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 48 of 218 units) **
Address: 520 Lunalilo Home Road, Honolulu, Hawaii 96825

Registration No. 4938

Effective date: December 11, 2002
Expiration date: January 11, 2004

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.

___ **FINAL: (white)** The developer has legally created a condominium and has filed complete information with the Commission.

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

_X_ **SUPPLEMENTARY: (pink)** This report updates information contained in the:

- [ ] Preliminary Report dated: _____
- [ ] Contingent Final Public Report dated: _____
- [X] Final Public Report dated: October 2, 2002 (This Report covers 48 of the 218 units)**
- [ ] Supplementary Public Report dated: _____

And
- [ ] Supersedes all prior public reports
- [X] Must be read together with the Final Public Report dated October 2, 2002 and the Contingent Final Report (filed under Reg. No. 4869) dated June 25, 2002
- [ ] This report reactivates the _____

(*)Exactly as named in the Declaration

** The entire condominium project contains a total of 218 apartments. However, the Final Public Report noted above only covered 48 of the 218 apartments, as follows: Apartment Nos. 221-224 (inclusive), 234-247 (inclusive), and 336-365 (inclusive). The Developer shall obtain one or more Final Public Reports for the remaining apartments of the Project.

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

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report

[X] Not Required - Disclosures covered in this report or in the Final Public Report dated October 2, 2002 or in the Contingent Final Public Report (filed under Reg. No. 4869) dated June 25, 2002.

Summary of Changes from Earlier Public Reports:

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

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

[X] Changes made are as follows:

1. Exhibit "G" to the Contingent Final Public Report (filed under Reg. No. 4869) and Final Public Report have 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. See page 2A for details.

   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. See page 2A for details.

   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. See page 2A for details.

   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 Contingent Final Public Report (filed under Reg. No. 4869) and Final Public Report have 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. 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.

3. The Public Report Registration No. on page 19 of the Final Public Report should be 4938, not 4869.

SUMMARY OF ADDITIONAL AMENDMENTS

Second Amendment to Master Declaration

The Second Amendment discloses that Villas Nos. 2410, 3403, 3404, 3405, 3406, 3407 and 3408 are located within an area of exposure to noise which exceeds normal levels within residential areas and that such noise levels may not be acceptable to certain individuals. By acquiring any one of these apartments, the owner and others with an interest in the apartment hold the City and County of Honolulu and State of Hawaii harmless from liability arising from noise and/or vibration occurring at the apartment. The Amendment further indicates that the entire Luna-Kai Park may be acquired and conveyed by the developer to the Association.

Second Amendment to Declaration of CPR for Project I

The Second Amendment discloses that Villas Nos. 2410, 3403, 3404, 3405, 3406, 3407 and 3408 are located within an area of exposure to noise which exceeds normal levels within residential areas and that such noise levels may not be acceptable to certain individuals. By acquiring any one of these apartments, the owner and others with an interest in the apartment hold the City and County of Honolulu and State of Hawaii harmless from liability arising from noise and/or vibration occurring at the apartment. Changes were also made to some of the Product Fee Shares of the Villas apartments.

Third Amendment to Declaration of CPR for Project I

The Amendment indicates that the entire Luna-Kai Park may be acquired and conveyed by the developer to the Association. Also, the developer grants an exclusive use easement in favor of each Villa over the yard area assigned to such Villa, as such yard areas are depicted on the amended condominium map.

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. If the Luna-Kai Park is acquired by the Developer, the Association will be required to indemnify the current landowner, the Trustees of the Estate of Bernice Pauahi Bishop, as to the property conveyed, among other things.

3. 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 all of the Villas apartments in the project. Buyers should refer to pages 14 and 15 of Condominium Map 3339 to locate such easement areas.

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. 4938 filed with the Real Estate Commission on June 6, 2002

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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 "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:

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

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

    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.

NOTE: This Exhibit "G" is based on information contained in a title report dated October 29, 2002 issued by Fidelity National Title Insurance Company and replaces the Exhibit "G" in prior public reports as to the 48 affected units.

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 48 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 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.

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.