CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer: Centex Homes, a Nevada general partnership
Address: 69-289 Waikoloa Beach Drive, Waikoloa, Hawaii 96738

Project Name (*): Kolea Condominium Villas, Building No. 12
Address: 69-289 Waikoloa Beach Drive, Waikoloa, Hawaii 96738

Registration No. 5240 Effective date: December 23, 2003
Expiration date: September 23, 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. **Apartments are sometimes hereinafter referred to as Condominium Villas.**

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

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

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

Type of Report:

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

_x_ **CONTINGENT FINAL: (green)** The developer has legally created a condominium and has filed information with the Commission as to Condominium Villa Nos. 12A, 12B, 12C, 12D, 12E and 12F for this report which EXPIRES NINE (9) MONTHS after the above effective date. Contingent Final public reports may not be extended or renewed.
[x] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with _____

_____ **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 _____

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

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

(*) Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request. FORM: RECO-30286/9861189111901892/01971109810800/0203

4840-0467-4816.2

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

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

[ ] Changes made are as follows:

SPECIAL ATTENTION

This Contingent Final Public Report has been prepared by the Developer pursuant to §514A-39.5, HRS. The Real Estate Commission issued this report before the Developer submitted certain documents and information as more fully set forth in the statutory notice below. Sales Contracts executed pursuant to this report **are binding on the buyer under those conditions specified immediately below** and in Part V.B of this report found on pages 18 & 19 of this report. This report expires nine (9) months after the effective date of the report and may not be extended or renewed

This Contingent Final Public Report covers only Condominium Villa Nos. 12A, 12B, 12C, 12D, 12E and 12F. The name of the project is "Kolea Condominium Villas", but these condominium villas are referred to as "Kolea Condominium Villas, Building No. 12" for purposes of this Contingent Final Public Report. The other Condominium Villas in the Project will be covered by one or more separate Public Reports (Preliminary, Contingent Final and/or Final). See **Exhibit B** for further explanation.

STATUTORY NOTICE

"The effective date for the Developer's Contingent Final Public Report was issued before the Developer submitted to the Real Estate Commission: the executed and recorded deed or master lease for the project site; the executed construction contract for the project; the building permit; satisfactory evidence of sufficient funds to cover the total project cost; or satisfactory evidence of a performance bond issued by a surety licensed in the State of not less than one hundred percent of the cost of construction, or such other substantially equivalent or similar instrument or security approved by the Commission. Until the Developer submits each of the foregoing items to the Commission, all Purchaser deposits will be held by the escrow agent in a federally-insured, interest bearing account at a bank, savings and loan association, or trust company authorized to do business in the State. If the Developer does not submit each of the foregoing items to the Commission and the Commission does not issue an effective date for the Final Public Report before the expiration of the Contingent Final Public, then:

(1) The Developer will notify the Purchaser thereof by certified mail; and

(2) Either the Developer or the Purchaser shall thereafter have the right under Hawaii law to rescind the Purchaser's sales contract. In the event of a rescission, the Developer shall return all of the Purchaser's deposits together with all interest earned thereon, reimbursement of any required escrow fees, and, if the Developer required the Purchase to secure any financing commitment, reimburse any fees the Purchaser incurred to secure that financing commitment." (§514A-64.5, HRS)

The Developer is not required to submit but has for this registration submitted the following documents and information:
N/A

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EXHIBIT A: Rights Reserved by Developer
EXHIBIT B: Phasing of Project
EXHIBIT C: Common Elements and Limited Common Elements
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EXHIBIT E: Estimate of Initial Maintenance Fees and Maintenance Fee Disbursements
EXHIBIT F: Summary of Sales Contract
EXHIBIT G: Summary of Escrow 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 (I) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (I) 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:	Name* Centex Homes Business Address 69-289 Waikoloa Beach Drive Waikoloa, Hawaii 96738	Phone: (808) 886-8270 (Business)
	Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary): AAA Holdings, LP, general partner Centex Real Estate Corporation, general partner Nomas Corp., general partner	
Real Estate Broker*:	Name Centex Homes License No. RB 18098 Business Address 69-289 Waikoloa Beach Drive Waikoloa, Hawaii 96738	Phone: (808) 886-8270 (Business)
Escrow:	Name Title Guaranty Escrow Services, Inc. Business Address 235 Queen Street Honolulu, Hawaii 96813	Phone: (808) 521-0211 (Business)
General Contractor*:	Name Centex Homes Contractor's License No. BC-24111 Business Address 69-289 Waikoloa Beach Drive Waikoloa, Hawaii 96738	Phone: (808) 886-8270 (Business)
Condominium Managing Agent*:	Name Outrigger Hotels Hawaii, dba Outrigger Hotels and Resorts Business Address 2375 Kuhio Avenue Honolulu, Hawaii 96815	Phone: (808) 921-6619 (Business)
Attorney for Developer	Name Eric A. James, Esq. Business Address Carlsmith Ball, LLP, 1001 Bishop Street American Savings Bank Tower, Suite 2200 Honolulu, Hawaii 96813	Phone: (808) 523-2500 (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. 2003-031173
[ ]	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 Declaration of Condominium Property Regime of Kolea Condominium Villas dated November 12, 2003 recorded in said Bureau as Document No. 2003-248369.

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:	Condominium Map No. 3534
[ ]	Filed -	Land Court:	Document No.: _____

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

Revised Condominium Map recorded in said Bureau on November 12, 2003.

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. 2003-031174
[ ]	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 Kolea Condominium Villas dated November 12, 2003 recorded in said Bureau as Document No. 2003-248370.

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

The House Rules for this condominium are:

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

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

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	65%
House Rules	---	Board Vote

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

[ ] No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

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

See **Exhibit A**

III. THE CONDOMINIUM PROJECT

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

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

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

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

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

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

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

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

For Sub-leaseholds:

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

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

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

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

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

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

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

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

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. **Underlying Land:**

Address: 69-289 Waikoloa Beach Drive
Waikoloa, Hawaii 96738

Tax Map Key (TMK): (3) 6-9-11-19, 20 & 21

[ ] Address [ ] TMK

Land Area: 13.804* [ ] square feet [X] acre(s) Zoning: V-1.25 (Resort/Hotel)

* The Land is made up of three parcels, Lots 19, 20 and 21 of the Kolea Subdivision. Please note that the Declaration and Condominium Map reflect all one hundred twenty-six (126) Condominium Villas which the Developer currently intends to develop in the Project, although additional or fewer Buildings and/or Condominium Villas may be developed. Pursuant to the Developer's reserved rights under Section N.7 of the Declaration, the Developer has elected to develop and register the Project in phases, the phase covered under this Contingent Final Public Report being comprised of Building No. 12. The Developer currently intends to develop the Project in sixteen (16) phases. The other Condominium Villas in the Project will be covered by one or more separate Public Reports (Preliminary, Contingent Final and/or Final). Please see **Exhibit B** for further explanation. Please be advised that there is no guaranty that the other Condominium Villas or Buildings in the Project will be developed. See Sections N.7, N.8 and N.9 of the Declaration.

Fee Owner: Name
Centex Homes, a Nevada general partnership, as to Lot 19
Centex Land Investments LLC, a Delaware corporation, as to Lots 20 & 21
Address

Centex Land Investments	Centex Homes
Dallas, Texas 75201	69-289 Waikoloa Beach Drive
2728 North Harwood	Waikoloa, Hawaii 96738

Lessor: Name
not applicable
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: 1* Floors Per Building: 3

   [ ] Exhibit _____ contains further explanations

3. Principal Construction Material:
   [X] Concrete [ ] Hollow Tile [x] Wood
   [X] Other lap siding, tile roof

4. Uses Permitted by Zoning:

		No of Apts.	Use Permitted by Zoning	
[ ]	Residential		[ ] Yes	[ ] No
[ ]	Commercial		[ ] Yes	[ ] No
[ ]	Mix Res/Comm		[ ] Yes	[ ] No
[ ]	Hotel		[ ] Yes	[ ] No
[ ]	Timeshare		[ ] Yes	[ ] No
[ ]	Ohana		[ ] Yes	[ ] No
[ ]	Industrial		[ ] Yes	[ ] No
[ ]	Agricultural		[ ] Yes	[ ] No
[X]	Other (Resort)*	6	[X] Yes	[ ] No

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

* Please note that the Declaration and Condominium Map reflect all one hundred twenty-six (126) Condominium Villas contained in sixteen (16) Buildings which the Developer currently intends to develop in the Project, although additional or fewer Buildings and/or Condominium Villas may be developed. Pursuant to the Developer's reserved rights under Section N.7 of the Declaration, the Developer has elected to develop and register the Project in phases, the phase covered under this Contingent Final Public Report being comprised of six (6) Condominium Villas contained in Building No. 12. The other Condominium Villas in the Project will be covered by one or more separate Public Reports (Preliminary, Contingent Final and/or Final). Please see Exhibit B for further explanation. Please be advised that there is no guaranty that the other Condominium Villas or Buildings in the Project will be developed. See Sections N.7, N.8 and N.9 of the Declaration.

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 and other animals, except for seeing-eye dogs and other service animals, are prohibited.

[ ] Number of Occupants: _____

[X] Other: Section F of the Declaration provides that the Condominium Villas may be occupied and used only as private dwellings by the respective Owners thereof, their tenants, families, domestic servants or caregivers, and social guests. Under no circumstances may any of the Condominium Villas be used for timesharing, as such term is defined in Hawaii Revised Statutes, Chapter 514E. Daily rentals are permitted.

[ ] There are no special use restrictions

6. Interior (fill in appropriate numbers):

Elevators: 2 Stairways: 2 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
A	1	3/3	1,716	422	lanai
B	1	3/3 ½	2,147	429	lanai
C	1	3/3 ½	2,147	429	lanai
AR	1	3/3	1,716	422	lanai
BR	1	3/3-½	2,147	429	lanai
CR	1	3/3-½	2,147	429	lanai

Total Number of Apartments: 6**

*** Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.**

** Please note that the Declaration and Condominium Map reflect all one hundred twenty-six (126) Condominium Villas contained in sixteen (16) Buildings which the Developer currently intends to develop in the Project, although additional or fewer Buildings and/or Condominium Villas may be developed. Pursuant to the Developer's reserved rights under Section N.7 of the Declaration, the Developer has elected to develop and register the Project in phases, the phase covered under this Contingent Final Public Report being comprised of six (6) Condominium Villas contained in Building No. 12. The other Condominium Villas in the Project will be covered by one or more separate Public Reports (Preliminary, Contingent Final and/or Final). Please see Exhibit B for further explanation. Please be advised that there is no guaranty that the other Condominium Villas or Buildings in the Project will be developed. See Sections N.7, N.8 and N.9 of the Declaration.

Boundaries of Each Condominium Villa:
As set forth in Section B.2 of the Declaration, each Condominium Villa consists of the improvements, fixtures and space located within the undecorated or unfinished surfaces of each Building's perimeter walls, interior load-bearing walls, floors and ceilings. Purchasers should review Declaration Section B.2 for a full description of what is and what is not included in each Condominium Villa.

Permitted Alterations to Condominium Villas:
Generally, alterations to Condominium Villas are permitted only with the prior approval of the Project's Board of Directors. All purchasers should review the restrictions, requirements and conditions for Condominium Villa alterations which are contained in Section M.2 of the Declaration and Section J.6 of the Bylaws.

Apartments Designated for Owner-Occupants Only:
Fifty percent (50%) of residential apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11 a). Developer has not elected to provide the information in a published announcement or advertisement because of the Project's intended resort use.

7. Parking Stalls:

Total Parking Stalls: 44*

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	TOTAL
Assigned (for each Unit)	1	0	0	0	0	0	6
Guest	0	0	0	0	0	0	0
Unassigned	0	38	0	0	0	0	38
Extra for Purchase	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0

* Please note that the forty-four (44) parking stalls described herein include six (6) assigned covered parking stalls appurtenant to the six (6) Condominium Villas in Building No. 12 plus all of the unassigned, open parking spaces in the vicinity of Building Nos. 1-7, inclusive, and 12. Please note that the Declaration and Condominium Map reflect all one hundred twenty-six (126) Condominium Villas contained in sixteen (16) Buildings which the Developer currently intends to develop in the Project, although additional or fewer Buildings and/or Condominium Villas may be developed. Pursuant to the Developer's reserved rights under Section N.7 of the Declaration, the Developer has elected to develop and register the Project in phases, the phase covered under this Contingent Final Public Report being comprised of six (6) Condominium Villas contained in Building No. 12. The other Condominium Villas in the Project will be covered by one or more separate Public Reports (Preliminary, Contingent Final and/or Final). Please see **Exhibit B** for further explanation. Please be advised that there is no guaranty that the other Condominium Villas or Buildings in the Project will be developed. See Sections N.7, N.8 and N.9 of the Declaration.

Total Covered & Open	44	0	0	44

Each apartment will have the exclusive use of at least one (1) parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[X] There are no recreational or common facilities

[ ] Swimming Pool [ ] Storage Area [ ] Recreation Area

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

[ ] Other:

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

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

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

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

Not applicable.

11. Conformance to Present Zoning Code

a. [X] No variances to zoning code have been granted.

[ ] Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structure, 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 nonconformity, and restrictions on altering and repairing structures. In some cases, a nonconforming 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 C**

[ ] 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 C***

[ ] as follows:

*Note: Land areas referenced herein are not legally subdivided lots.

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

[ ] described in Exhibit ___

[X] as follows:

Condominium Villa No.	Common interest (%)
12A	0.841202 %
12B	1.013535 %
12C	1.013535 %
12D	0.841202 %
12E	1.013535 %
12F	1.013535 %

Notwithstanding the foregoing Common Interest percentages, pursuant to Section N.7 of the Declaration, Common Expenses shall be calculated from time to time based on the number of Condominium Villas which have been constructed. Please refer to **Exhibit B** for further explanation.

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 D describes the encumbrances against the title contained in the title report dated November 7, 2003 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

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

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
The land underlying the Project is presently subject to three (3) mortgages and a financing statement made by the fee owner and the fee owner's predecessor-in-interest that will be released upon the closing of the Developer's purchase of the fee interest.	If the existing mortgages and financing statement are foreclosed upon prior to conveyance to the purchaser, the purchaser will be entitled to a refund of deposits held in escrow, if any, and to exercise the purchaser's rights in the purchase contract against the developer.

F. **Construction Warranties:**

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

1. Building and Other Improvements:

The Developer represents and warrants that the quality of the workmanship and construction of the Condominium Villa shall be at least equivalent to that found in comparable residential condominium projects built in Hawaii as of the date of the Sales Contract ("Seller's Warranty"). The warranty period for Seller's Warranty shall be one (1) year from the Closing Date. Seller shall correct any claims for defective work reported in writing to Seller within the one (1) year warranty period.

2. Appliances:

In addition, Seller shall assign to Purchaser, without recourse, any manufacturer's or dealer's warranties covering the furnishings and appliances in the Condominium Villa.

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

Site work for the Project has commenced. Construction of Building No. 12 is expected to commence in September 2004 and is currently expected to be completed in September 2005. Please note that these dates are estimates only and the actual dates of completion may vary.

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):

1. Under Section N.7 of the Declaration, the Developer has elected to develop and register the Project in two (2) or more phases, the phase covered under this Contingent Final Public Report being comprised of six (6) Condominium Villas contained in Building No. 12. The other Condominium Villas and Buildings in the Project will be covered by one or more separate Public Reports (Preliminary, Contingent Final and/or Final). Please be advised that there is no guaranty that the other Condominium Villas or Buildings in the Project will be developed. See Sections N.7, N.8 and N.9 of the Declaration.

IV. CONDOMINIUM MANAGEMENT

A. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

[X] not affiliated with the Developer
[ ] self-managed by the Association of Apartment Owners
[ ] the Developer or Developer's affiliate
[ ] Other: Not determined yet

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

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

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

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

C. **Utility Charges for Apartments:**

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

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

[n/a] Gas (____ Common Elements only ____ Common Elements & Apartments)

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

[X] Other elevator, refuse collection

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:

[n/a] Notice to Owners Occupants

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

[X] Escrow Agreement dated October 28, 2002
Exhibit G contains a summary of the pertinent provisions of the escrow agreement.

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

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

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

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

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

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

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

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

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

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

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

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

A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
B) Declaration of Condominium Property Regime, as amended.
C) Bylaws of the Association of Apartment Owners, as amended.
D) House Rules, if any.
E) Condominium Map, as amended.
F) Escrow Agreement.
G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-1 07, adopted by the Real Estate Commission, as amended).
H) Other: (i) Kolea Declaration of Covenants, Conditions and Restrictions, as amended and supplemented from time to time; (ii) Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort, as amended and supplemented from time to time; and (iii) Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resorts Conference, as amended and supplemented from time to time; and (iv) Kolea Disclosure Statement.

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

This Public Report is a part of Registration No. 5240 filed with the Real Estate Commission on December 2, 2003.

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

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

C. **Additional Information Not Covered Above**

The Project is part of a master-planned community known as Kolea (the "Planned Community"). The Planned Community is intended to be developed and sold in multiple phases. It is currently contemplated that, when fully completed, the Planned Community will encompass residential parcels, a Beach Club and the Project. The Planned Community will also include a public beach access parking area with pedestrian walkway and shoreline pathway. The developer, however, makes no guarantee or warranty that all of the currently planned lots, Buildings and Condominium Villas or recreational amenities will be developed.

The developer is currently developing and selling subdivided lots in the Planned Community that are designated for single-family residential use and that are located adjacent to or in the general vicinity of the Project. The Developer has not registered those lots with the Subdivision Registration Division of the State of Hawaii Department of Commerce and Consumer Affairs or with the U.S. Department of Housing and Urban Development's Office of Interstate Land Sales Registration. Nevertheless, the Developer has prepared and is providing to lot purchasers a Disclosure Statement that contains extensive information regarding the Planned Community, its physical environment and other items which may be of interest to Condominium Villa purchasers. Accordingly, the Disclosure Statement will be made available to prospective purchasers.

The purchase of a condominium unit in the Kolea Condominium Villas, Building No. 12, does not confer upon the purchaser any rights to the subdivided lots, which are currently being sold independent of the condominium units, nor are the condominium purchasers obligated to buy lots. Likewise, lot sales do not afford lot purchasers any rights to the condominium project. Such lot and condominium unit sales are completely separate.

D. 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.

Centex Homes, a Nevada general partnership
Printed Name of Developer

By: _____ Nov. 18, 2003
Duly Authorized Signatory* Date

Bruce N. Sloan, Division President
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

*** 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

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

(A) As set forth in Section N.1 (Reservation of Power to Grant Easements) of the Declaration, the Developer may exercise its reserved right to grant from time to time within the Common Elements, including without limitation the roadways, parking areas, parking stalls and walkways in the Project, (a) easements and right-of-ways over, under and across the Common Elements for pedestrian and vehicular access, parking, utilities, sanitary and storm sewers, drains, cable television and other utility services, (b) in its capacity as Declarant under the Kolea Declaration, easements as provided in Section X of the Kolea Declaration, and (c) the right to relocate, realign or cancel the same, provided that such easements, their use, relocation, realignment or cancellation shall not materially impair or interfere with the use of any Condominium Villa.

(B) As set forth in Section N.3 (Required Amendments) of the Declaration, the Developer may exercise its reserved right to make, at any time prior to the recordation of a Condominium Villa Deed for the last Condominium Villa in the Project, amendments to the Declaration, the Bylaws, or the Condominium Map that are required by law, by the Real Estate Commission, by a title insurance company, by a mortgage lender, or by any governmental agency (including the VA, HUD, FNMA and/or FHLMC), provided that such amendments shall not change the Common Interest appurtenant to a Condominium Villa or substantially change the design, location or size of any Condominium Villa for which a Condominium Villa Deed has been recorded.

(C) As set forth in Section N.4 (Reconfiguration of Condominium Villas) of the Declaration, the Developer may amend the Declaration, Bylaws and Condominium Map, at any time prior to the recordation of a Condominium Villa Deed for such Condominium Villa, to reconfigure the interior space of any of the Condominium Villas as shown on the Condominium Map to, among other things, increase or decrease the interior square footage of a Condominium Villa, or install, remove, alter, relocate or rearrange floors, interior walls, partitions, ceilings, structures, exterior doors, fixtures, pipes, wiring, ducts, valves, conduits, controls, cables and other equipment serving such Condominium Villa, regardless of whether such equipment is located outside of such Condominium Villa. In no event, however, shall such amendments affect the Common Interest appurtenant to any Condominium Villa.

(D) As set forth in Section N.5 (Reserved Right to Combine Adjoining Condominium Villas) of the Declaration, the Developer, as an Owner of adjoining Condominium Villas, may exercise its reserved right to alter or remove all or portions of the non-structural or load-bearing portion of the intervening wall which separates such Condominium Villas if the structural integrity of the Project is not thereby affected and if any Common Elements affected are restored to a condition comparable to that of the Common Elements prior to such alteration of such Common Elements. The Declarant may install in and attach to such opening or openings in such wall, doors and other service devices and may remove and retain ownership of the items so installed. Upon termination of the common ownership of such adjoining Condominium Villas, any intervening wall which has been altered or removed pursuant to the foregoing provisions shall be restored at the Declarant's sole expense to substantially the condition which existed prior to such alteration or removal, if the new Owner or Owners do not consent to such alteration.

(E) As set forth in Section N.6 (Amendment and Supplement of Kolea Declaration and Design Guidelines) of the Declaration, the Developer, as the Declarant and Successor Declarant under the Kolea Declaration, reserves the right to amend and/or supplement the Kolea Declaration and the Design Guidelines in accordance with Articles XVI and V of the Kolea Declaration, respectively.

(F) As set forth in Section N.7 (Reserved Right to Construct the Project in Phases) of the Declaration, the Developer reserves the right to construct the Project in two or more phases. For further explanation, please refer to **Exhibit B** of this Contingent Final Public Report.

(G) As set forth in Section N.8 (Reserved Right to Reduce or Increase the Total Number of Buildings and/or Condominium Villas in the Project) of the Declaration, the Developer reserves the right at any time prior to December 31, 2012 to reduce or increase the total number of buildings and/or Condominium Villas comprising the Project. As part of such reserved right the Developer may make adjustments to the Common Interest and amend the Declaration, Bylaws and Condominium Map in the exercise of its reserved rights under Section N.8.

(H) As set forth in Section N.9 (Developer's Options to Subdivide and Withdraw Areas) of the Declaration, the Developer shall have the right, at any time up to but not later than December 31, 2012, to amend the Declaration, Bylaws and Condominium Map in connection with the subdivision of the Land and withdrawal therefrom of all or a portion of the Project which has not been improved with any of the improvements described in the Declaration or shown on the Condominium Map and which improvements shall not be then described in a final public report, for which an effective date has been issued by the Real Estate Commission.

(I) As set forth in Section O (Amendment of Declaration) of the Declaration, the Developer has reserved the right to amend the Declaration to file the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of the Act, so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict the layout, location, Condominium Villa numbers and dimensions of the Condominium Villas as built, or so long as any plans filed therewith involve only non-material changes to the layout, location, Condominium Villa numbers and dimensions of the Condominium Villas as built.

(J) As set forth in Section O (Amendment of Declaration) of the Declaration, the Developer has reserved the right to amend the Declaration to assign or change, from time to time, the assignments of individual parking garages and connected storage closets to individual Condominium Villas for which a Condominium Villa Deed has not been recorded, which assignments or changes in assignments shall be accomplished by an amendment to the Declaration.

EXHIBIT B

PHASING OF PROJECT

Pursuant to Section N.7 of the Declaration, the Developer has reserved the right to develop the Project in phases, with the phase being covered under this Contingent Final Public Report being comprised of Building No. 12. The Developer is under no obligation to construct any Condominium Villas in the Project unless such Condominium Villas are covered under a Final Condominium Public Report and the Developer may amend the description of any Condominium Villa described in the Declaration at any time prior to obtaining a Final Condominium Public Report covering such Condominium Villa. As part of such development in phases:

(A) The phases are to be developed on three (3) subdivided lots all covered by a single declaration, with a number of phases located on each lot.

(B) The Developer may file separate Preliminary, Contingent Final and/or Final Public Reports for any phase of the Project with the Real Estate Commission of the State of Hawaii.

(C) The site work and improvements for the Project may be undertaken in phases. The site improvements in future phases are not integral to those earlier built.

(D) The Developer does not intend to build any common facilities in future phases for the benefit of owners in all phases.

(E) Each Condominium Villa's share of the Common Expenses shall be calculated from time to time based on the number of Condominium Villas which have been constructed. Each Condominium Villa's share of the Common Expenses shall be calculated based on a fraction, the numerator of which shall be such Condominium Villa's Common Interest set forth in Exhibit C to the Declaration and the denominator of which shall be the aggregate Common Interest set forth in Exhibit C to the Declaration of all Condominium Villas for which a Certificate of Occupancy has been issued.

For Building No. 12 of the Project, each Condominium Villa's share of the Common Expenses following the issuance of a Certificate of Occupancy for such Condominium Villas shall be as follows:

Condominium Villa No.	Common Interest	Share of Common Expenses
12A	0.841202 %	14.664 %
12B	1.013535 %	17.668 %
12C	1.013535 %	17.668 %
12D	0.841202 %	14.664 %
12E	1.013535 %	17.668 %
12F	1.013535 %	17.668 %

As Certificates of Occupancy are issued for additional Condominium Villas in the Project, the shares of Common Expenses for the foregoing Condominium Villas will be adjusted to reflect the additional Condominium Villas.

(F) Effective dates have been issued by the Real Estate Commission for Final Public Reports for Building Nos. 2-7, inclusive. Therefore, the Developer is obligated to proceed with construction of Building Nos. 2-7, inclusive. Until effective dates for Final Public Reports have been issued for the remaining Buildings in the Project, there is no guaranty that the other Condominium Villas or Buildings in the Project will be developed.

(G) In order to carry out the provisions of, or exercise the rights, powers or privileges reserved in, Section N.7 of the Declaration, the Developer may file amendments to the Declaration, Bylaws and/or Condominium Map for the Project to describe any changes to the Condominium Villas or Buildings or Common Elements therein described at any time, notwithstanding the lease, sale or conveyance of any or all of the Condominium Villas in the Project, and the Developer may execute, file and deliver any such amendment to the Declaration, Bylaws and/or the Condominium Map for the Project and to such Condominium Villa Deeds as may have been issued, and any and all other instruments necessary or desirable.

EXHIBIT C

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

The Common Elements of the Project include:

1. The Land, in fee simple, and any and all easements and appurtenances thereto.

2. (i) All unfinished or undecorated portions of all perimeter (including party) walls and interior load-bearing walls; (ii) the undecorated or unfinished surfaces of the floors and ceilings surrounding each Condominium Villa; (iii) all structural components, floor slabs, foundations, columns, girders, beams, supports, shafts, ceilings and spaces between the ceiling and the floor slab or roof above; (iv) all lanais, including but not limited to, lanai slabs and railings; (v) roofs and exterior surfaces of the buildings, including any paint or coating thereon; (vi) any pipes, shafts, ducts, pumps, valves, wires, conduits or other utility or service lines which are utilized for or serve more than one Condominium Villa; and (vii) all exterior windows.

3. All grounds, planters, landscaping, and refuse facilities, if any.

4. All roadways, parking areas, including, but not limited to, uncovered parking stalls, driveways, and walkways.

5. All ducts, pumps, valves, sewer lines, drain lines, electrical equipment, cables, wiring, chutes, pipes, shafts, wires, conduits or other utility or service lines which are utilized for or serve any Common Element or more than one Condominium Villa and other central and appurtenant transmission facilities over, under and across the Project which serve any Common Element or more than one Condominium Villa for services such as power, light, water, gas, sewer, refuse, telephone and radio and cable television signal distribution.

6. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

The Limited Common Elements of the Project include:

1. Parking and Storage Closet. Each Condominium Villa shall have as a Limited Common Element the enclosed parking garage and storage closet or the carport parking stall and storage closet connected thereto as designated for such Condominium Villa on Exhibit C to the Declaration and shown on the Condominium Map.

2. Lanais. Each Condominium Villa shall have as a Limited Common Element the covered and uncovered lanais, including appurtenant flooring, lighting fixtures, ceiling fans and outdoor kitchens, if any, adjoining the Condominium Villa, as shown on the Condominium Map.

3. Air Conditioning. Each Condominium Villa shall have as a Limited Common Element the air conditioning unit including, but not limited to, any controls, valves, piping, vents, ducts, compressor, fan, refrigerant coil and piping, condensate drain pan and piping, filters and other related equipment and apparatus, serving such Condominium Villa as shown on the Condominium Map.

4. Stairways and Elevators. Each Condominium Villa type B, BR, C, and CR shall have as appurtenant Limited Common Elements the stairway and elevator providing access to such Condominium Villa as shown on the Condominium Map. Each elevator shall be separately keyed by floor.

The Common Interest for the Condominium Villas in Building No. 12 of the Project set forth in the Declaration are as follows:

Condominium Villa No.	Common Interest
12A	0.841202 %
12B	1.013535 %
12C	1.013535 %
12D	0.841202 %
12E	1.013535 %
12F	1.013535 %

Notwithstanding the foregoing Common Interest percentages, pursuant to Section N.7 of the Declaration, Common Expenses shall be calculated from time to time based on the number of Condominium Villas which have been constructed. Please refer to **Exhibit B** for further explanation.

EXHIBIT D

ENCUMBRANCES AGAINST TITLE

The following are the encumbrances against title to the Project that are contained in the title report dated November 7, 2003 and issued by Title Guaranty of Hawaii, Inc.:

1. For real property taxes due and owing, reference is made to the Director of Finance, County of Hawaii.

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

3. As to Lot 19 only:

   (A) Designation of Easement "17" for sanitary sewer purposes, as shown on File Plan 2334.

   (B) Grant dated March 28, 1980, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14670, Page 692, in favor of Waikoloa Resort Utilities, Inc., as amended by instrument dated June 1, 1986, recorded in said Bureau in Liber 19773, Page 655; granting a perpetual, nonexclusive right and easement for utility purposes over, under, across and through said Easement "2".

   (C) Grant dated November 20, 1980, recorded in said Bureau in Liber 15446, Page 63, in favor of Hawaii Electric Light Company, Inc., and Hawaiian Telephone Company (now known as Verizon Hawaii Inc.), as amended by Amendment of Easements R-1 to R-4 dated June 1, 1986, recorded in said Bureau in Liber 19750, Page 569, said amendment being amended by Correction of Amendment of Easements R-1 to R-4, dated August 18, 1986, recorded in said Bureau in Liber 19791, Page 552; granting a perpetual nonexclusive utility easement upon, across, through and under said Easement "2".

   (D) Grant dated March 28, 1980, recorded in said Bureau in Liber 14670, Page 692, in favor of Waikoloa Resort Utilities, Inc., as amended by instrument dated June 1, 1986, recorded in said Bureau in Liber 19773, Page 655; granting a perpetual, nonexclusive right and easement for utility purposes over, under, across and through said Easement "12".

   (E) Grant dated November 20, 1980, recorded in said Bureau in Liber 15501, Page 694, in favor of Hawaii Electric Light Company, Inc., and Hawaiian Telephone Company (now known as Verizon Hawaii Inc.), as amended by Amendment of F. P. 1562 Joint Underground Easements dated June 1, 1986, recorded in said Bureau in Liber 19750, Page 607; granting a perpetual nonexclusive easement for utility purposes upon, across, through and under said Easement "12".

   (F) Grant of Easement dated October 31, 2002, recorded in said Bureau as Document No. 2002-015924, to Hawaiian Electric Light Company, Inc., as amended by Designation of Easements E-1 & E-2 and Amendment to Grant of Easement dated November 5, 2003, recorded in said Bureau as Document No. 2003-244975; granting perpetual right and easement for utility purposes.

   (G) Designation of Easement "E-1" for electrical purposes, as set forth by instrument dated November 5, 2003, recorded in said Bureau as Document No. 2003-244975, said Easement being more particularly described therein.

   (H) Designation of Easement "E-2" for electrical purposes, as set forth by instrument dated November 5, 2003, recorded in said Bureau as Document No. 2003-244975, said Easement being more particularly described therein.

   (I) Grant dated November 4, 2003, recorded in said Bureau as Document No. 2003-250928, to Waikoloa Resort Utilities, Inc., a Hawaii corporation, dba West Hawaii Utilties Company, granting a perpetual non-exclusive right and easement for utility purposes over, under, across and through said Easement "17".

   (J) Grant dated November 4, 2003, recorded in said Bureau as Document No. 2003-250928, to Waikoloa Resort Utilities, Inc., a Hawaii corporation, dba West Hawaii Utilties Company, granting a perpetual non-exclusive right and easement for utility purposes over, under, across and through Easements "U-1" and "U-2", as described therein.

4. As to Lots 19 and 20 only:

(A) Designation of Easement "18" for sanitary sewer purposes, as shown on File Plan 2334.

(B) Grant dated March 28, 1980, recorded in said Bureau in Liber 14670, Page 692, in favor of Waikoloa Resort Utilities, Inc., as amended by instrument dated June 1, 1986, recorded in said Bureau in Liber 19773, Page 655; granting a perpetual, nonexclusive right and easement for utility purposes over, under, across and through said Easement "11".

(C) Grant dated November 20, 1980, recorded in said Bureau in Liber 15501, Page 694, in favor of Hawaii Electric Light Company, Inc., and Hawaiian Telephone Company (now known as Verizon Hawaii Inc.), as amended by Amendment of F. P. 1562 Joint Underground Easements dated June 1, 1986, recorded in said Bureau in Liber 19750, Page 607; granting a perpetual nonexclusive easement for utility purposes upon, across, through and under said Easement "11".

(D) Grant dated November 4, 2003, recorded in said Bureau as Document No. 2003-250928, to Waikoloa Resort Utilities, Inc., a Hawaii corporation, dba West Hawaii Utilties Company, granting a perpetual non-exclusive right and easement for utility purposes over, under, across and through said Easement "18".

5. As to Lots 20 and 21 only:

(A) Mortgage and Financing Statement dated August 21, 1989, recorded in said Bureau in Liber 23547, Page 431, made by Waikoloa Land & Cattle Co., a Hawaii limited partnership, as Mortgagor, in favor of First Hawaiian Bank, a Hawaii corporation, and Wells Fargo Realty Advisors Funding, Incorporated, a Colorado corporation, now known as Wells Fargo Bank, National Association, a national association, as Mortgagee.

Subordination Agreement dated --- (acknowledged August 15, 1989), recorded in said Bureau in Liber 23547, Page 607, executed by Waikoloa Development Co., a Hawaii limited partnership, as an inducement to First Hawaiian Bank, a Hawaii corporation, and Wells Fargo Realty Advisors Funding, Incorporated, a Colorado corporation, now known as Wells Fargo Bank, National Association, a national association, "Lenders", to make advances to Waikoloa Land & Cattle Co., a Hawaii limited partnership, "Borrower", in the aggregate principal amount of $30,000,000.00.

Above Mortgage amended by instrument dated April 4, 2001, recorded in said Bureau as Document No. 2001-048458.

Cross-Default and Cross-Collateralization Agreement dated March 25, 1997, recorded in said Bureau as Document No. 97-047380, by and among Waikoloa Development Co., a Hawaii limited partnership, Waikoloa Land & Cattle Co., a Hawaii limited partnership, and First Hawaiian Bank, a Hawaiian corporation, and Wells Fargo Bank, National Association, successor in interest to Wells Fargo Realty Advisors Funding, Incorporated, a Colorado corporation.

Above Agreement amended by instrument dated April 4, 2001, recorded in said Bureau as Document No. 2001-048459.

Joinder, Consent and Subordination to Declarations dated as of April 4, 2001, recorded in said Bureau as Document No. 2001-055359, by First Hawaiian Bank, a Hawaii corporation, and Wells Fargo Bank, National Association, a national association; re: Subordinates said Mortgage to Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort recorded in said Bureau in Liber 14670, Page 531, as amended and/or supplemented, and Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort Conference recorded in said Bureau in Liber 14670, Page 631, as amended and/or supplemented, and Declaration of Development Covenants, Conditions and Restrictions recorded in said Bureau as Document No. 2001-048453.

(B) Financing Statement recorded in said Bureau on August 21, 1989 in Liber 23547, Page 542, by Waikoloa Land & Cattle Co., a Hawaii limited partnership, as Debtor, and First Hawaiian Bank, a Hawaii corporation, and Wells Fargo Realty Advisors Funding, Incorporated, a Colorado corporation, now known as Wells Fargo Bank, National Association, a national association, as Secured Party.

Continuation recorded in said Bureau on July 29, 1994 as Document No. 94-126682.

Continuation recorded in said Bureau on May 28, 1999 as Document No. 99-086367.

(C) Terms, provisions, covenants, conditions and reservations contained in Declaration of Development Covenants, Conditions and Restrictions dated April 4, 2001, recorded in said Bureau as Document No. 2001-048453.

Joinder, Consent and Subordination to Declarations dated as of April 4, 2001, recorded in said Bureau as Document No. 2001-055359, by First Hawaiian Bank, a Hawaii corporation, and Wells Fargo Bank, National Association, a national association; re: Subordinates Mortgage recorded in said Bureau in Liber 23547, Page 431, as amended, to said Declaration.

(D) Mortgage, Security Agreement and Financing Statement dated April 4, 2001, recorded in said Bureau as Document No. 2001-048455, made by Centex Land Investments, LLC, a Delaware limited liability company, as Mortgagor, in favor of Waikoloa Land & Cattle Co., a Hawaii limited partnership, as Mortgagee, as amended by instrument dated May 28, 2002, recorded in said Bureau as Document No. 2002-120891.

(E) Mortgage, Security Agreement and Financing Statement (Premium Participation Mortgage) dated April 4, 2001, recorded in said Bureau as Document No. 2001-048456, made by Centex Land Investments, LLC, a Delaware limited liability company, as Mortgagor, in favor of Waikoloa Land & Cattle Co., a Hawaii limited partnership, as Mortgagee.

(F) Terms, provisions, covenants, conditions and reservations contained in that certain unrecorded Option Agreement and Escrow Instructions dated April 4, 2001, executed by Waikoloa Land & Cattle Co., a Hawaii limited liability partnership, as "Seller", and Centex Land Investments, LLC, a Delaware limited liability company, as "Buyer", a Memorandum of Option is dated April 4, 2001, recorded in said Bureau as Document No. 2001-048457.

(G) Memorandum of Option Agreement dated October 25, 2002 recorded in said Bureau as Document No. 2002-191799, made by and between Centex Land Investments, LLC, a Delaware limited liability company, as "Optionor", and Centex Homes, a Nevada general partnership, as "Optionee."

6. Terms, provisions, covenants, conditions and reservations contained in Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort dated as of April 1, 1980, effective on April 23, 1980, recorded in said Bureau in Liber 14670, Page 531, as amended and/or supplemented, including as amended and supplemented by Supplemental Declaration dated May 1, 1989, recorded in said Bureau in Liber 23179, Page 433, instrument dated April 4, 2001, recorded in said Bureau as Document No. 2001-048450, and by Fourth Amendment to Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort dated June 6, 2001, recorded in said Bureau as Document No. 2001-085464.

Joinder, Consent and Subordination to Declarations dated as of April 4, 2001, recorded in said Bureau as Document No. 2001-055359, by First Hawaiian Bank, a Hawaii corporation, and Wells Fargo Bank, National Association, a national association; re: Subordinates Mortgage recorded in said Bureau in Liber 23547, Page 431, as amended, to said Declaration.

7. Terms, provisions, covenants, conditions and reservations contained in Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort Conference dated as of April 1, 1980, effective on April 23, 1980, recorded in said Bureau in Liber 14670, Page 631, as amended and/or supplemented, including as amended and supplemented by instrument dated April 4, 2001, recorded in said Bureau as Document No. 2001-048451, and by Supplemental Declaration dated December 27, 1990, recorded in said Bureau as Document No. 91-160953.

Joinder, Consent and Subordination to Declarations dated as of April 4, 2001, recorded in said Bureau as Document No. 2001-055359, by First Hawaiian Bank, a Hawaii corporation, and Wells Fargo Bank, National Association, a national association; re: Subordinates Mortgage recorded in said Bureau in Liber 23547, Page 431, as amended, to said Declaration.

8. Terms, provisions, covenants, conditions and reservations contained in Certification of Permit, PODCO-0 1812-SD-A, Waikoloa Beach Resort, dated September 23, 1993, recorded in said Bureau as Document No. 93-157063, by and between HRW Limited Partnership, a Hawaii limited partnership, "HRW", Lanpar/HTL Associates, a Hawaii general partnership, "Lanpar", and Waikoloa Land & Cattle Co., a Hawaii limited partnership, "WLCC".

9. Terms, provisions, covenants, conditions and reservations contained in Deed with Covenants and Reservation of Easements and Other Rights dated April 4, 2001, recorded in said Bureau as Document No. 2001-048454.

10. Terms, provisions, covenants, conditions and reservations contained in Kolea Declaration of Covenants, Conditions and Restrictions dated September 26, 2002, recorded in said Bureau as Document No. 2002-197582.

Assignment and Assumption of Declarant's Rights and Obligations Under Kolea Declaration of Covenants, Conditions and Restrictions dated September 26, 2002, recorded in said Bureau as Document No. 2002-197583, made by and between Centex Land Investments, LLC, a Delaware limited liability company, "Original Declarant", and Centex Homes, a Nevada general partnership, "Successor Declarant".

11. Terms, provisions, covenants, conditions and reservations contained in Declaration of Access Easement dated December 9, 2002, recorded in said Bureau as Document No. 2002-223651.

12. Declaration of Condominium Property Regime of Kolea Condominium Villas dated February 19, 2003 recorded on February 20, 2003 in said Bureau as Document No. 2003-031173, as amended by First Amendment to Declaration of Condominium Property Regime of Kolea Condominium Villas dated November 12, 2003 recorded in said Bureau as Document No. 2003-248369.

13. Bylaws of the Association of Owners of Kolea Condominium Villas recorded on February 20, 2003 in said Bureau as Document No. 2003-031174, as amended by First Amendment to Bylaws of the Association of Owners of Kolea Condominium Villas dated November 12, 2003 recorded in said Bureau as Document No. 2003-248370.

14. Condominium Map No. 3534 filed in said Bureau, as amended by instrument recorded in said Bureau on November 12, 2003.

15. Grant dated October 2, 2003, recorded in said Bureau as Document No. 2003-224225, in favor of Verizon Hawaii Inc. granting a perpetual right and non-exclusive easement for utility purposes.

EXHIBIT E

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Condominium Villa		Monthly Fee x 12 months =		Yearly Total
12A		$ 991.28		$11,895.36
12B		$1,194.36		$14,332.32
12C		$1,194.36		$14,332.32
12D		$ 991.28		$11,895.36
12E		$1,194.36		$14,332.32
12F		$1,194.36		$14,332.32
	Total	**$6,760.00**	**Total**	**$81,120.00**

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

Estimate of Maintenance Fee Disbursements:

	Monthly Fee x 12 months =	Yearly Total(**)
Utilities and Services		
Air Conditioning	n/a	$0
Electricity		
[X] common elements only	$396	$4,752
[ ] common element and apartments		
Elevator	$494	$5,933
Gas	n/a	$0
[X] common elements only		
[ ] common element and apartments		
Refuse Collection	$155	$1,864
Telephone	n/a	$0
Water and Sewer	$1,090	$13,085
Maintenance, Repairs and Supplies		
Building	$216	$2,587
Grounds	$716	$8,587
Management		
Management Fee	$151	$1,807
Payroll and Payroll Taxes	$956	$11,478
Office Expenses	$192	$2,302
Insurance	$2,114	$25,364
Reserves(*)	$256	$3,072
Taxes and Government Assessments	$0	$0
Audit Fees	$24	$287
Other	$0	$0
TOTAL	$6,760	$81,120

I Michelle Burdick, as agent for/and/or employed by Centex Homes, the condominium managing agent/developer for the Kolea Condominium Villas condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Michelle Burdick
Signature

11/12/03
Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. Developer discloses that no reserve study has been conducted in accordance with Section 514A-83.6, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules.

(**) Yearly totals may appear inconsistent with monthly fees due to rounding.

Pursuant to §514A-83.6, HRS, a new association created after January 1,1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT __F__

SUMMARY OF SALES CONTRACT

The specimen Sales Contract, filed with the Commission, provides for, among other things, a description of the Condominium Villa to be sold, the purchase price, the closing costs, the time, manner and place of payment, the Purchaser's obligations regarding financing, the Seller's warranties and disclaimers regarding the Condominium Map and the Project, and the remedies of the Seller and of the Purchaser in the event of a default under the Sales Contract.

Among other provisions the specimen Sales Contract provides:

1. That the Sales Contract shall be binding when (i) a true copy of the Contingent Final Public Report (or Final Public Report, if applicable) together with a Receipt Form required by Hawaii Revised Statutes Section 514A-62 is delivered to the Purchaser, (ii) the Purchaser has an opportunity to read the report(s), and (iii) a Deemed Acceptance of such report(s) by the Purchaser shall have occurred.

2. The Seller has entered into an Escrow Agreement with Title Guaranty Escrow Services, Inc. ("Escrow"), covering the deposit with the Escrow of all funds paid by the Purchaser under the Sales Contract and the disbursement of the funds by Escrow. In the event that a purchase contract is cancelled, Escrow may charge a cancellation fee on account of escrow services performed not to exceed $250.00.

3. The Sales Contract requires the Purchaser to pay the Total Purchase Price by a series of payments prior to Closing, as follows: Purchaser may make an initial deposit by check prior to signing the Sales Contract and shall make a deposit when Purchaser signs the Sales Contract, which, together with any pre-sales contract deposit, totals ten percent (10%) of the purchase price. The balance shall be due on or before closing.

4. The Sales Contract provides that Purchaser will not receive any interest on Purchaser's Deposits. All interest on Purchaser's Deposits shall accrue to Seller.

5. The Sales Contract provides that closing costs and expenses shall be allocated as follows: Seller shall pay 60% of the premium for the Title Policy, the cost of drafting of conveyance documents, Seller's notary fees, conveyance tax, and 50% of escrow fees. Purchaser shall pay 40% of the premium for the Title Policy, and any additional costs relating to the issuance of extended coverage policy (including a lender's policy), the cost of drafting of any revisions or addenda to the Sales Contract in addition to those listed in Section C.1 of the Sales Contract, if any, the cost of obtaining Purchaser's consents, if any, Purchaser's notary fees, all recording fees, 50% of escrow fees, any mortgage fees, and Hawaii General Excise Tax. The Sales Contract also provides that at Closing Purchaser shall pay (a) one (1) month's maintenance fee for the Project's Owner's Association, (b) a non-refundable, non-transferable start-up fee to the Project's Owner's Association in the amount equal to two (2) months' maintenance fee assessments, and (c) a $1,000.00 start-up fee to the Kolea Owners' Association, the master community association for the Kolea master-planned community in which the Project is located. These start-up fees are one-time assessments at Closing and are not advance payments of common expenses or assessments, and shall be in addition to the normal monthly assessments.

6. The Sales Contract provides that Seller shall complete construction of the Project so as to permit normal occupancy of the Condominium Villa covered by the Sales Contract within two (2) years from the date that the Purchaser executes the Sales Contract; provided, however, that such two (2) year period shall be extended for any period of time during which Seller is actually and necessarily delayed in beginning or completing construction if such delay is caused by fire, earthquake, act of God, the elements, war or civil disturbances, litigation, strikes or other labor disturbances, or economic controls making it impossible to obtain the necessary labor or materials, or any other matter or condition beyond Seller's control.

7. The Sales Contract provides that Purchaser may purchase upgrades, including modifications or additions to, or upgrades of, the standard fixtures, appliances and/or layout of the Condominium Villa to be made by Seller, pursuant to an upgrade addendum attached to the Sales Contract upon Purchaser's execution of the Sales Contract. Purchaser must deposit one hundred percent (100%) of the purchase price of the upgrades upon Purchaser's execution of the upgrade addendum.

8. The Sales Contract provides that it may not be assigned by Purchaser, in whole or in part, without the prior written consent of Seller which consent may be withheld by Seller in its sole and absolute discretion. Any assignment of the Sales Contract made without Seller's written consent is void and of no legal effect. Notwithstanding the foregoing, Purchaser may assign its rights under the Sales Contract to affiliated entities for estate planning purposes without the consent of Seller, provided that any such assignment shall not release Purchaser from its obligations under the Sales Contract. In the event that Purchaser decides to make such an assignment for estate planning purposes, Purchaser shall provide written notice thereof to Seller at least fifteen (15) days prior to the Closing Date, as defined in the Sales Contract, and shall provide to Seller copies of such documents as Seller, in its sole and absolute discretion, deems necessary to complete Closing.

9. The Sales Contract provides that any dispute by or between Seller and Purchaser arising out of or incident to the Sales Contract, or the development or management of the Project, the sale of the Condominium Villa or the use or occupancy thereof, or any other aspect of the relationship between Seller and Purchaser regarding the Project which is raised or otherwise asserted after Closing shall be submitted to mediation and, if necessary, to arbitration in accordance with the terms, conditions and procedures set forth in the Sales Contract. The Sales Contract also provides that any dispute by or between Seller and Purchaser arising out of or incident to the Sales Contract that is raised or otherwise asserted before Closing need not be submitted to arbitration, and Seller and Purchaser shall be free to pursue such dispute, as otherwise provided herein, in proceedings in a court of competent jurisdiction, provided that any judicial proceedings initiated shall be conducted in Honolulu, Hawaii.

The foregoing is only a summary of some of the key terms of the Sales Contract. It is incumbent upon a prospective Purchaser to read the full text of the Sales Contract with care.

EXHIBIT G

SUMMARY OF ESCROW AGREEMENT

A copy of the executed Escrow Agreement for the Project between Title Guaranty Escrow Services, Inc. ("Escrow") and Developer has been filed with the Commission. The Escrow Agreement provides for the deposit of the funds of a purchaser of a Condominium Villa (a "Purchaser") pursuant to the Sales Contract and also provides for the retention or disbursement of the funds. The Escrow Agreement specifically permits the disbursement of Purchaser's funds under a Sales Contract prior to closing, subject to certain conditions, to pay for certain Project costs, including costs of constructing the Project's buildings, fixtures and other improvements, Developer's architectural, engineering, finance and legal fees, and other incidental expenses of the Project (excluding marketing expenses and brokerage fees relating to the sales of Condominium Villas).

The Escrow Agreement provides in part that any interest earned on money on deposit shall be paid to the parties in accordance with the terms of the Sales Contract. In the event that the Sales Contract or Hawaii Revised Statues Chapter 514A entitle a Purchaser to a refund of Purchaser's Deposits held by Escrow, then Escrow, upon instruction from Developer, will refund Purchaser's deposits, less certain cancellation fees and costs (e.g., escrow cancellation fees, loan processing fees, cost of credit reports, etc.) as provided in the Sales Contract and Chapter 514A, Hawaii Revised Statutes, as amended.

By law, the total amount of such cancellation fees shall not exceed Two Hundred Fifty and No/100 Dollars ($250.00) so long as the cancellation occurs prior to the time the Sales Contract becomes effective (following issuance of the Final Public Report). Under the Escrow Agreement no disbursement of funds can be made to the Developer until the Sales Contract becomes effective under the provisions of Chapter 514A, Hawaii Revised Statutes.

The foregoing is only a summary of some of the key terms of the Escrow Agreement. It is incumbent upon a prospective Purchaser to read the executed Escrow Agreement with care.