under or upon any Limited Common Element land and yard area appurtenant to such Apartment and which serve only that Apartment.

3. **COTTAGES.** (Article II, Section B.3.d of the Declaration) There shall be sixty-five (65) Cottages. Each Cottage 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 Cottage or other utility meters, which are utilized for and serve only that Cottage, (iii) the decorated or finished interior surfaces of all perimeter and party walls, load-bearing walls and partitions, floors and ceilings of each Cottage, 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, (vi) all appliances and fixtures installed in the Cottage, and replacements therefor, (vii) any garage of the Cottage, including the decorated or finished interior surfaces of said garage, and also including the entire garage door, and (viii) any interior stairway connecting the first and second floors of a Cottage (as applicable).

The respective Cottages 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 Cottage, the undecorated or unfinished surfaces thereof and the roof of the building in which the Cottages is located, (iii) the perimeter doors, door frames, windows and window frames and the exterior decorated or finished surfaces of said doors, door frames, windows and window frames, (iv) the interior load-bearing walls and columns (if any) 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 Cottage or other utility meters, which are utilized for or serve more than one Cottage, and (vi) the decorated or finished exterior surfaces of any garage of the Cottage (excluding, however, the garage door to said Cottage and the exterior surface thereof), the same being deemed Limited Common Elements appurtenant to all Cottages as provided in the Declaration.

4. **VILLAS**. (Article II, Section B.4.d of the Declaration) There shall be fifty-seven (57) Villas. Each Villa 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 and other utility or service lines, running through such Villa or other utility meters which are utilized for and serve only that Villa, (iii) the decorated or finished interior surfaces of all perimeter and party walls, load-bearing walls and partitions, floors and ceilings of each Villa, 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, (vi) all appliances and fixtures installed in each Villa, and replacements therefor, (vii) any garage of the Villa, including the decorated or finished interior surfaces of said garage (but excluding the decorated or finished exterior surfaces thereof and excluding the entire garage door), and (viii) the interior stairway connecting the first and second floors of a Villa (as applicable).

The respective Villas 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 Villa, the undecorated or unfinished surfaces thereof and the roof of the building in which the Villa 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 (if any) and the undecorated or unfinished surfaces thereof, (v) any pipes, shafts, vents, ducts, pumps, conduits, cables, wiring or other utility or service lines running through each Villa or other utility meters which are utilized for or serve more than one Villa, and (vi) the decorated or finished exterior surfaces of any garage of the Cottage and the garage door to said garage, the same being deemed Limited Common Elements appurtenant to all Villas 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 Design Committee. Promptly upon completion of such restoration, replacement or construction the Association or Apartment Owner, as the case shall be, shall duly file 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 TO AN EXECUTIVE RESIDENCES APARTMENT OR CARRIAGE WAYS APARTMENT.** Notwithstanding anything to the contrary contained herein, each Owner of an Executive Residences Apartment or Carriage Ways 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 to the Executive Residences or Carriage Ways Apartment: to install, maintain, remove and rearrange partitions and other structures from time to time within such Apartment, 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, affect or impair any easement or rights of any of the other Apartment Owners, or directly affect any Owner or alter the external appearance of the Project in contravention of the Design Guidelines.

C. **ADDITIONS OR ALTERATIONS SOLELY WITHIN A COTTAGE OR VILLA.** Notwithstanding anything to the contrary contained herein, each Owner of a Cottage or Villa 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-load bearing partitions and other non-load bearing 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.

D. **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 Sections B or C 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.

EXHIBIT "D"

APARTMENT NUMBERS, LOCATIONS[1], LAYOUT, [2] APPROXIMATE NET AREA[3], FRACTIONAL COMMON INTEREST OF ALL PROJECT APARTMENTS, AND PRODUCT FEE SHARE OF COTTAGES AND VILLAS APARTMENTS

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

APARTMENT IDENTIFICATION KEY

"ER"	Executive Residences Apartment	"CO"	Cottages Apartment
"CW"	Carriage Ways Apartment	"V"	Villas Apartment

Apartment Number	Plan Type	Bedrooms/ Bathrooms	Approximate Net Square Footage	Approximate Lanai Area(s)	Approximate Garage Area(s)
ER 101	1	3/3.5	1,963.10		385.9
ER 102	2	4/3	2,386.80		427.5
ER 103	3	3/3	2,547.40	222.9	376.0
ER 104	1	3/3.5	1,963.10		385.9
ER 105	3	3/3	2,547.40	222.9	376.0
ER 106	2	4/3	2,386.80		427.5
ER 107	1	3/3.5	1,963.10		385.9
ER 108	2	4/3	2,386.80		427.5
ER 109	3	3/3	2,547.40	222.9	376.0
ER 110	1	3/3.5	1,963.10		385.9
ER 111	2	4/3	2,386.80		427.5
ER 112	1	3/3.5	1,963.10		385.9
ER 113	3	3/3	2,547.40	222.9	376.0
ER 114	2	4/3	2,386.80		427.5
ER 115	3	3/3	2,547.40	222.9	376.0
ER 116	1	3/3.5	1,963.10		385.9
ER 117	2	4/3	2,386.80		427.5
ER 118	3	3/3	2,547.40	222.9	376.0
ER 119	2	4/3	2,386.80		427.5
ER120	3	3/3	2,547.40	222.9	376.0
ER121	1	3/3.5	1,963.10		385.9
ER122	2	4/3	2,386.80		427.5
ER123	3	3/3	2,547.40	222.9	376.0
ER124	2	4/3	2,386.80		427.5
ER125	3	3/3	2,547.40	222.9	376.0
ER126	2	4/3	2,386.80		427.5
ER127	1	3/3.5	1,963.10		385.9

Apartment Number	Plan Type	Bedrooms/ Bathrooms	Approximate Net Square Footage	Approximate Lanai Area(s)	Approximate Garage Area(s)
CW201	3	4/3	2,194.70	143.5	376.0
CW202	1	3/2.5	1,756.00	124.8	379.2
CW203	2	3/3	2,071.20	160.6	376.1
CW204	3	4/3	2,194.70	143.5	376.0
CW205	1	3/2.5	1,756.00	124.8	379.2
CW206	3	4/3	2,194.70	143.5	376.0
CW207	2	3/3	2,071.20	160.6	376.1
CW208	3	4/3	2,194.70	143.5	376.0
CW209	1	3/2.5	1,756.00	124.8	379.2
CW210	2	3/3	2,071.20	160.6	376.1
CW211	3	4/3	2,194.70	143.5	376.0
CW212	1	3/2.5	1,756.00	124.8	379.2
CW213	2	3/3	2,071.20	160.6	376.1
CW214	3	3/2.5	2,194.70	143.5	376.0
CW215	2	3/3	2,071.20	160.6	376.1
CW216	3	4/3	2,194.70	143.5	376.0
CW217	2	3/3	2,071.20	160.6	376.1
CW218	1	3/2.5	1,756.00	124.8	379.2
CW219	2	3/3	2,071.20	160.6	376.1
CW220	3	4/3	2,194.70	143.5	376.0
CW221	3	4/3	2,194.70	143.5	376.0
CW222	1	3/2.5	1,756.00	124.8	379.2
CW223	2	3/3	2,071.20	160.6	376.1
CW224	1	3/2.5	1,756.00	124.8	379.2
CW225	2	3/3	2,071.20	160.6	376.1
CW226	3	4/3	2,194.70	143.5	376.0
CW227	1	3/2.5	1,756.00	124.8	379.2
CW228	1	3/2.5	1,756.00	124.8	379.2
CW229	2	3/3	2,071.20	160.6	376.1
CW230	3	4/3	2,194.70	143.5	376.0
CW231	2	3/3	2,071.20	160.6	376.1
CW232	1	3/2.5	1,756.00	124.8	379.2
CW233	3	4/3	2,194.70	143.5	376.0
CW234	3	4/3	2,194.70	143.5	376.0
CW235	2	3/3	2,071.20	160.6	376.1
CW236	1	3/2.5	1,756.00	124.8	379.2
CW237	3	4/3	2,194.70	143.5	376.0
CW238	3	3/2.5	2,194.70	143.5	376.0
CW239	2	3/3	2,071.20	160.6	376.1
CW240	3	4/3	2,194.70	143.5	376.0
CW241	1	3/2.5	1,756.00	124.8	379.2
CW242	2	3/3	2,071.20	160.6	376.1
CW243	3	3/2.5	2,194.70	143.5	376.0
CW244	3	4/3	2,194.70	143.5	376.0
CW245	2	3/3	2,071.20	160.6	376.1
CW246	1	3/2.5	1,756.00	124.8	379.2

Apartment Number	Plan Type	Bedrooms/ Bathrooms	Approximate Net Square Footage	Approximate Lanai Area(s)	Approximate Garage Area(s)
CW247	2	3/3	2,071.20	160.6	376.1
CW248	3	4/3	2,194.70	143.5	376.0
CW249	1	3/2.5	1,756.00	124.8	379.2
CW250	2	3/3	2,071.20	160.6	376.1
CW251	3	4/3	2,194.70	143.5	376.0
CW252	2	3/3	2,071.20	160.6	376.1
CW253	3	3/2.5	2,194.70	143.5	376.0
CW254	2	3/3	2,071.20	160.6	376.1
CW255	1	3/2.5	1,756.00	124.8	379.2
CW256	3	4/3	2,194.70	143.5	376.0
CW257	2	3/3	2,071.20	160.6	376.1
CW258	3	4/3	2,194.70	143.5	376.0
CW259	2	3/2.5	2,071.20	160.6	376.1
CW260	3	4/3	2,194.70	143.5	376.0
CW261	3	4/3	2,194.70	143.5	376.0
CW262	1	3/2.5	1,756.00	124.8	379.2
CW263	2	3/3	2,071.20	160.6	376.1
CW264	3	4/3	2,194.70	143.5	376.0
CW265	1	3/2.5	1,756.00	124.8	379.2
CW266	3	3/2.5	2,194.70	143.5	376.0
CW267	2	3/3	2,071.20	160.6	376.1
CW268	3	4/3	2,194.70	143.5	376.0
CW269	2	3/3	2,071.20	160.6	376.1

Apartment Number	Plan Type	Bedrooms/ Bathrooms	Approximate Net Square Footage	Approximate Lanai Area(s)	Approximate Garage Area(s)	Product Fee Share[4]
CO301	1	3/2.5	1,464.90		230.7	1.506591%
CO302	2	3/2.5	1,328.90		313.6	1.366717%
CO303	5	3/2.5	1,648.80		361.5	1.695720%
CO304	3	2/2	1,297.10		402.3	1.334012%
CO305	6	3/3	1,639.90		411.6	1.686567%
CO306	2	3/2.5	1,328.90		313.6	1.366717%
CO307	1	3/2.5	1,464.90		230.7	1.506587%
CO308	4	3/2.5	1,581.09		343.25	1.626084%
CO309	5	3/2.5	1,648.80		361.5	1.695720%
CO310	5	3/2.5	1,648.80		361.5	1.695720%
CO311	2	3/2.5	1,328.90		313.6	1.366717%
CO312	1	3/2.5	1,464.90		230.7	1.506587%
CO313	4	3/2.5	1,581.09		343.25	1.626084%
CO314	5	3/2.5	1,648.80		361.5	1.695720%
CO315	3	2/2	1,297.10		402.3	1.334012%
CO316	6	3/3	1,639.90		411.6	1.686567%
CO317	2	3/2.5	1,328.90		313.6	1.366717%
CO318	1	3/2.5	1,464.90		230.7	1.506587%
CO319	4	3/2.5	1,581.09		343.25	1.626084%

Apartment Number	Plan Type	Bedrooms/ Bathrooms	Approximate Net Square Footage	Approximate Lanai Area(s)	Approximate Garage Area(s)	Product Fee Share[4]
CO320	5	3/2.5	1,648.80		361.5	1.695720%
CO321	3	2/2	1,297.10		402.3	1.334012%
CO322	6	3/3	1,639.90		411.6	1.686567%
CO323	2	3/2.5	1,328.90		313.6	1.366717%
CO324	1	3/2.5	1,464.90		230.7	1.506587%
CO325	4	3/2.5	1,581.09		343.25	1.626084%
CO326	5	3/2.5	1,648.80		361.5	1.695720%
CO327	5	3/2.5	1,648.80		361.5	1.695720%
CO328	5	3/2.5	1,648.80		361.5	1.695720%
CO329	3	2/2	1,297.10		402.3	1.334012%
CO330	6	3/3	1,639.90		411.6	1.686567%
CO331	2	3/2.5	1,328.90		313.6	1.366717%
CO332	1	3/2.5	1,464.90		230.7	1.506587%
CO333	4	3/2.5	1,581.09		343.25	1.626084%
CO334	5	3/2.5	1,648.80		361.5	1.695720%
CO335	3	2/2	1,297.10		402.3	1.334012%
CO336	5	3/2.5	1,648.80		361.5	1.695720%
CO337	3	2/2	1,297.10		402.3	1.334012%
CO338	6	3/3	1,639.90		411.6	1.686567%
CO339	2	3/2.5	1,328.90		313.6	1.366717%
CO340	1	3/2.5	1,464.90		230.7	1.506587%
CO341	4	3/2.5	1,581.09		343.25	1.626084%
CO342	5	3/2.5	1,648.80		361.5	1.695720%
CO343	3	3/2	1,297.10		402.3	1.334012%
CO344	5	3/2.5	1,648.80		361.5	1.695720%
CO345	3	2/2	1,297.10		402.3	1.334012%
CO346	6	3/3	1,639.90		411.6	1.686567%
CO347	2	3/2.5	1,328.90		313.6	1.366717%
CO348	1	3/2.5	1,464.90		230.7	1.506587%
CO349	4	3/2.5	1,581.09		343.25	1.626084%
CO350	5	3/2.5	1,648.80		361.5	1.695720%
CO351	3	2/2	1,297.10		402.3	1.334012%
CO352	5	3/2.5	1,648.80		361.5	1.695720%
CO353	3	2/2	1,297.10		402.3	1.334012%
CO354	6	3/3	1,639.90		411.6	1.686567%
CO355	2	3/2.5	1,328.90		313.6	1.366717%
CO356	1	3/2.5	1,464.90		230.7	1.506587%
CO357	4	3/2.5	1,581.09		343.25	1.626084%
CO358	5	3/2.5	1,648.80		361.5	1.695720%
CO359	3	2/2	1,297.10		402.3	1.334012%
CO360	3	2/2	1,297.10		402.3	1.334012%
CO361	6	3/3	1,639.90		411.6	1.686567%
CO362	2	3/2.5	1,328.90		313.6	1.366717%
CO363	1	3/2.5	1,464.90		230.7	1.506587%
CO364	4	3/2.5	1,581.09		343.25	1.626084%
CO365	5	3/2.5	1,648.80		361.5	1.695720%

Apartment Number	Plan Type	Bedrooms/ Bathrooms	Approximate Net Square Footage	Approximate Lanai Area(s)	Approximate Garage Area(s)	Product Fee Share[4]
V1401	1	2/2	990.60		367.0	1.388436%
V1402	2	2/2	1,116.70		225.0	1.565192%
V1403	3	2/2.5	1,100.30		213.0	1.542205%
V1404	5	3/2.5	1,475.80		417.9	2.068514%
V1405	6	3/2.5	1,600.60		393.4	2.243437%
V1406	3	2/2.5	1,100.30		213.0	1.542205%
V1407	3	2/2.5	1,100.30		213.0	1.542205%
V1408	6	3/2.5	1,600.60		393.4	2.243437%
V1409	7	3/2.5	1,616.00		420.3	2.265022%
V1410	2	2/2	1,116.70		225.0	1.565192%
V1411	1	2/2	990.60		367.0	1.388447%
V2401	1	2/2	990.60		367.0	1.388447%
V2402	2	2/2	1,116.70		225.0	1.565192%
V2403	3	2/2.5	1,100.30		213.0	1.542205%
V2404	5	3/2.5	1,475.80		417.9	2.068514%
V2405	6	3/2.5	1,600.60		393.4	2.243437%
V2406	3	2/2.5	1,100.30		213.0	1.542205%
V2407	4	3/2.5	1,343.30		418.8	1.882799%
V2408	3	2/2.5	1,100.30		213.0	1.542205%
V2409	6	3/2.5	1,600.60		393.4	2.243437%
V2410	5	3/2.5	1,475.80		417.9	2.068514%
V2411	3	2/2.5	1,100.30		213.0	1.542205%
V2412	2	2/2	1,116.70		225.0	1.565192%
V2413	1	2/2	990.60		367.0	1.388447%
V3401	1	2/2	990.60		367.0	1.388447%
V3402	2	2/2	1,116.70		225.0	1.565192%
V3403	7	3/2.5	1,616.00		420.3	2.265022%
V3404	6	3/2.5	1,600.60		393.4	2.243437%
V3405	3	2/2.5	1100.30		213.0	1.542205%
V3406	3	2/2.5	1,100.30		213.0	1.542205%
V3407	6	3/2.5	1,600.60		393.4	2.243437%
V3408	5	3/2.5	1,475.80		417.9	2.068514%
V3409	3	2/2.5	1,100.30		213.0	1.542205%
V3410	2	2/2	1,116.70		225.0	1.565192%
V3411	1	2/2	990.60		367.0	1.388447%
V4401	1	2/2	990.60		367.0	1.388447%
V4402	2	2/2	1,116.70		225.0	1.565192%
V4403	3	2/2.5	1,100.30		213.0	1.542205%
V4404	5	3/2.5	1,475.80		417.9	2.068514%
V4405	6	3/2.5	1,600.60		393.4	2.243437%
V4406	3	2/2.5	1,100.30		213.0	1.542205%
V4407	3	2/2.5	1,100.30		213.0	1.542205%
V4408	6	3/2.5	1,600.60		393.4	2.243437%

Apartment Number	Plan Type	Bedrooms/ Bathrooms	Approximate Net Square Footage	Approximate Lanai Area(s)	Approximate Garage Area(s)	Product Fee Share[4]
V4409	7	3/2.5	1,616.00		420.3	2.265022%
V4410	2	2/2	1,116.70		225.0	1.565192%
V4411	1	2/2	990.60		367.0	1.388447%
V5401	1	2/2	990.60		367.0	1.388447%
V5402	2	2/2	1,116.70		225.0	1.565192%
V5403	7	3/2.5	1,616.00		420.3	2.265022%
V5404	6	3/2.5	1,600.60		393.4	2.243437%
V5405	3	2/2.5	1,100.30		213.0	1.542205%
V5406	3	2/2.5	1,100.30		213.0	1.542205%
V5407	6	3/2.5	1,600.60		393.4	2.243437%
V5408	5	3/2.5	1,475.80		417.9	2.068514%
V5409	3	2/2.5	1,100.30		213.0	1.542205%
V5410	2	2/2	1,116.70		225.0	1.565192%
V5411	1	2/2	990.6		367.0	1.388447%

[1]Each Executive Residences Apartment and Carriage Ways Apartment is a separate single-family condominium unit. The Cottages and Villas are, however, located in multi-family condominium structures as follows (and as shown on the Condominium Map):

A. Location of Cottages:

1. Cottage Nos. 301 and 302 are located in Cluster 1;
2. Cottage Nos. 303 and 304 are located in Cluster 2;
3. Cottage Nos. 305, 306 through 308 are located in Cluster 3;
4. Cottage Nos. 309 through 314 are located in Cluster 4;
5. Cottage Nos. 315 through 320 are located in Cluster 5;
6. Cottage Nos. 321 through 327 are located in Cluster 6;
7. Cottage Nos. 328 through 335 are located in Cluster 7;
8. Cottage Nos. 336 through 343 are located in Cluster 8;
9. Cottage Nos. 344 through 351 are located in Cluster 9;
10. Cottage Nos. 352 through 359 are located in Cluster 10; and
11. Cottage Nos. 360 through 365 are located in Cluster 11.

B. Location of Villas:

1. Villa Nos. 1401 through 1411 are located in Building 1;
2. Villa Nos. 2401 through 2413 are located in Building 2;
3. Villa Nos. 3401 through 3411 are located in Building 3;
4. Villa Nos. 4401 through 4411 are located in Building 4; and
5. Villa Nos. 5401 through 5411 are located in Building 5.

[2]All Apartments of the Project have the number of bedrooms and bathrooms indicated in the table above, one (1) kitchen and one (1) living room. All Apartments of the Project, excluding Cottage Nos. 305, 316, 322, 330, 338, 346, 354 and 361, also have one (1) dining room. All Executive Residence Apartments and the following Carriage Ways Apartments and Cottages also have one (1) family room: Carriage Ways Apartment Nos. 201, 204, 206, 208, 211, 214, 216, 220, 221, 226, 230, 233, 234, 237, 238, 240, 243, 244, 248, 251, 256, 258, 260, 261, 264, 266 and 268 and Cottage Nos. 303, 305, 308, 309, 310, 313, 314, 316, 319, 320, 322, 325, 326 through 328, 330, 333, 334, 336, 338, 341, 342, 344, 346, 349, 350, 352, 354, 357, 358, 361, 364 and 365.

[3]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).

[4] The Product Fee Share attributable to each Cottage and Villa was calculated by dividing the square footage of each individual Cottage and Villa by the total square footages of all Cottages and Villas, respectively, within the Project. In order to permit the Product Fee Shares for all Cottages to equal exactly hundred percent (100%), the Product Fee Share attributable to Cottage No. 301 was increased by .000004%. In order to permit the Product Fee Shares for all Villas to equal exactly hundred percent (100%), the Product Fee Share attributable to Villa No. 1401 was decreased by .000011%.

Subject to the Developer's right to change the Common Interest upon an ownership merger of the Project with any future project, each Apartment in the Project shall have appurtenant to it a 1/218th undivided fractional Common Interest in the Common Elements. The Common Interest attributable to each Apartment was calculated by dividing one (1) by the total number of Apartments of the Project.

Should the Developer exercise its reserved right to merge projects II, III and/or IV into Project I, the common interest of units in Project I will diminish as follows:

Projects Being Merged[1]	**Common Interest For Each Apartment Upon Merger**[2]
Project I with Projects II, III and IV	1/663
Project I with Project II only	1/311
Project I with Project III only	1/458
Project I with Project IV only	1/330
Project I with Projects II and III only	1/551
Project I with Projects II and IV only	1/423
Project I with Projects III and IV only	1/570

[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 240 apartments and Project IV will consist of 112 apartments, for a total of 663 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 663 apartments in all four (4) projects. In the event that the Developer exercises this right, the undivided interest appurtenant to each apartment may differ from that indicated above.

NOTE REGARDING LAND UNDERLYING PROJECTS I, III AND IV: As noted in Article XXVIII of the Declaration, Project I and the projects which the Developer may, but is not obligated to, develop as Projects III and IV are all situate upon a single lot (i.e., the "Property", as such term is defined in the Declaration). As such, the land being submitted to the Declaration of Condominium Property Regime for each such project is, or will be, 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.

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 XXVIII 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 may 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:

a. The Land in fee simple;

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

c. The landscaping and planter strips along certain roadways of the Project, and the landscaping and other recreational areas fronting or otherwise situated along the marina;

d. All roadways, parking areas, parking structures, guest and handicap parking stalls, access lanes, ramps, loading areas, sidewalks and walkways of the Project, excluding, however, any garage which is part of an Apartment;

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

f. All lamp posts within the Project;

g. Unimproved areas, maintenance and storage areas, mailbox areas (if any) and other similar areas which are not part of an Apartment;

h. Any and all parks, recreation centers and other community facilities operated to serve the residents of the Project (if any);

i. All other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use; and

j. The area identified on the Condominium Map as the "Promenade";

k. Any and all seawalls separating the marina and the Property; and

l. All other areas of the Project which 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.

D. Certain parts of the Common Elements, herein called the "Limited Common Elements," are 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 in the Declaration. The responsibility to maintain, repair, replace, alter, improve and/or add to the Limited Common Elements described in Sections 1, 2(b) and 2(f) below shall be borne solely by the Owner(s) of the Apartment(s) to which a Limited Common Element is appurtenant, and the responsibility to maintain, repair, replace, alter, improve and/or add to the remaining Limited Common Elements described in Section 2 below shall be borne by the Association. In either event, the 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 Design Guidelines, the Declaration and the Bylaws. The costs and expenses of every description pertaining to any Limited Common Element, including but not limited to the costs of maintenance, repair and replacement of and any alterations, improvements or additions to a Limited Common Element (collectively, "Costs"), shall be charged to the Apartment or Apartments to which the Limited Common Element is appurtenant; provided that the Costs for those Limited Common Elements that are appurtenant to (i) all Carriage Ways Apartments shall be charged to the Owners of all Carriage Ways Apartments in equal shares, (ii) all Cottages or all Villas shall be charged to each Owner of a Cottage or Villas (as applicable) in accordance with such Owner's "Product Fee Share," which shall be calculated by dividing the net square footage of the subject Cottage or Villa (as applicable) by the total square footage of all Cottages or Villas, respectively and (iii) certain Cottages, as provided in Section C.2.g of Article II of the Declaration, shall be charged to the Owners of said Cottages in accordance with each Owners "Product Fee Share," which, in this instance, shall be calculated by dividing the net square footage of the subject Cottage by the total net square footage of all Cottages to which such Limited Common Element driveway is appurtenant (all Costs associated with the Limited Common Elements appurtenant to either all Carriage Ways Apartments, all Cottages or all Villas or certain Cottages [as provided in Section C.2.g of Article II of the Declaration] shall be referred to herein as "Product Fees"). The Product Fee Shares attributable to the Cottages and Villas of the Project are set forth in said Exhibit "B."

In the event that the total number of Carriage Ways Apartments, Cottages or Villas of the Project changes (i.e., the Project is merged with other projects), (i) each Owner of a Carriage Ways Apartment shall be responsible for a fraction of the total Product Fees for all Carriage Ways Apartments equal to one (1) over the total number of Carriage Ways Apartments then-existing, and (ii) the Product Fee Share attributable to each Cottage or Villa (whichever the case may be) described in subsection (ii) of the preceding paragraph shall be recalculated by dividing the net square footage of the Cottage or Villa by the total net square footage for all Cottages or all Villas, respectively, then-existing and (iii) the Product Fee Share attributable to certain Cottages, as described in subsection (iii) of the preceding paragraph, shall be recalculated by dividing the net square footage of the Cottage by the total net square footage of all Cottages to which the Limited Common Element driveway is appurtenant. In such event, the revised Product Fee Share attributable to each Cottage and Villa shall also be set forth in the Certificate of Merger, or the amendment to the Declaration evidencing the merger, as provided in Article XXVIII of the Declaration.

1. **EXECUTIVE RESIDENCES APARTMENTS AND CARRIAGE WAYS APARTMENTS.** Each Executive Residences Apartment and each Carriage Ways Apartment shall have appurtenant to it the following Limited Common Elements:

(a) The land and yard areas under and surrounding the Apartment, as depicted on the Condominium Map (including the driveway situated upon each land and yard area which connects the Apartment to a roadway of the Project) and any structure permitted to be built upon or within said areas by the Design Guidelines. The metes and bounds descriptions for said Limited Common Element land and yard areas (the areas identified by said metes and bounds descriptions shall hereinafter be referred to as an "Executive Residences Land Area" or

"Carriage Ways Land Area," as applicable) that are appurtenant to each Executive Residences Apartment and Carriage Ways Apartment are set forth on the Condominium Map;

(b) The privacy fences located at the front of each Executive Residences Land Area ("Front Fences") and the single privacy fence placed immediately next to one side of an Executive Residences Apartment to separate the Executive Residences Land Area appurtenant to said Apartment from the neighboring Executive Residences Land Area, all as shown on the Condominium Map, shall, if installed by the Developer or the Owners of said Apartment pursuant to Section E of this Article III, be Limited Common Elements appurtenant to the Executive Residences Apartment to which such Executive Residences Land Area is appurtenant; provided, however, that the following exceptions shall apply:

(i) The Front Fence of the Executive Residences Land Area appurtenant to Executive Residences Apartment No. 101, the fence placed immediately next to said Apartment to separate the Executive Residences Land Area appurtenant to said Apartment from Yard Nos. 307 and 308 of Cottage Nos. 307 and 308, respectively, and the retaining wall situate at the back-end of said Executive Residences Land Area, all as shown on the Condominium Map, shall, if installed or constructed (as applicable) by the Developer or the Owners of said Apartment pursuant to Section E of this Article III, be Limited Common Elements appurtenant to said Executive Residences Apartment No. 101;

(ii) The Front Fence of the Executive Residences Land Area appurtenant to Executive Residences Apartment No. 102, the single privacy fence placed immediately next to one side of said Apartment to separate the Executive Residences Land Areas appurtenant to it and Executive Residences Apartment No. 101, and the retaining wall situate at the back-end of the Executive Residences Land Area appurtenant to said Executive Residences Apartment No. 102, all as shown on the Condominium Map, shall, if so installed or constructed (as applicable) by the Developer or the Owners of said Apartment pursuant to Section E of this Article III, be Limited Common Elements appurtenant to said Executive Residences Apartment No. 102;

(iii) The Front Fence of the Executive Residences Land Area appurtenant to Executive Residences Apartment No. 126, and the privacy fence separating the Executive Residences Land Areas appurtenant to said Apartment and Executive Residences Apartment No. 127, all as shown on the Condominium Map, shall, if so installed by the Developer or the Owners of said Apartment pursuant to Section E of this Article III, be Limited Common Elements appurtenant to said Executive Residences Apartment No. 126;

(iv) The Front Fences of the Executive Residences Land Area appurtenant to Executive Residences Apartment No. 127, and the privacy fence separating said land area and "Common Element (Park B)," all as shown on the Condominium Map, shall, if so installed by the Developer or the Owners of said Apartment pursuant to Section E of this Article III, be Limited Common Elements appurtenant to said Executive Residences Apartment No. 127; and

(v) In the event that an Owner of an Executive Residences Apartment obtains Design Committee approval (in accordance with the Design Guidelines and/or the Design Committee Rules) to construct or install (as applicable) any wall or fence ("ER Walls" and "Additional ER Fences", respectively) other than those fences and/or walls that may be installed or constructed as noted above in this subsection b, within said Owner's Executive Residence Land Area, the ER Walls and/or Additional ER Fences shall also be Limited Common Elements appurtenant to said Owner's Apartment.

(c) The privacy fences and any walls located upon each Carriage Ways Land Area (as shown on the Condominium Map) shall, if so installed or constructed (as applicable) by the Developer or the Owners of said Apartment pursuant to Section E of this Article III, be Limited Common Elements appurtenant to the Carriage Ways Apartment to which said Carriage Ways Land Area is appurtenant. Moreover, in the event that an Owner of a Carriage Ways Apartment obtains Design Committee approval (in accordance with the Design Guidelines and/or the Design Committee Rules) to install or construct any wall or fence ("Additional CW Walls" or "Additional CW Fences", as appropriate) other than the walls and/or fences that may be installed or constructed as provided in this subsection c, within said Owner's Carriage Ways Land Area, the Additional CW Walls and/or Fences shall also be Limited Common Elements appurtenant to said Owner's Apartment.

(d) All Carriage Ways Apartments shall have appurtenant thereto as Limited Common Elements the roadways identified and depicted on the Condominium Map as "Carriage Ways" - Alley 1, "Carriage Ways" - Alley 2 and "Carriage Ways" - Alley 3.

(e) Any and all utility and/or other services lines situate upon, over, under and/or across any appurtenant Executive Residences Land Area or Carriage Ways Land Area (as applicable) which serve more than one Apartment shall be Limited Common Elements appurtenant to all the Apartments the utility and/or service lines serve.

(f) Each Executive Residences Apartment and Carriage Ways Apartment shall have appurtenant thereto as a Limited Common Element the mailbox situate on the Executive Residences Land Area or Carriage Ways Land Area, as applicable.

2. **COTTAGES AND VILLAS**. The following Limited Common Elements shall be appurtenant to certain Cottages and Villas, as follows:

(a) Cottage No. 302 shall have appurtenant thereto as Limited Common Elements the uncovered parking stalls located on certain roadways of the Project (such stalls are depicted on the Condominium Map and are identified thereon as Parking Stalls Nos. 1 through 188). The Owner of said Cottage No. 302 shall have the right, upon complying with the requirements of Section 514A-14 of the Act, to assign and reassign its Limited Common Element parking 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 the parking stalls, including, without limitation, repaving, repairing and restriping, shall be charged to the Owner of said Cottage in the manner provided for the allocation of costs and expenses for Limited Common Elements, as set forth above.

In the event that the Developer assigns or reassigns any parking stall or stalls noted above to another Apartment in the Project in accordance with Section 514A-14 of the Act, the parking stall so assigned or reassigned shall be deemed a Limited Common Element or Limited Common Elements (as applicable) appurtenant to said Apartment, and the owner of such Apartment shall have the right, upon complying with the requirements of Section 514A-14 of the Act, to assign or reassign any parking stall or stalls which are appurtenant to its Apartment to another Apartment; provided that a copy of any instrument effecting such assignment or reassignment shall be delivered to the Association for review and approval; and provided further that each Cottage shall at all times have the right to use two (2) parking stalls (consisting of one stall within said Owner's garage and one stall located on a roadway of the Project). All costs and expenses of maintaining said parking stall or stalls, including, without limitation, repaving, repairing, and restriping, shall be charged to the Owner of the Apartment to which such stall or stalls shall be appurtenant in the manner provided for the allocation of costs and expenses for Limited Common Elements as provided above.

(b) Each Cottage shall have appurtenant to it as a Limited Common Element the yard area assigned to such Cottage, which yard area is identified on the Condominium Map by the same numerical designation assigned to the Cottage to which the yard area is appurtenant (i.e., the yard area of Cottage No. 307 is identified on the Condominium Map as "Yard Area No. 307");

(c) All Cottages shall collectively have appurtenant thereto as Limited Common Elements the following: (i) the pipes, shafts, vents, ducts, pumps, cables, conduits, wiring and other utility and service lines running through the Cottages and the buildings thereof, and utility meters, which are utilized for or serve more than one Apartment, (ii) the structural components of the buildings in which Cottages are located, including foundations, floor slabs, columns, guides, beams, supports, exterior stairs and stairways, roofs and ceilings (excluding the decorated or finished interior surfaces of any ceiling, which is part of the Apartment), (iii) the fences surrounding all or a portion of the Limited Common Elements yard areas appurtenant to each Cottage and described in Section 2(b) above, and (iv) the perimeter walls of each building in which a Cottage is located, the undecorated or unfinished interior surfaces thereof and the decorated or finished exterior surfaces thereof.

(d) All Villas shall collectively have appurtenant thereto as Limited Common Elements the following: (i) the pipes, ducts, shafts, ducts, pumps, cables, conduits, wiring and other utility and service lines

running through the Villas and the buildings thereof, and utility meters, which are utilized for or serve more than one Apartment, (ii) the structural components of the buildings in which Villas are located, including foundations, floor slabs, columns, guides, beams, supports, exterior stairs and stairways, roofs and ceilings (excluding the decorated or finished interior surfaces of any ceiling), (iii) the perimeter walls of each building in which a Villa is located, the undecorated or unfinished interior surfaces thereof and the decorated or finished exterior surfaces thereof, and (iv) the land comprising "The Villas" Area 1, as "The Villas" Area 1 is depicted and identified on the Condominium Map, the landscaped areas within "The Villas" Area 1 and all other Improvements constructed thereon (other than the Apartments and Limited Common Elements described in Section 2(b) above and 2(e) and 2(j) below).

(e) The "porch" area of certain Cottages and Villas, as shown on the Condominium Map, shall be a Limited Common Element appurtenant to each such Cottage or Villa.

(f) Cottages Nos. 301 through 307 (inclusive) shall each have appurtenant thereto as a Limited Common Element the retaining wall constructed at the back-end of the Limited Common Element yard area appurtenant to each such Apartment.

(g) Certain Cottages shall have appurtenant thereto as a Limited Common Element the driveway serving such Apartments as follows:

(i.) Cottage Apartment Nos. 301 and 302 shall both have appurtenant thereto as a Limited Common Element the driveway identified on the Condominium Map as "Cluster 1" Roadway.

(ii.) Cottage Apartment Nos. 303 and 304 shall both have appurtenant thereto as a Limited Common Element the driveway identified on the Condominium Map as "Cluster 2" Roadway.

(iii.) Cottage Apartment Nos. 305 through 308 (inclusive) shall all have appurtenant thereto as a Limited Common Element the driveway identified on the Condominium Map as "Cluster 3" Roadway.

(iv.) Cottage Apartment Nos. 309 through 314 (inclusive) shall all have appurtenant thereto as a Limited Common Element the driveway identified on the Condominium Map as "Cluster 4" Roadway.

(v.) Cottage Apartment Nos. 315 through 320 (inclusive) shall all have appurtenant thereto as a Limited Common Element the driveway identified on the Condominium Map as "Cluster 5" Roadway.

(vi.) Cottage Apartment Nos. 321 through 327 (inclusive) shall all have appurtenant thereto as a Limited Common Element the driveway identified on the Condominium Map as "Cluster 6" Roadway.

(vii.) Cottage Apartment Nos. 328 through 335 (inclusive) shall all have appurtenant thereto as a Limited Common Element the driveway identified on the Condominium Map as "Cluster 7" Roadway.

(viii.) Cottage Apartment Nos. 336 through 343 (inclusive) shall all have appurtenant thereto as a Limited Common Element the driveway identified on the Condominium Map as "Cluster 8" Roadway.

(ix.) Cottage Apartment Nos. 344 through 351 (inclusive) shall all have appurtenant thereto as a Limited Common Element the driveway identified on the Condominium Map as "Cluster 9" Roadway.

(x.) Cottage Apartment Nos. 352 through 359 (inclusive) shall all have appurtenant thereto as a Limited Common Element the driveway identified on the Condominium Map as "Cluster 10" Roadway.

(xi.) Cottage Apartment Nos. 360 through 365 (inclusive) shall all have appurtenant thereto as a Limited Common Element the driveway identified on the Condominium Map as "Cluster 11" Roadway.

(h) All Cottages shall have appurtenant thereto as a Limited Common Element any group mailbox structures serving the Cottages.

(i) All Villas shall have appurtenant thereto as a Limited Common Element any group mailbox structures serving the Villas.

(j) Villa Nos. 1401-1403 (inclusive), 1410, 1411, 2401-2403 (inclusive), 2411-2413 (inclusive), 3401, 3402, 3409-3411 (inclusive), 4401-4403 (inclusive), 4410, 4411, 5401, 5402, 5409-5411 (inclusive) shall each have appurtenant thereto as a Limited Common Element the uncovered parking stall located immediately outside the front of each such Apartment. Each of these parking stalls is more particularly depicted on the Condominium Map.

EXHIBIT "G"

ENCUMBRANCES AGAINST TITLE

1. For real property taxes that may be due and owing, reference is made to the City and County of Honolulu Real Property Tax Assessment Division for information.

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

3. Shoreline setbacks: "Shoreline setbacks established pursuant to the laws of the State of Hawaii, or any political subdivision thereof, and any ordinances, rules or regulations adopted or promulgated by any governmental authority pursuant to such laws."

4. Seaward boundary: "Determination of the seaward boundary of the land described herein pursuant to the laws of the State of Hawaii."

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

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

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

8. Easement in favor of the City and County of Honolulu recorded at said Bureau on March 10, 1967 in Book 5599 at Page 402; 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":

   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.

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 of Luna-Kai Marina Park recorded at said Bureau on March 12, 1971 in Book 7444 at Page 188.

10. Easement in favor of the City and County of Honolulu recorded at said Bureau on January 7, 1972 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.

11. 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).

12. 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 October 2, 1989, recorded at said Bureau in Book 23720 at Page 249.

13. 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 recorded at said Bureau on August 15, 2000 as Document No. 2000-112963.

    Said Unilateral Agreement and Declaration for Conditional Zoning was further amended by that certain instrument recorded at said Bureau on November 29, 2000 as Document No. 2000-167451.

14. 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 on October 6, 1992 as Document No. 92-162308.

15. 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.

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 that certain Master Declaration for The Development of The Peninsula at Hawaii Kai dated August 8, 2001, recorded at said Bureau on September 24, 2001 as Document No. 2001-149858.

Said Master Declaration for The Development of The Peninsula at Hawaii Kai was amended by that certain instrument recorded at said Bureau on May 7, 2002 as Document No. 2002-080012.

Said Master Declaration for The Development of The Peninsula at Hawaii Kai was further amended by that certain instrument recorded at said Bureau on October 29, 2002 as Document No. 2002-193745.

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 I dated August 9, 2001, recorded at said Bureau on September 24, 2001 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 recorded at said Bureau on May 7, 2002 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, recorded at said Bureau on September 26, 2002 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 on October 29, 2002 as Document No. 2002-193746.

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 I dated August 9, 2001, recorded at said Bureau on September 24, 2001 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 recorded at said Bureau on May 7, 2002 as Document No. 2002-080011.

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

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 III dated April 16, 2002, recorded at said Bureau on May 16, 2002 as Document No. 2002-086839.

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 III dated April 16, 2002, recorded at said Bureau on May 16, 2002 as Document No. 2002-086840.

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

24. 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 on May 20, 2002 as Document No. 2002-088674.

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 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 on May 20, 2002 as Document No. 2002-088675.

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 6, 2002, recorded at said Bureau on May 13, 2002 as Document No. 2002-084074.

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 on June 24, 2002 as Document No. 2002-109810.

28. 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 on June 24, 2002 as Document No. 2002-109811.

EXHIBIT "H'

ESTIMATED MAINTENANCE FEES AND PRODUCT FEES

A description of the maintenance fees and/or Product Fees (as such term is defined in the Declaration) to be charged to each of the Apartments of the Project is set forth in Exhibits "H-1" through "H-4" attached hereto.

1. Maintenance Fees

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.

Although this Final Public Report only covers 103 Apartments of the Project, the maintenance fee calculations set forth in this Exhibit "H" are based upon a 218-apartment project.

TELEVISION CABLE IS NOT INCLUDED IN THE MAINTENANCE FEES FOR EACH APARTMENT AS OF THE EFFECTIVE DATE OF THIS 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 $58.38 FOR THESE SERVICES. THE $58.38 CHARGE IS FOR BASIC ANALOG SERVICE. EACH BUYER WILL HAVE THE OPTION TO UPGRADE TO DIGITAL CABLE SERVICE FOR AN ADDITIONAL $3.70 PER MONTH.

2. Product Fees

The Owners of certain "product types" (i.e., Carriage Ways, Cottages and Villas) shall also be charged, in addition to the above-mentioned maintenance fees, Product Fees (as such term is defined in the Declaration) for expenses attributable only to the Apartments of a particular product type. Accordingly, the expenses attributable to those Limited Common Elements of the Project serving all Carriage Ways Apartments (and only Carriage Ways Apartments) shall be shared equally by all Owners of Carriage Ways Apartments (i.e., each Owner of a Carriage Ways Apartment shall be responsible for a Product Fee equal to one (1) over the total number of Carriage Ways Apartments then-existing). The expenses attributable to those Limited Common Elements of the Project serving all Cottages or all Villas shall be charged to each Owner of a Cottage and Villa in accordance with said Owner's "Product Fee Share," which shall be calculated by dividing the net square footage of the subject Cottage or Villa (as applicable) by the total square footage of all Cottages or Villas, respectively. The Product Fees attributable to each Carriage Ways Apartment, Cottage and Villa are set forth in Exhibits "H-2", "H-3" and "H-4", respectively, all of which are attached hereto.

Based upon the foregoing, the total estimated monthly maintenance fees and Product Fees (if applicable) that will be charged to each Apartment of a particular product type are as follows:

Product Type	Total Estimated Maintenance and Product Fees Per Apartment
Executive Residences	$160.00
Carriage Ways	$185.00

Cottages (Type 1 Apartment)	$285.74
Cottages (Type 2 Apartment)	$274.07
Cottages (Type 3 Apartment)	$271.34
Cottages (Type 4 Apartment)	$295.71
Cottages (Type 5 Apartment)	$300.76
Cottages (Type 6 Apartment)	$301.52
Villas (Type 1 Apartment)	$310.94
Villas (Type 1A Apartment)	$310.94
Villas (Type 2 Apartment)	$327.65
Villas (Type 3 Apartment)	$330.15
Villas (Type 4 Apartment)	$364.68
Villas (Type 5 Apartment)	$384.87
Villas (Type 6 Apartment)	$403.88
Villas (Type 7 Apartment)	$406.23

THE AMOUNTS SET FORTH IN SAID EXHIBITS "H-1" THROUGH "H-4" 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.5 ON PAGE 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 - GENERAL COMMON ELEMENTS
Estimated Annual Common Expense

	Monthly	Annual
Utilities and Services		
Television		
Air Conditioning		
Electricity (common elements only)	$2,061.00	$24,732.00
Gas		
Water and Sewer	$22,348.00	$268,176.00
Refuse Collection	$10,534.00	$126,408.00
Telephone/Communication	$210.00	$2,520.00
Maintenance, Repairs, and Supplies		
Building		
Grounds	$5,912.00	$70,944.00
Management		
Management Fee	$4,771.00	$57,252.00
Payroll and Payroll Taxes	$8,971.00	$107,652.00
Office Expenses	$15,042.00	$180,504.00
Insurance	$2,876.00	$34,512.00
Reserves *	$116,790.00	$1,401,480.00
Taxes and Government Assessments	$95.00	$1,140.00
Professional Services - Audit	$420.00	$5,040.00
Other - Legal Expenses	$420.00	$5,040.00
Vehicle Costs	$105.00	$1,260.00
TOTAL	$190,555.00	$2,286,660.00

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 - GENERAL COMMON ELEMENTS, hereby certify that the above estimates of initial maintenance fee and assessments and maintenance fee disbursements were prepared in accorandance with generally accepted accounting principles.

Douglas Mattos
Vice President of Project Development

18-Apr-02
Date

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

* The $116,790 reserves amount noted above is being funded by Start-Up fees in an amount equivalent to two (2) months of maintenance 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 - GENERAL COMMON ELEMENTS
ESTIMATE OF INITIAL MAINTENANCE FEE
and
MAINTENANCE FEE DISTRIBUTION

ESTIMATE OF INITIAL MAINTENANCE FEE

APARTMENT TYPE		Monthly Fee x 12 mos.	Yearly
1	0.21831	$160.00	$1,920.00

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 - GENERAL COMMON ELEMENTS
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 - GENERAL COMMON ELEMENTS, hereby certify that a reserve study has been conducted in accorandance with 514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules,as amended.

Douglas Mattos
Vice President of Project Development

18-Apr-02
Date

EXHIBIT "H-2"

THE PENINSULA AT HAWAII KAI - THE CARRIAGEWAYS

Estimated Annual Common Expense

	Monthly	Annual
Utilities and Services		
Television		
Air Conditioning		
Electricity (common elements only)		
Gas		
Water	$606.00	$7,272.00
Refuse Collection		
Telephone/Communication		
Maintenance, Repairs, and Supplies		
Building		
Grounds	$525.00	$6,300.00
Management		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance	$139.00	$1,668.00
Reserves *	$4,101.00	$49,212.00
Taxes and Government Assessments	$25.00	$300.00
Professional Services - Audit		
Other - Legal Expenses		
Vehicle Costs		
TOTAL	$5,396.00	$64,752.00

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 CARRIAGEWAYS, hereby certify that the above estimates of initial product fee and assessments and product fee disbursements were prepared in accordance with the generally accepted accounting principles.

Douglas Mattos
Vice President of Project Development

10-Dec-01
Date

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

* The $4,101 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 CARRIAGEWAYS
ESTIMATE OF INITIAL PRODUCT FEE
and
PRODUCT FEE DISTRIBUTION

ESTIMATE OF INITIAL PRODUCT FEE

APARTMENT TYPE	Monthly Fee x 12 mos.	Yearly
1	$25.00	$300.00

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 CARRIAGEWAYS
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 CARRIAGEWAYS, hereby certify that a reserve study has been conducted in accordance with 514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Douglas Mattos
Vice President of Project Development

10-Dec-01
Date

EXHIBIT "H-3"
THE PENINSULA AT HAWAII KAI - THE COTTAGES
Estimated Annual Common Expense

	Monthly	Annual
Utilities and Services		
Television		
Air Conditioning		
Electricity (common elements only)	$245.00	$2,940.00
Gas		
Water	$1,143.00	$13,716.00
Refuse Collection		
Telephone/Communication		
Maintenance, Repairs, and Supplies		
Building		
Grounds	$4,575.00	$54,900.00
Management		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses	$975.00	$11,700.00
Insurance	$965.00	$11,580.00
Reserves*	$24,089.00	$289,068.00
Taxes and Government Assessments	$48.00	$576.00
Professional Services - Audit	$100.00	$1,200.00
Other - Legal Expenses	$100.00	$1,200.00
Vehicle Costs		
TOTAL	$32,240.00	$386,880.00

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 COTTAGES, 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

18-Apr-02
Date

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

* The $24,089 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 COTTAGES
ESTIMATE OF INITIAL PRODUCT FEE
and
PRODUCT FEE DISTRIBUTION

ESTIMATE OF INITIAL PRODUCT FEE

APARTMENT TYPE	Monthly Fee x 12 mos.	Yearly
1 = 1.506591	$125.74	$1,508.88
2 = 1.366717	$114.07	$1,368.84
3 = 1.334012	$111.34	$1,336.08
4 = 1.626084	$135.71	$1,628.52
5 = 1.686567	$140.76	$1,689.12
6 = 1.695720	$141.52	$1,698.24

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 COTTAGES
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 COTTAGES, hereby certify that a reserve study has been conducted in accordance with 514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Douglas Mattos
Vice President of Development

18-Apr-02
Date

EXHIBIT "H-4"
THE PENINSULA AT HAWAII KAI - THE VILLAS
Estimated Annual Common Expense

	Monthly	Annual
Utilities and Services		
Television		
Air Conditioning		
Electricity (common elements only)	$245.00	$2,940.00
Gas		
Water	$1,143.00	$13,716.00
Refuse Collection		
Telephone/Communication		
Maintenance, Repairs, and Supplies		
Building		
Grounds	$7,921.00	$95,052.00
Management		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance	$965.00	$11,580.00
Reserves *	$27,037.00	$324,444.00
Taxes and Government Assessments	$50.00	$600.00
Professional Services - Audit	$200.00	$2,400.00
Other - Legal Expenses	$200.00	$2,400.00
Vehicle Costs		
TOTAL	$37,761.00	$453,132.00

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 VILLAS, 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

18-Apr-02
Date

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

* The $27,037 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 VILLAS
ESTIMATE OF INITIAL PRODUCT FEE
and
PRODUCT FEE DISTRIBUTION

ESTIMATE OF INITIAL PRODUCT FEE

APARTMENT TYPE	Monthly Fee x 12 mos.	Yearly
1 = 1.388436	$150.94	$1,811.28
1A= 1.388447	$150.94	$1,811.28
2 = 1.542205	$167.65	$2,011.80
3 = 1.565192	$170.15	$2,041.80
4 = 1.882799	$204.68	$2,456.16
5 = 2.068514	$224.87	$2,698.44
6 = 2.243437	$243.88	$2,926.56
7 = 2.265022	$246.23	$2,954.76

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 VILLAS
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 VILLAS, hereby certify that a reserve study has been conducted in accorandance with 514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Douglas Mattos
Senior Account Executive

18-Apr-02
Date

EXHIBIT "I"

SUMMARY OF PURCHASE AGREEMENT

The specimen The Peninsula at Hawaii Kai – Project I 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 Fidelity National Title & Escrow of Hawaii, Inc. ("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 first month 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. 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.

L. Purchase and Sale Disclosure Addendum. This addendum sets forth disclosures regarding the various options and amenities that the Purchaser may elect to incorporate into his or her 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 May 25, 2001 ("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 The Peninsula at Hawaii Kai – Project I ("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 The Peninsula at Hawaii Kai – Project I 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, or (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 (other than the Developer) 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 Developer in the Declaration 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.

10. **USE OF YARD AREAS.** Except as otherwise permitted by the Design Guidelines or the Design Committee, the land and yard areas designated as Limited Common Elements shall be used only as open space areas, and no structure shall be erected thereon; provided that neatly-trimmed plants and grass, well-maintained gardens and well-maintained lawn furniture will be permitted within the yard areas.

11. **PROHIBITION AGAINST INCREASING ENCLOSED LIVING AREA.** Except as otherwise permitted in the Declaration or by the Design Guidelines, the enclosed living area of the Apartment of the Project (as such living area is depicted on the Condominium Map) on the date the Apartment is conveyed to an Owner by the Developer) may not be increased.

EXHIBIT "M"

SUMMARY OF DESIGN GUIDELINES

The Design Guidelines The Peninsula at Hawaii Kai – Project I ("Design Guidelines") 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 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, and the landscaping plan and design for Yard Areas of certain Apartments of the Project, 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 house and garden 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 or the Apartment Owner of any Yard Area, as appropriate, 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.

EXHIBIT "N"

SUMMARY OF OPTIONS AGREEMENT

The Options Agreement for The 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 Fidelity National and Title and Escrow Company ("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.