CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Spinnaker Place Development, LLC
Address 91-1001 Kaimalie Street, Suite 205, Ewa Beach, Hawaii 96706

Project Name(*): SPINNAKER PLACE TOWNHOMES, INCREMENT 4
Address: Off Keone'ula Boulevard and Kapolei Parkway
Ewa Beach, Hawaii 96706

Registration No. 5848

Effective date: December 5, 2005
Expiration date: January 5, 2007

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.

_X_ **FINAL: (white)** — The developer has legally created a condominium and has filed complete information with the Commission.
[X] 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 586-2643 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

[ ] 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:

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Spinnaker Place Development, LLC
Name
Phone: (808) 689-7772
(Business)

91-1001 Kaimalie Street, Suite 205
Business address
Ewa Beach, Hawaii 96706

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):

HASEKO Homes, Inc. – Manager/Member*
HASEKO Realty, Inc. – Member*

* See attached sheet for list of officers and directors

Real Estate Broker*: HASEKO Realty, Inc.
Name
Phone: (808) 689-7772
(Business)

91-1001 Kaimalie Street, Suite 205
Business Address
Ewa Beach, Hawaii 96706

Escrow: Title Guaranty Escrow Services, Inc.
Name
Phone: (808) 521-0212
(Business)

235 Queen Street
Business Address
Honolulu, HI 96813

General Contractor*: HASEKO Construction, Inc.
Name
Phone: (808) 689-7772
(Business)

91-1001 Kaimalie Street, Suite 205
Business Address
Ewa Beach, Hawaii 96706

Condominium Managing Agent*: Certified Management, Inc.
Name
Phone: (808) 836-0911
(Business)

3179 Koapaka Street, 2nd Floor
Business Address
Honolulu, HI 96819

Attorney for Developer: Morihara Lau & Fong LLP
Name
Phone: (808) 528-4200
(Business)

841 Bishop Street, Suite 400
Business Address
Honolulu, HI 96813

Attention: Michael H. Lau

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

OFFICER AND DIRECTOR INFORMATION

HASEKO Homes, Inc.
Toru Nagayama, President and Director
Tsutomu Sagawa, Executive Vice President, Secretary, Treasurer and Director
Nelson W. G. Lee, Executive Vice President
Richard S. Dunn, Vice President
Nancy Maeda, Vice President
Raymond S. Kanna, Vice President
Toshifumi Kiuchi, Vice President

HASEKO Realty, Inc.
Toru Nagayama, President and Director
Richard S. Dunn, Executive Vice President
Tsutomu Sagawa, Secretary and Treasurer

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
[ ] Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
[x] Filed - Land Court: Document No. 3357531

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

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

The Condominium Map for this condominium project is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances Condo Map No. _____
[x] Filed - Land Court Condo Map No. 1759

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

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

The Bylaws for this condominium are:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
[x] Filed - Land Court: Document No. 3357532

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

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

* This condominium will be subject to the Spinnaker Place Townhomes, Increment 4 House Rules, which house rules are described in Exhibit "A".

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	---	Majority of Board of Directors

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

2. **Developer:**

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

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

See Exhibit "B"

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: Off Keone'ula Boulevard and Kapolei Parkway
Ewa Beach, Hawaii 96706

Tax Map Key (TMK): Portion of (1) 9-1-012:058

[ ] Address [X] TMK is expected to change because the land underlying the project ("Land") was recently subdivided and new TMK numbers have not yet been issued.

Land Area: 0.985 [ ] square feet [X] acre(s)

Zoning: A-1

Fee Owner: Spinnaker Place Development, LLC
Name
91-1001 Kaimalie Street, Suite 205
Address
Ewa Beach, HI 96706

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 3 Floors Per Building 1 and 2

   [x] Exhibit "C" contains further explanations.

3. Principal Construction Material:

   [x] Concrete [ ] Hollow Tile [x] Wood

   [x] Other Glass, Steel, Allied Construction Materials.

4. Uses Permitted by Zoning:

		No. of Apts.	Use Permitted By Zoning	
[x]	Residential	14	[x] Yes	[ ] No
[ ]	Commercial	N/A	[ ] Yes	[ ] No
[ ]	Mix Res/Comm	N/A	[ ] Yes	[ ] No
[ ]	Hotel	N/A	[ ] Yes	[ ] No
[ ]	Timeshare	N/A	[ ] Yes	[ ] No
[ ]	Ohana	N/A	[ ] Yes	[ ] No
[ ]	Industrial	N/A	[ ] Yes	[ ] No
[ ]	Agricultural	N/A	[ ] Yes	[ ] No
[ ]	Recreational	N/A	[ ] Yes	[ ] No
[ ]	Other: _____	N/A	[ ] Yes	[ ] No

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

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

[x] Pets: An owner may raise, keep and maintain up to two (2) generally recognized domestic house pets, such as dogs and cats.

[ ] Number of Occupants: _____

[x] Other: The apartments may not be rented for transient or hotel purposes nor used for time sharing. Additional restrictions on use and occupancy are contained in the house rules which are described in Exhibit "A".

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 12 Trash Chutes: 0

Apt. Type*	Quantity	BR/BATH	Net Living Area (sf)**	Net Other Area (sf)	(Identify)
101	1	3 / 2	1,005	400***	Garage
102	1	3 / 2	1,001	400***	Garage
104	1	3 / 2.5	1,130	400***	Garage
104R	1	3 / 2.5	1,130	400***	Garage
105	1	3 / 2.5	1,196	400***	Garage
105R	1	3 / 2.5	1,196	400***	Garage
106	1	3 / 2.5	1,105	452***	Garage
106R	1	3 / 2.5	1,105	452***	Garage
107	1	3 / 2.5	1,135	410***	Garage
107R	1	3 / 2.5	1,135	410***	Garage
108	1	3 / 2.5	1,135	416***	Garage
108R	1	3 / 2.5	1,135	416***	Garage
109	1	3 / 2.5	1,183	419***	Garage
109R	1	3 / 2.5	1,183	419***	Garage

Total Number of Apartments: 14

*** See Exhibit "C" for a further description of the apartment types.**

**** Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter and party walls. The Net Living Area does not include the floor area of the garage.**

***** If calculated in the same manner as the apartments, the garages would be between 380 and 383 square feet for the 101 - 105 apartment types and between 389 and 428 square feet for the 106 - 109 apartment types.**

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

Boundaries of Each Apartment:

See Exhibit "D"

Permitted Alterations to Apartments:

See Exhibits "E" and "N"

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

7. Parking Stalls:

Total Parking Stalls: 31

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	Total
Assigned (for each unit)	28						28
Guest		3					3
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open:	31		0		0		31

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

[ ] Commercial parking garage permitted in condominium project.

[x] Exhibit "F" contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[X] Swimming pool [ ] Storage Area [X] Recreation Area

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

[X] Other: Private rear lanes or roadways which provide access from public roads to the garages. The common facilities within Spinnaker Place Townhomes will include a private recreation area and is subject to the provisions of the Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential). See Exhibit "O" for a description of the above document.

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):

N/A

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:

[ ] Other:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	Conforming	Non-Conforming	Illegal
Uses	Yes		
Structures	Yes		
Lot	Yes		

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

[x] described in Exhibit "G".

[ ] 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 "H".

   [ ] as follows:

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

   [x] described in Exhibit "I".

   [ ] as follows:

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

Exhibit "J" describes the encumbrances against the title contained in the title report dated October 19, 2005, revised November 18, 2005 and issued by Title Guaranty of Hawaii Incorporated.

Blanket Liens:

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

[ ] 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**
Construction Mortgage With Assignment of Rents, Security Agreement and Fixture Filing recorded as Land Court Document No. 3188837*	Lienholder has option to terminate or uphold sales contract. If sales contract is terminated, all moneys held in escrow will be returned to Buyer pursuant to the Reservation Agreement and Sale Contract, less escrow cancellation fee.

F. **Construction Warranties:**

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

1. Building and Other Improvements:

   See Exhibit "K"

2. Appliances:

   See Exhibit "K"

* Note: Developer may during the course of development of the project amend the existing mortgage or replace the existing mortgage or obtain additional financing. The effect on the Purchaser if any of these events occurs will be the same as stated herein under the existing mortgage.

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

The Developer anticipates construction will start approximately in February 2006 and be completed in June 2006.

H. **Project Phases:**

The developer [x] has [ ] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

The Developer may, but is not required to, merge this increment with other increments of townhomes which have been developed or may in the future be developed in Spinnaker Place as set forth in Section S of the Declaration. Buyer should carefully read Section S of the Declaration regarding the Developer's rights to merge this project with other condominium projects.

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
[ ] the Developer or Developer's affiliate
[ ] self-managed by the Association of Apartment Owners
[ ] Other: _____

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

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, 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 "K" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

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

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

[ ] Gas (___ Common Elements only ____ Common Elements & Apartments)

[x] Water [x] Sewer [ ] Television Cable

[ ] Other _____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[ ] Notice to Owner Occupants

[x] Specimen Sales Contract
Exhibit "L" contains a summary of the pertinent provisions of the sales contract.

[x] Escrow Agreement dated January 28, 2004.
Exhibit "M" contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

   A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
   B) Declaration of Condominium Property Regime, as amended.
   C) Bylaws of the Association of Apartment Owners, as amended.
   D) House Rules, if any.
   E) Condominium Map, as amended.
   F) Escrow Agreement.
   G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
   H) Other: Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), and any amendments and supplements thereto; Spinnaker Place Design Guidelines; Specimen Apartment Deed

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. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 5848 filed with the Real Estate Commission on November 21, 2005.

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C. Additional Information Not Covered Above

1. Spinnaker Place Townhomes and Ocean Pointe.[1]

(a) Spinnaker Place Townhomes. Spinnaker Place Townhomes is located immediately north of Ke Noho Kai, which is the second residential phase at the master-planned Ocean Pointe community in Ewa Beach, Hawaii. Spinnaker Place Townhomes is being constructed incrementally and may be developed to include approximately 300 multi-family homes and a private recreation area. Because the recreation area is partially being utilized by the Developer to fulfill certain park and open space requirements imposed by the City and County of Honolulu ('City"), the Developer has recorded against the project lands a Declaration of Restrictive Covenants (Private Park) obligating the association of apartment owners to, among other things, ensure the continued use of the recreation area and open space, and be responsible for the maintenance of such recreation area. The Developer has also reserved the right under the Declaration to annex future phases of townhomes developed on nearby lands (sometimes referred to as "Area IIE") and administratively merge such future development(s) as part of Spinnaker Place Townhomes.

(b) Ocean Pointe. Spinnaker Place Townhomes is also a part of the approximately 1,100-acre master-planned mixed-use community of Ocean Pointe. Ocean Pointe is a long-range project with development expected to take place over the next 10 to 20 years. Approximately 4,850 residential units (some of which will be considered "affordable" under county standards) are envisioned at Ocean Pointe. Development of the first residential phase of Ocean Pointe (i.e., Ke 'Āina Kai and Mariners Place) was completed with 810 residential units, and development of the second residential phase of Ocean Pointe (Ke Noho Kai) was completed with 667 residential units. The master developer of the remaining area of Ocean Pointe is HASEKO (Ewa), Inc. Planning and development of the third major residential phase of Ocean Pointe (Ke'alohi Kai), which is located south of the Spinnaker Place Townhomes development, is ongoing. These residences will be separated into various distinct, yet integrated neighborhood communities, some of which may be located adjacent to or in the vicinity of the Spinnaker Place Townhomes development, with tree-lined streets, landscaping, and parks for use by the residents of Ocean Pointe. Although these neighborhood communities are incorporated into the master plan for Ocean Pointe, no specific development timetable has been established, and neither Seller nor any of its affiliates make any representation or warranty with respect to the timing or the sequencing for the development of such neighborhood communities, or that such neighborhood communities will even be developed.

In addition to the residential component, the long-range master plan for Ocean Pointe also calls for recreational and commercial components, including a golf course, full-service man-made marina, and retail/commercial center. The currently approved master plan is depicted in various advertising materials and displays but is still conceptual in nature and subject to change and reconfiguration as Ocean Pointe is developed. There are no guarantees that all or any of the components will be developed or that the components will be developed as depicted or described in these various advertising materials and displays. The golf course and marina, if constructed, will serve as a basin in the regional Kaloi drainage system. This system will service all of the residences in Ocean Pointe.

As mentioned above, the master plan is subject to change depending on a variety of factors, including market forces, the economy, land use permitting requirements, and changes in governmental regulations. Although the components of the master plan (i.e., the marina, golf course, retail/commercial center, parks, and residential components) will not likely change, there will likely be changes to the size, configuration or relative location of these components as Ocean Pointe is developed.

All owners of an apartment in this condominium project will be subject to the provisions of Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential) (the "Master Declaration") and the Spinnaker Place Design Guidelines (see Exhibits "O" and "N" for a description of each document, respectively). All owners will also automatically become members of the Ocean Pointe Residential Community Association, Inc., which is the community association for Ocean Pointe. Apartment owners will be responsible for the payment of their respective shares of the expenses incurred by this association in its

[1] Nothing stated in this public report shall be construed as a representation or warranty by Developer or its affiliates that any of the above, with the exception of the condominium apartments that are part of this public report, will be developed, nor shall anything stated in this public report be construed to require the Developer or its affiliates to develop the remainder of Spinnaker Place or Ocean Pointe, or to prohibit Developer or its affiliates from dealing freely with the remaining land, including, without limitation, developing the whole or any part of Spinnaker Place Townhomes and Ocean Pointe for a purpose inconsistent with the above.

maintenance of Spinnaker Place Townhomes and Ocean Pointe. The monthly fees for the various associations are estimated in the Disclosure Abstract attached as Exhibit "K".

2. Interstate Land Sales Full Disclosure Act. This public report has not been accepted by the Department of Housing and Urban Development under the Interstate Land Sales Full Disclosure Act. As set forth in the specimen sales contract submitted with this public report, the Developer will complete construction of each apartment and have the apartment ready for normal occupancy within a period of two (2) years from the date that the sales contract for that particular apartment is signed; provided, however, that said two (2) year period shall be extended in the event completion is delayed by matters and/or conditions beyond the control of the Developer.

3. Sentricon® Disclosure. Developer on its own initiative will be installing and paying for the costs of the use of the Sentricon® *Termite Colony Elimination System* on each building of the Project, commencing on the date title for the first Apartment in a building is transferred to the first homeowner and expiring twelve months thereafter. Any use of Sentricon® *Termite Colony Elimination System* for a particular building within the Project beyond such period will be at the election and the cost of the Association or individual apartment owners as the case may be.

4. Additional Reservations and Disclaimers. Without limiting the generality of foregoing, each apartment owner, by accepting a conveyance of an interest in the project, for itself and any occupant, transferee or other party claiming by, through or under it, understands and acknowledges that if Declarant grants one or more easements over and across the common elements for vehicular or pedestrian access in favor of nearby Lot 15682 (zoned B-1 for commercial use and depicted on the map attached hereto as Exhibit "B") pursuant to rights reserved to Declarant as set forth in Section F.7 of this Declaration, then such grant may result in increased vehicular use, exhaust fumes, smoke, odors, vibration, dust lighting, traffic or other nuisances, annoyances or hazards that may affect the use and enjoyment of the Project

5. Timing of Sales of Apartments. For purposes of this Project, Declarant intends to offer the Apartments for sale in two separate phases. The first phase, which will consist of Building 4 and include six Apartments (Units 401 through 406, inclusive), will initially be offered for sale after the issuance of an effective date for a final public report. The second phase, which will consist of Buildings 53 and 54, will not be offered for sale until a later date. Currently, two Apartments in each of Buildings 53 and 54 (Units 5301, 5302, 5403, and 5404) are utilized by Declarant as model units. As discussed in paragraph H.6 of the Declaration of Condominium Property Regime, Spinnaker Place Townhomes, Increment 4, even though this is the final increment of development in Area IID, Declarant intends to allow such model units to continue to be utilized in connection with the sales and marketing of the proposed development in Area IIE. Notwithstanding the foregoing, Declarant reserves the right to offer for sale the Apartments within Buildings 53 and 54 which are not utilized as model units (Units 5303, 5304, 5401, and 5402) even though the model units may continue to be utilized for sales and marketing purposes.

6. Continued Use of Model Units. This Project is comprised of three (3) separate buildings—Buildings 4, 53, and 54. Two units in each of Buildings 53 and 54 (Units 5301, 5302, 5403, and 5404) are currently utilized by Declarant as model units for Area IID. Although development of Area IID is nearly completed, Declarant intends to allow the four (4) model units to continue to be utilized for the proposed development in Area IIE. Such use of the model units is expected to continue until all the apartments proposed to be developed within Area IIE or until December 31, 2012, whichever is later. Declarant or its designee shall maintain the temporary fencing utilized around the model units for directional control for routing visitors and prospective purchasers through the various model units. During the period that such model units are in use, there may be additional vehicular and pedestrian traffic, use by visitors and prospective customers of the guest parking stalls and other parking areas during normal business hours, less privacy due to visitors to the model units, noise (including noise associated with the flags or banners blowing in the wind), dust and other nuisances or annoyances to persons within the Project (the "Disclosed Conditions"). To the extent that Declarant elects to sell the Apartments within Buildings 53 and 54 which are not utilized as model units (i.e., Units 5303, 5304, 5401, and 5402), the purchasers of those non-model units acknowledge the existence of the Disclosed Conditions and the associated nuisances or annoyances.

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

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

SPINNAKER PLACE DEVELOPMENT, LLC
Printed Name of Developer

By: _____ November 21, 2005
Duly Authorized Signatory* Date

TORU NAGAYAMA, PRESIDENT
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT "A"

Spinnaker Place Townhomes, Increment 4

Description of House Rules

The Project is subject to the Spinnaker Place Townhomes, Increment 4 House Rules, a copy of which has been submitted to the Real Estate Commission as part of this registration. These house rules govern the use and occupancy of the apartments, common elements (including a proposed recreation area with a swimming pool, spa and cabana) and limited common elements of the Project. For example, these house rules contain restrictions regarding the use of the lanais, front and rear yards and entry areas, as well as restrictions regarding pets, parking, trash disposal and landscaping.

The purpose of the house rules is to protect all owners and occupants from annoyance and nuisance created by the improper use of the Project and to protect the reputation and desirability of the Project.

All owners, tenants, guests, invitees, lessees, licensees and other persons using the Project and their family members must abide by the house rules, and the owners are responsible for the conduct of their tenants, guests, invitees, lessees, and licensees. Violations of these house rules are subject to fines, penalties and other enforcement actions by the board of directors or the managing agent.

THE FOREGOING IS A DESCRIPTION OF THE ABOVE HOUSE RULES FOR THE CONVENIENCE OF THE BUYER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THESE HOUSE RULES. THE FULL TEXT OF THE HOUSE RULES SHOULD BE EXAMINED AND CONTROLS OVER THIS SUMMARY.

EXHIBIT "B"

Spinnaker Place Townhomes, Increment 4

Changes to Condominium Documents by Developer

The Developer may amend the Declaration, Bylaws and/or the Condominium Map for the Project as follows:

1. At any time prior to the recording in the Land Court of the first apartment deed in favor of a buyer, as set forth in Section T.3(a) of the Declaration.

2. At any time prior to the recording in the Land Court of apartment deeds covering 100% of the apartments in the Project, to make such amendments: (a) to correct any technical defects or to make non-substantive changes; or (b) as may be required by law, the Real Estate Commission, any title insurance company issuing a title insurance policy on the project or any of the apartments, any institutional lender lending funds on the security of the project or any of the apartments, or any governmental agency administering governmental loan programs; or (c) as may be necessary or desirable as determined by the Developer as a result of conditions or requirements imposed upon the Developer by any governmental agency of the state, county or local government related to the development of the lands comprising the Project or other lands within Ocean Pointe (see Section V.C.1 of the public report for a description of Ocean Pointe) to be developed by the Developer or any of its affiliates, or by any governmental agency of any state, territory, possession or foreign country or other foreign jurisdiction as a condition precedent to the marketing or sale of apartments in any such jurisdiction. (See Section T.3(b) of the Declaration).

3. At any time, to make such amendments: (a) to file or record the "as built" verified statement required by Section 514A-12 of the Condominium Property Act; or (b) to exercise or effectuate any rights reserved to the Developer pursuant to the Declaration or the Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), including but not limited to Developer's right to make alterations to the Project pursuant to Section R of the Declaration, to merge the Project pursuant to Section S of the Declaration, or to execute and record in the Land Court a cancellation, partial cancellation, amendment, or restatement of the Acquisition Agreement, as well as a confirmation or restatement of the Trustee's Limited Warranty Deed, pursuant to Section V.5 of the Declaration. (See Section T.3(c) of the Declaration).

4. To reflect certain alterations made to the Project by the Developer pursuant to its rights under Section R.3 of the Declaration (see Exhibit "E" of this public report).

The Developer may amend the Spinnaker Place Townhomes, Increment 4 House Rules prior to the election of the Board of Directors of the Association at the first annual meeting of the Association. (See Section II.2 of the Bylaws and Article VI of the Spinnaker Place Townhomes, Increment 4 House Rules).

EXHIBIT "C"

Spinnaker Place Townhomes, Increment 4

Description of Buildings and Apartments

RESIDENTIAL BUILDING TYPES.

Increment 4 includes three (3) detached residential buildings, designated as Buildings 4, 53, and 54, as shown on the Condominium Map. None of the buildings will have basements.

There are three (3) residential building types in Increment 4, as shown on the Condominium Map and the following table:

Building Number	Building Type
4	TH2
53	TH12
54	TH11

The building types are described below:

Type TH2. Each Type TH2 building contains a total of six (6) Apartments. The end units are one-story structures of Apartment Model Types 101 and 102, respectively. The remaining four (4) units are two-story structures with interior stairways, consisting of Apartment Model Types 104, 104R, 105, and 105R. The layout and location of each Apartment are as shown on the Condominium Map.

Type TH11. Each Type TH11 building contains a total of four (4) Apartments. All units are two-story structures with interior stairways consisting of Apartment Model Types 107, 107R, 108 and 108R. The layout and location of each Apartment are as shown on the Condominium Map.

Type TH12. Each Type TH12 building contains a total of four (4) Apartments. All units are two-story structures with interior stairways, consisting of Apartment Model Types 106, 106R, 109 and 109R. The layout and location of each Apartment are as shown on the Condominium Map.

GARAGE BUILDING TYPES.

Increment 4 includes one (1) detached garage building as shown on the Condominium Map, which provides one (1) two-car garage for each Apartment in the associated TH2 residential building. Each two-car garage has a gross area of approximately 400 square feet. The layout and location of each garage are as shown on the Condominium Map.

Increment 4 also includes an attached two-car enclosed garage for each Apartment in the associated TH11 or TH12 residential buildings. Each two-car garage has a gross area

(depending on apartment type) of approximately 410 to 452 square feet. The layout and location of each garage are as shown on the Condominium Map.

APARTMENT TYPES.

The eight (8) different Apartment types in the Project are as described below:

Model 101: Single story apartment, with three bedrooms, two bathrooms, a walk-in closet, living room, dining room, kitchen, a detached two-car garage, and an appurtenant lanai that is for the exclusive use of said apartment. The net living area (which excludes the garage and lanai) is approximately 1005 square feet.

Model 102: Single story apartment, with three bedrooms, two bathrooms, a walk-in closet, living room, dining room, kitchen, a detached two-car garage, and an appurtenant lanai that is for the exclusive use of said apartment. The net living area (which excludes the garage and lanai) is approximately 1001 square feet.

Model 104: Two-story three bedroom, two and one-half bath apartment. The apartment has a living room, dining room, kitchen, and one-half bath/powder room on the first floor, connected by interior stairs to the second floor, containing three bedrooms, two bathrooms, and a walk-in closet. The apartment also has a two-car detached garage, together with an appurtenant lanai that is for the exclusive use of said apartment. The net living area (which excludes the garage and lanai) is approximately 1130 square feet.

Model 104R: This Apartment Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 104, with the same rooms and net living area as said Model Type 104.

Model 105: Two-story three bedroom, two and one-half bath apartment. The apartment has a living room, dining room, kitchen, and one-half bath/powder room on the first floor, connected by interior stairs to the second floor, containing three bedrooms, two bathrooms, and a walk-in closet. The apartment also has a two-car detached garage, together with an appurtenant lanai that is for the exclusive use of said apartment. The net living area (which excludes the garage and lanai) is approximately 1196 square feet.

Model 105R: This Apartment Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 105, with the same rooms and net living area as said Model Type 105.

Model 106: Two-story three bedroom, two and one-half bath apartment. The apartment has a living room, dining room, kitchen, and one-half bath/powder room on the first floor, connected by interior stairs to the second floor, containing three bedrooms, two bathrooms, and a walk-in closet. The apartment has an attached two-car garage. The net living area (which excludes the garage) is approximately 1105 square feet.

Model 106R: This Apartment Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 106, with the same rooms and net living area as said Model Type 106.

Model 107: Two-story three bedroom, two and one-half bath apartment. The apartment has a living room, dining room, kitchen, covered porch, and one-half bath/powder room on the first floor, connected by interior stairs to the second floor, containing three bedrooms, two bathrooms, and a walk-in closet. The apartment has an attached two-car garage. The net living area (which excludes the garage) is approximately 1135 square feet.

Model 107R: This Apartment Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 107, with the same rooms and net living area as said Model Type 107.

Model 108: Two-story three bedroom, two and one-half bath apartment. The apartment has a living room, dining room, kitchen, covered porch, and one-half bath/powder room on the first floor, connected by interior stairs to the second floor, containing three bedrooms, two bathrooms, a tech nook, and a walk-in closet. The apartment has an attached two-car garage. The net living area (which excludes the garage) is approximately 1135 square feet.

Model 108R: This Apartment Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 108, with the same rooms and net living area as said Model Type 108.

Model 109: Two-story three bedroom, two and one-half bath apartment. The apartment has a living room, dining room, kitchen, covered porch, and one-half bath/powder room on the first floor, connected by interior stairs to the second floor, containing three bedrooms, two bathrooms, a tech nook, and a walk-in closet. The apartment has an attached two-car garage. The net living area (which excludes the garage) is approximately 1183 square feet.

Model 109R: This Apartment Type contains the reverse floor plan layout from that shown on the Condominium Map for Model Type 109, with the same rooms and net living area as said Model Type 109.

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EXHIBIT "D"

Spinnaker Place Townhomes, Increment 4

Boundaries of Each Apartment

The boundaries of each apartment in this condominium project shall be the perimeter and party walls, floors and ceilings of each apartment. The apartments shall not be deemed to include: the lanai (regardless of whether or not the lanai is extended or enclosed); the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls; the unfinished floors and ceilings located within or surrounding each apartment; or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for, or serve, more than one (1) apartment; all of which shall be deemed common elements. Each apartment shall be deemed to include: the appurtenant two-car garage; all the walls and partitions which are not load-bearing within the perimeter or party walls; the interior decorated or finished surfaces of all perimeter, party and load-bearing walls; the interior decorated or finished surfaces of all floors, ceilings and roofs; the interior stairways; all doors (including the garage door) and door frames, including the exterior unfinished surfaces thereof; all windows and window frames, including the exterior unfinished surfaces thereof; all doorknobs; and all fixtures originally installed or contained therein.

EXHIBIT "E"

Spinnaker Place Townhomes, Increment 4

Permitted Alterations to Apartments

Alterations to the apartments in this condominium project are permitted under Section R of the Declaration, which provides the following:

1. General.

(a) Except as otherwise provided in the Declaration, restoration, repair or replacement of the Project or of any building or other facility or construction of any additional building or structural alteration or addition to any structure, different in any material respect from the Condominium Map (the "Proposed Alterations"), shall be undertaken by the Association or any apartment owner(s) only pursuant to an amendment of the Declaration, duly executed by or pursuant to the approval or written consent of apartment owners holding at least seventy-five percent (75%) of the total common interests of the Project, together with the approval or written consent of (i) all apartment owners whose apartment or limited common elements appurtenant thereto are directly affected (as determined in a reasonable manner by the Board of Directors) by the Proposed Alterations; and (ii) the holders of first mortgage liens encumbering any apartment directly affected by the Proposed Alterations (if the lien holders require such approval). For purposes of this paragraph 1(a), notwithstanding Section 514A-89 of the Condominium Property Act, the installation of solar energy devices on any apartment (including any appurtenant garage) shall require the approval or written consent of apartment owners holding at least seventy-five percent (75%) of the total common interests of the Project.

(b) The Proposed Alterations shall be in accordance with plans and specifications for the Proposed Alterations prepared by a licensed architect or licensed professional engineer and approved by (i) the Board of Directors, (ii) the Design Review Committee in accordance with the Design Guidelines, and (iii) the appropriate agencies of the State of Hawaii and the City and County of Honolulu (if such agencies so require). A description of the Design Guidelines is contained in Exhibit "N".

(c) Promptly upon completion of any Proposed Alteration which is different in any material respect from the Condominium Map, the Association or apartment owner(s), whomever requested the Proposed Alteration, shall duly file or record in the Land Court an amendment to the Declaration and the Condominium Map showing the Project as so altered, certified as built by a registered architect or licensed professional engineer.

(d) Notwithstanding the foregoing, any amendment to the Declaration required or necessary for any Proposed Alteration of an apartment by an owner which alteration is in accordance with options, if any, shown on the floor plans for that particular apartment type in the Condominium Map shall not require the approval or written consent of the apartment owners (except those apartment owners whose apartment or limited common elements appurtenant thereto are directly affected); PROVIDED, HOWEVER, that since construction of any such options, if any, shown on the Condominium Map must also comply with all applicable laws, rules, setbacks, and other governmental requirements, such options, if any, may not be available or permitted for all apartments in the Project.

2. Alterations to the Interior of an Apartment. Notwithstanding any other provision in the Declaration to the contrary, the owner of an apartment may make any

alterations or additions within an apartment and the owner of any two adjoining apartments may alter or remove all or portions of the intervening walls, at such owner's expense, if such alterations or additions are not visible from the exterior of the apartment and if the structural integrity of the building is not thereby affected. The alterations or additions permitted by this section shall require only the written approval of the apartment owner's plans and specification therefor, by (a) the Board of Directors; (b) the holders of first mortgage liens affecting such apartment(s) (if the lien holders require such approval); (c) the appropriate agencies of the State of Hawaii and the City and County of Honolulu (if such agencies so require); and (d) all other apartment owners thereby directly affected (as determined in a reasonable manner by the Board of Directors). Such alterations or additions may be undertaken without an amendment to the Declaration or filing of a complete set of floor plans of the Project as so altered. Prior to the termination of the common ownership of any two adjoining apartments, if the intervening walls shall have been altered or removed pursuant to the foregoing provision and any entrances sealed, the owner of such apartment shall restore such intervening walls and entrances to substantially the same condition in which they existed prior to such alteration or removal.

3. Alterations by the Developer.

(a) General. Notwithstanding any other provision in the Declaration to the contrary, prior to the later of (i) the recording in the Land Court of the apartment deed conveying the last unsold apartment in the Project to a buyer; or (ii) the filing or recording by the Developer of the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of the Condominium Property Act (but in no event later than twenty-four (24) months after the "date of completion" of the Project, as that term is used in Chapter 507, Part II, Hawaii Revised Statutes, as amended), the Developer, without notice to, or the approval, consent or joinder of, the Association, any apartment owner, lienholder, or any other person, shall have the right (which includes the right to amend the Declaration and Condominium Map accordingly) to (A) make alterations in the Project, which change or reverse the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any apartment (and the limited common elements appurtenant thereto) in the Project which is not sold and recorded; (B) recharacterize and redesignate certain limited common elements as may be appurtenant to an apartment as being common elements of the Project which is not sold and recorded; (C) recharacterize and redesignate certain common elements of the Project as limited common elements appurtenant to an apartment which is not sold and recorded; or (D) make other alterations in the Project, which make minor changes in any apartment in the Project or the common elements which do not affect the physical location, design or size of any apartment which has been sold and recorded. As used herein, the term "sold and recorded" shall mean and refer to the sale of an apartment in the Project and the recording in the Land Court of an apartment deed conveying the interest in the apartment from the Developer to parties not signatory to the Declaration.

(b) Construction of Options. Notwithstanding any other provision in the Declaration to the contrary, prior to the time that all of the apartments in the Project have been sold and recorded, the Developer shall have the right to make alterations in the Project and to amend the Declaration and the Condominium Map accordingly, without notice to, or the approval, consent or joinder of, the Association, any apartment owner, lienholder, or any other person, to construct or modify the Project in accordance with the respective options, if any, shown on the floor plans in the Condominium Map. As used herein, the term "sold and recorded" shall mean and refer to the sale of an apartment in the Project and the recording in the Land Court of an apartment deed conveying the interest in the apartment from the Developer to parties not signatory to the Declaration.

EXHIBIT "F"

Spinnaker Place Townhomes, Increment 4

Parking for the Project

Parking for each apartment is provided by a 2-car garage. The garages are also identified on the Condominium Map by the two (2) parking stalls assigned to each apartment as listed below.

APARTMENT NUMBER	ASSIGNED PARKING STALL
401	237, 238
402	239, 240
403	241, 242
404	243, 244
405	245, 246
406	247, 248
5301	667, 668
5302	669, 670
5303	671, 672
5304	673, 674
5401	675, 676
5402	677, 678
5403	679, 680
5404	681, 682

In addition, there are three (3) guest parking stalls within the Project, shown on the Condominium Map as parking stall nos. 79GS to 81GS, inclusive. These guest parking stalls may be used by guests of this condominium project, as well as by guests of certain other condominium projects developed or to be developed within Spinnaker Place as may be designated by the Developer.

EXHIBIT "G"

Spinnaker Place Townhomes, Increment 4

Common Elements

1. The underlying land in fee simple.

2. All structural components, such as foundations, floor slabs for the ground floor of any building, columns, girders, beams, supports, undecorated or unfinished perimeter and/or party walls, and load-bearing walls (except for the interior decorated or finished surfaces within each apartment), undecorated or unfinished floors and ceilings, the roofs of the buildings, and all exterior walkways, railings, walls and fences enclosing any portion of the Project.

3. All yards, gateways, exterior stairways, fences, grounds, landscaping, walls, retaining walls, uncovered parking stalls, driveways, roadways, lanes, alleyways, pathways, sidewalks, walkways, lanais, entrances and entry areas, exits, loading zones, refuse and trash enclosure areas, planter boxes and mailboxes which are not located in any apartments, whether within or appurtenant to the Project.

4. All ducts, vents, shafts, sewer lines, drainlines, storm drain improvements, gutters, electrical rooms or closets, electrical equipment and fixtures, wiring, potable water pipelines, fire hydrants, irrigation pipelines and sprinklers, pipes, and other central and appurtenant transmission facilities, installations over, under and across the Project which serve more than one apartment for services such as power, light, water, drainage, gas, sewer, refuse, telephone and radio and television signal distribution.

5. The interior roadway lighting located above the garage doors, and, where applicable, side area lighting that may be located on the side of an end unit apartment.

6. Three (3) guest parking stalls, shown on the Condominium Map as parking stall nos. 79GS to 81GS, inclusive.

7. Any and all other apparatus and installations intended for common use and all devises and other parts of the underlying land necessary or convenient to the existence, maintenance and safety of the Condominium Property Regime, or normally in common use.

EXHIBIT "H"

Spinnaker Place Townhomes, Increment 4

Limited Common Elements

1. Lanai. The lanai, if any (as shown on the Condominium Map), shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it is attached. The lanai shall be deemed to include any extended or enclosed lanai.

2. Rear Yard. For TH-1 or TH-2 buildings, the yard area located in the rear of each apartment between the apartment and garage building and enclosed by fences shall be a limited common element appurtenant to and reserved for the exclusive use of that particular apartment.

3. Front Yard. For TH-11 or TH-12 buildings, the yard area (including any walkway or entry area) located in the front of each apartment and enclosed by fences and gate shall be a limited common element appurtenant to and reserved for the exclusive use of that particular apartment.

4. Fences. Any fence which encloses any portion of a Rear Yard or Front Yard shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which the Rear Yard or Front Yard is appurtenant. Notwithstanding the foregoing, any such fence which is placed on a common property line and separates two Rear Yards or two Front Yards shall be a limited common element appurtenant to and reserved for the exclusive use of the apartments to which the Rear Yards or Front Yards, as the case may be, are appurtenant.

5. Entry Areas. The entry area to the front door of each apartment that does not have a Front Yard, as shown on the Condominium Map, shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it provides access.

6. Planter Boxes. The planter boxes, if any, located on the exterior of the apartment, shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment.

7. Mailbox. The mailbox assigned to a particular apartment, but excluding the pedestal structure which houses the individual assigned mailboxes, shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment. The pedestal structure shall be a common element.

8. Concrete Apron. The concrete section of the driveway, which extends from the outside entrance of the enclosed garage of an apartment up to, but not including the beginning edge of the driveway, shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment.

9. Air Conditioner Compressor Units. The air conditioner compressor unit and associated refrigerant lines placed adjacent to the end unit apartments located within TH11 or TH12 buildings, as shown on the Condominium Map, shall be a limited common element appurtenant to and reserved for the exclusive use of the particular apartments to which it serves.

10. Other. Any other common elements which are rationally related to less than all of the apartments shall be a limited common element appurtenant to such apartment(s) that serve a particular apartment.

EXHIBIT "I"

Spinnaker Place Townhomes, Increment 4

Apartment Common Interests

The Common Interest appurtenant to each apartment is as follows:

APARTMENT NUMBER	COMMON INTEREST (%)
401	7.1428
402	7.1429
403	7.1428
404	7.1428
403	7.1429
406	7.1428
5301	7.1429
5302	7.1428
5303	7.1428
5304	7.1429
5401	7.1429
5402	7.1429
5403	7.1429
5404	7.1429
TOTAL:	**100.0000**

The common interest is generally derived by dividing the number one (1) by the number of all apartments in the Project, with adjustments made to the common interests to compensate for recording errors to ensure that the sum of all common interests in the project equals one hundred percent (100%).

EXHIBIT "J"

Spinnaker Place Townhomes, Increment 4

Encumbrances Against Title

1. Any and all real property taxes that may be due and owing to the City and County of Honolulu, Department of Finance, Real Property Assessment Office.

2. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain unrecorded Second Amended and Restated Ewa Marina Agreement for Exchange, dated June 30, 1984, effective as of June 30, 1984, by and between F. E. Trotter, Inc., W. H. McVay, Inc., P. R. Cassiday, Inc., and H. C. Cornuelle, Inc., all Hawaii professional corporations, Trustees Under the Will and of the Estate of James Campbell, Deceased, acting in their fiduciary and not in their individual corporate capacities ("Estate"), as Vendor, and M.S.M. & Associates, Inc., a Colorado corporation ("MSM"), as Vendee; a short form of which is dated June 30, 1984, recorded as Land Court Document No. 1245392.

   Said Agreement was assigned by MSM to HASEKO (Hawaii), Inc., a Hawaii corporation ("HASEKO"), with the consent of the Estate, by that certain Assignment of Lease and Second Amended and Restated Ewa Marina Agreement for Exchange, dated December 30, 1988.

   Said Agreement was amended and restated by the Estate and HASEKO by that certain unrecorded Ewa Marina Acquisition Agreement, dated as of December 15, 1988, of which a Short Form Acquisition Agreement is dated December 30, 1988, recorded as Land Court Document No. 1604009.

   Said Agreement, as amended and restated, was assigned by HASEKO to HASEKO (Ewa), Inc., a Hawaii corporation, by that certain instrument, dated September 3, 1993, but effective as of January 2, 1992, recorded as Land Court Document No. 2126832.

3. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Limited Warranty Deed, dated December 22, 1989, recorded as Land Court Document No. 1693437, including, but is not limited to, matters relating to water reservation and agricultural activities, including sugar cane burning on nearby lands.

4. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Unilateral Agreement and Declaration for Conditional Zoning, dated November 29, 1993, recorded as Land Court Document No. 2091140, as amended by that certain Amendment to Unilateral Agreement and Declaration for Conditional Zoning, dated February 12, 2002, recorded as Land Court Document No. 2778785, and further amended by that certain Second Amendment to Unilateral Agreement and Declaration for Conditional Zoning, dated October 23, 2002, recorded as Land Court Document No. 2857087, with Consent and Joinder, dated November 1, 2002, attached thereto as Land Court Document No. 2857088.

5. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Document Listing Conditions to

Reclassification of Land dated December 12, 1990, recorded as Land Court Document No. 1788412, as amended by instrument, dated March 28, 1994, recorded as Land Court Document No. 2131779, as further amended by instrument, dated June 17, 1994, recorded as Land Court Document No. 2159248; BUT ONLY as to those portions of said lots that are included in Exhibit A and shown on Exhibit B attached to said Land Court Document No. 1788412 and made a part hereof by reference.

6. Grant, dated January 3, 1996, recorded as Land Court Document No. 2284736, in favor of Hawaiian Electric Company, Inc., granting a nonexclusive perpetual right and easement to construct, reconstruct, operate, maintain, repair and remove poles, overhead wire lines, stub pole, guy wires, anchors, and/or underground power lines, etc. for the transmission and distribution of electricity; BUT ONLY as to those portions of said lots that are included in said Land Court Document No. 2284736 and shown on the map attached thereto and made a part hereof by reference.

7. Construction Mortgage with Assignment of Rents, Security Agreement and Fixture Filing, dated September 12, 2003, recorded as Land Court Document No. 2993893, made by HASEKO Homes, Inc., and HASEKO (Ewa), Inc., both Hawaii corporations, as mortgagors, in favor of Central Pacific Bank, a Hawaii corporation, successor by merger to City Bank, a Hawaii corporation, as Mortgagee, as amended by that certain Amendment to $40,000,000 Mortgage dated October 19, 2004, recorded as Land Court Document No. 3188837.

8. Financing Statement dated November 4, 2004, made by Ke Noho Kai Development, LLC, HASEKO (Ewa), Inc., HASEKO Homes, Inc., and Spinnaker Place Development, LLC, as Debtor, in favor of Central Pacific Bank, a Hawaii corporation, successor by merger to City Bank, a Hawaii corporation, as Secured Party, recorded at the Bureau of Conveyances of the State of Hawaii as Document No. 2004-223885.

9. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential) dated September 15, 1998, recorded in said Office of the Assistant Registrar as Land Court Document No. 2486145, as amended by instruments dated October 30, 1998, recorded as Land Court No. 2498586, dated April 29, 2003, recorded as Land Court Document No. 2923437, dated May 13, 2003, recorded as Land Court Document No. 2930015, and as supplemented by instruments dated February 20, 2004, recorded as Land Court Document No. 3077910.

10. Construction Right of Entry and Temporary Grant of Easement Agreement dated October 8, 2004, recorded as Land Court Document No. 3192349, in favor of Hawaiian Electric Company, Inc., a Hawaii corporation, granting a construction right of entry and temporary easement for utility purposes.

11. Designation of Easement 8351, for drainage purposes, as shown on Map 1232, as set forth by Land Court Order No. 160235, recorded on February 18, 2005.

12. Restriction of vehicular access rights, as shown on Map 1232, as set forth by Land Court Order No. 160235, recorded on February 18, 2005.

13. The terms and provisions, including the failure to comply with covenants, conditions, and reservations, contained in that certain Agreement for Issuance of Conditional Use Permit

Under Section 21-5.380 of the Land Use Ordinance (LUO) dated April 11, 2005, recorded in said Office of the Assistant Registrar as Land Court Document No. 3270293.

14. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Declaration of Restrictive Covenants (Private Park), dated May 4, 2005, recorded as Land Court Document No. 3270291, as the same may have been and/or may hereafter be amended from time to time.

15. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in that certain Declaration of Condominium Property Regime of Spinnaker Place Townhomes, Increment 4, dated November 17, 2005, recorded in said Office of the Assistant Registrar as Land Court Document No. 3357531.

16. The terms and provisions, including the failure to comply with covenants, conditions, and reservations, contained in that certain Bylaws of the Association of Apartment Owners of Spinnaker Place Townhomes, Increment 4, dated November 17, 2005, recorded in said Office of the Assistant Registrar as Land Court Document No. 3357532.

17. Condominium Map No. 1759, filed on November 21, 2005, as the same may be amended or supplemented from time to time.

18. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

19. Any lien or claim for services, labor or material arising from an improvement or work related to the property.

EXHIBIT "K"

Spinnaker Place Townhomes, Increment 4

Disclosure Abstract

Date:	November 21, 2005
Name and Address of Project:	Spinnaker Place Townhomes, Increment 4 Off Keone'ula Boulevard and Kapolei Parkway Ewa Beach, Hawaii
Developer:	Spinnaker Place Development, LLC 91-1001 Kaimalie Street, Suite 205 Ewa Beach, Hawaii 96706 Phone No.: (808) 689-7772
Real Estate Broker:	Haseko Realty, Inc. 91-1001 Kaimalie Street, Suite 205 Ewa Beach, Hawaii 96706 Phone No.: (808) 689-7772
Managing Agent:	Certified Management, Inc. 3179 Koapaka Street, 2nd Floor Honolulu, Hawaii 96819 Phone No.: (808) 836-0911
Monthly Common Expenses and Monthly Estimated Costs for Each Apartment:	Exhibit "1" sets out the estimated monthly common expenses and estimated costs for the year.

DESCRIPTION OF LIMITED WARRANTIES: The Developer provides a limited warranty for the individual apartments and common elements under the Reservation Agreement and Sales Contract ("Agreement"), a specimen of which has been submitted with this registration. The following is a brief summary of the Developer's limited warranty (capitalized terms have the same meaning set forth in the Agreement):

The Apartment and the related Common Elements will be covered under a transferable ten (10) year HOME BUILDER'S LIMITED WARRANTY (the "Limited Warranty"). The Limited Warranty provides coverage for construction defects that occur during the Warranty Period and includes provisions limiting the responsibility and conditions under which it is valid or applicable. The Limited Warranty gives the Purchaser specific legal rights. Seller's obligations under the Limited Warranty are expressly conditioned on prompt notification by Purchaser of any construction defects as set forth in the Limited Warranty. In addition, the Limited Warranty does not cover certain construction defects that result, either directly or indirectly from certain excluded causes or occurrences as set forth in the Limited Warranty. None of Seller's employees, salesmen or other agents are authorized to make any warranty other than the Limited Warranty, nor can they extend or in any way alter the Limited Warranty.

(a) Acknowledgment and Receipt. Purchaser will receive a sample of the Limited Warranty (PWC Form No. 117) and agrees to read the sample Limited Warranty in its entirety prior to the Closing Date. Purchaser's failure to read the sample Limited Warranty and to obtain any needed assistance in understanding the Limited Warranty shall not in any

way change either the Purchaser's or the Seller's rights, duties and obligations under the Limited Warranty. Prior to Closing, Purchaser shall deliver to Escrow a fully executed document entitled "Warranty Acknowledgement of Receipt and Agreement to Read."

(b) Warranty Period. The term of the Limited Warranty is ten (10) years from the Closing Date. The resale of the Apartment by Purchaser will not extend the ten-year term. Notwithstanding the above, however, the Warranty Period for Common Elements of a building or structure commences on the date title for the first Apartment in the structure or building is transferred to the first homeowner. The exact dates for the commencement and expiration of the Warranty Period for the Apartment will be described in the "Limited Warranty Validation Form" to be mailed to Purchaser by the independent third-party warranty administrator following Closing.

(c) Coverage Limits. The coverage limits of the Limited Warranty generally are the actual repair costs not to exceed (i) the original sales price of the Apartment, in the case of individual owner claims and the aggregate sales price of the Apartments in a multi-unit residential structure/building, but not to exceed a certain aggregate sum, for claims involving Common Elements contained within a specific multi-unit structure/residential building containing Apartments. Specific terms of the warranty coverage are included in the "Limited Warranty Validation Form" and the Limited Warranty.

(d) Binding Arbitration. The Limited Warranty requires that all disputes between Seller and Purchaser concerning the Limited Warranty, sale or construction of the Apartment be resolved by binding arbitration pursuant to provisions under the Limited Warranty. The Purchaser gives up any rights to have the dispute resolved by a court of law or jury trial.

(e) Customer Care Program. In addition to the Limited Warranty, during the first twelve (12) month period following the Closing of the apartment, Seller will initiate and provide to Purchaser at no additional charge a customer care program (the "Program") for defects in materials and workmanship that would otherwise not be deemed to be a "construction defect" under the Limited Warranty. Terms of the Program, which include performance standards the Seller will follow for use during the first year and certain exclusions of the Program, are set forth in the homeowner manual that will be provided to Purchaser upon the Closing of the sale of the apartment. Notwithstanding anything contained herein to the contrary, the Program is extended only to the original purchaser of the apartment and shall terminate upon the sale of the apartment by that purchaser.

(f) Manufacturers' Warranties. Seller will assign and pass through to the Purchaser any manufacturer's warranties covering any appliances and other consumer products for their unexpired terms, to the extent such warranties exist and to the extent that Seller has the right and power to make such an assignment. Purchaser shall follow the procedure set forth in the manufacturer's warranty if any defects should appear in that item, and any service request should be made directly to the service representative for the manufacturer. Appliances or consumer products are excluded from the Limited Warranty, unless they constitute a construction defect. Seller makes no representation or warranty with respect to the energy consumption of, or efficiency of, any appliance, equipment, or consumer product, or with respect to energy or utility costs.

(g) Limitations of Warranty and Seller Liability. Except for the Limited Warranty, Seller makes no other warranties, express or implied, and SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR

PURPOSE OR USE, ANY IMPLIED WARRANTY OF WORKMANSHIP, AND ANY OTHER EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE APARTMENT, OR THE PROJECT. EXCEPT FOR THE OBLIGATIONS OF SELLER SPECIFICALLY SET FORTH IN THE LIMITED WARRANTY, SELLER SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER LEGAL THEORY (REGARDLESS OF WHETHER SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES).

(h) Claim Procedure. If any defect appears which Purchaser believes should be covered by this Limited Warranty, Purchaser shall give Seller written notice describing the defect in detail at the following address: Spinnaker Place Development, LLC, 91-1001 Kaimalie Street, Suite 205, Ewa Beach, Hawaii 96706, Attn: Customer Service. Seller will not reimburse Purchaser for any repair or other action taken by Purchaser without Seller's prior written consent.

THE FOREGOING IS A SUMMARY OF SOME OF THE PERTINENT PROVISIONS OF THE LIMITED WARRANTY FOR THE CONVENIENCE OF THE PURCHASER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THE LIMITED WARRANTY. THE FULL TEXT OF THE ORIGINAL DOCUMENT SHOULD BE EXAMINED AND CONTROLS OVER THE ABOVE SUMMARY.

SPINNAKER PLACE DEVELOPMENT, LLC

By HASEKO HOMES, INC.
a Hawaii corporation
Its Manager

By _____
Name: TORU NAGAYAMA
Title: PRESIDENT

EXHIBIT "1"
SPINNAKER PLACE TOWNHOMES, INCREMENT 4

ESTIMATED ANNUAL BUDGET

Spinnaker Place Development, LLC does hereby certify that the estimated budget and maintenance fees describing the units for Increment 4, as set forth in the following sheets in this Exhibit "1", were prepared in accordance with generally accepted accounting principles. The budget and maintenance fees are estimates only and are subject to change at any time, including changes resulting from the merger of the Project with other increments of Spinnaker Place Townhomes.

SPINNAKER PLACE DEVELOPMENT, LLC

By HASEKO HOMES, INC.
a Hawaii corporation
Its Manager

Name: TORU NAGAYAMA
Title: PRESIDENT

November 21, 2005
Date

EXHIBIT "1"

SPINNAKER PLACE TOWNHOMES, INCREMENT 4

ESTIMATED ANNUAL BUDGET

ESTIMATE OF MAINTENANCE DISBURSEMENTS **(a)**	MONTHLY ($)	ANNUAL ($)
Utilities		
Common Electricity	$ 59.87	$ 718.44
Water	$ 396.19	$ 4,754.28
Sewer	$ 198.81	$ 2,385.72
Building and Grounds Maintenance		
Building	$ 85.89	$ 1,030.68
Grounds (Landscaping)	$ 557.24	$ 6,686.88
Pest Control	$ 100.00	$ 1,200.00
Amenities (Recreation Area)	$ 33.16	$ 397.92
Trash Removal	$ 170.39	$ 2,044.68
Custodial	$ 4.61	$ 55.32
Management		
Management Fees	$ 140.00	$ 1,680.00
Wages and Salaries	$ 206.87	$ 2,482.44
Administrative Expenses	$ 47.43	$ 569.16
Education Expenses	$ 0.69	$ 8.28
Insurance	$ 668.18	$ 8,018.16
Legal & Professional	$ 18.42	$ 221.04
Taxes/Government Assessments	$ 0.46	$ 5.52
Audit Fees	$ 9.21	$ 110.52
Reserves (b)	$ 307.55	$ 3,690.60
Totals (c)	$ 3,004.96	$ 36,059.64

(a) All budgeted expenses have been calculated by allocating a portion of the overall proposed expenses in accordance with the ratio of the number of units in Increment 4 (i.e., 14 units) to the total number of proposed units (i.e., 304 units). In the event of a deficit in the actual expenses and the amount actually collected, such deficit shall be subsidized by the Developer until all units within the Spinnaker Place Townhomes project have been sold.

(b) A reserve study (per §514A-83.6, HRS and Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules) has not yet been conducted. The reserves are estimates only based upon information obtained by Spinnaker Place Development, LLC.

(c) The Developer, on its own initiative, will be installing and paying for the costs of the use of the Sentricon® *Termite Colony Elimination System* on the Project, commencing on the date title for the first Apartment in a building is transferred to the first homeowner and expiring twelve months thereafter. The costs of use of Sentricon® *Termite Colony Elimination System* for a particular building within the Project beyond such period has not been included in the Budget, and any use will be at the election and the cost of the Association or individual apartment owners as the case may be.

SPINNAKER PLACE TOWNHOMES, INCREMENT 4

ESTIMATED MAINTENANCE FEES PER UNIT

APT. NO.	NET LIVING AREA (sq. ft.) **(a)**	COMMON INTEREST (%)	MONTHLY MAINT. FEE ($) (Per Budget p. 1)	MONTHLY MASTER ASSN. FEE ($) (Per Budget p.4)	**TOTAL MONTHLY FEES ($)**	TOTAL ANNUAL FEES ($)
401	1005	7.1428	214.64	21.00	235.64	2,827.68
402	1196	7.1429	214.64	21.00	235.64	2,827.68
403	1130	7.1428	214.64	21.00	235.64	2,827.68
404	1130	7.1428	214.64	21.00	235.64	2,827.68
405	1196	7.1429	214.64	21.00	235.64	2,827.68
406	1001	7.1428	214.64	21.00	235.64	2,827.68
5301	1183	7.1429	214.64	21.00	235.64	2,827.68
5302	1105	7.1428	214.64	21.00	235.64	2,827.68
5303	1105	7.1428	214.64	21.00	235.64	2,827.68
5304	1183	7.1429	214.64	21.00	235.64	2,827.68
5401	1135	7.1429	214.64	21.00	235.64	2,827.68
5402	1135	7.1429	214.64	21.00	235.64	2,827.68
5403	1135	7.1429	214.64	21.00	235.64	2,827.68
5404	1135	7.1429	214.64	21.00	235.64	2,827.68

(a) The net living area of the apartment, excluding the garage, the lanai, the front or rear yards, and the entry area.

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

Ocean Pointe Residential Community Association
Annual Budget - Year 2006[1]
(Based on 1927 Units)

Budget Item		Amount
a.	Maintenance - Grounds[2]	296,376.00
b.	Utilities (Water)	75,360.00
c.	Utilities (Electricity)	2,400.00
d.	Insurance	12,012.00
e.	Management Services[3]	78,084.00
f.	Admin Supplies & Services	10,500.00
g.	Legal & Audit	3,540.00
h.	Miscellaneous Administrative Expenses	180.00
i.	Reserve Contribution	7,152.00
j.	Total Estimated Annual Costs	485,604.00
k.	Total Estimated Monthly Costs	40,467.00
l.	Total Costs Per Unit Per Month[4]	21.00
m.	Net Assessments Per Unit Per Month[5]	**$21.00**

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1 The Ocean Pointe Community Association's (the "Association") 2005 fiscal year runs from January 1, 2006 through December 31, 2006.

2 Maintenance - Grounds cover maintenance of the "Area of Common Responsibility" as that term is defined in the Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential) dated September 15, 1998 as supplemented and amended (the "Master Declaration"). The estimated maintenance costs shown in this line item do not cover any areas that may be subsequently annexed to the Master Declaration in the future. The estimated maintenance costs shown in line item a. include estimates for all labor, equipment, and other materials (not including water which is covered by line item b.) that are necessary to maintain the above-described areas.

3 Management Services reflect the fees that Certified Management, Inc. will be paid for the coming fiscal year for management services and design review services.

4 The total cost per unit per month was calculated by taking the total estimated monthly costs (line item k.) and dividing that number by 1927.

5 The Net Assessment Per Unit Per Month represents the net monthly assessment estimated amount to be collected from members on a per unit basis for the coming fiscal year.

EXHIBIT "L"

Spinnaker Place Townhomes, Increment 4

Summary of Reservation Agreement and Sales Contract

A specimen of the Reservation Agreement and Sales Contract (hereinafter the "Agreement") has been submitted to the Real Estate Commission as part of the registration. The Agreement contains the purchase price, description of the apartment to be conveyed to a buyer, and the terms and conditions under which a buyer will agree to buy an apartment in the Project.

The Agreement provides in part:

1. Financing of Purchase. If the buyer (referred to in the Agreement as the "Purchaser") is required to finance any portion of the purchase price, then the buyer agrees to take certain actions within designated time periods including, but not limited to, submitting a complete loan application package to a qualified lender and obtaining a pre-qualification letter from the lender. Upon notice from Developer, the buyer shall obtain a final loan commitment within certain time periods.

Buyer represents that the financial data to be submitted to Developer or lender is true and accurate. The buyer also agrees to provide written evidence to Developer of buyer's ability to make any requisite cash payments. In order to keep the Developer and/or the Developer's broker informed of the buyer's progress in obtaining a mortgage loan, the buyer shall authorize its lender to transmit to the Developer and/or the Developer's broker any and all information necessary for this purpose including, but not limited to, copies of all correspondence between the buyer and the lender.

Buyer acknowledges that Developer's lender, as a condition of its construction financing of the Project, may require Developer and/or Buyer's lender to forward copies of financial related information submitted by Buyer in connection with Buyer's loan application including, but not limited to, a signed loan application, credit report, bank statements, pay stubs, W-2 forms, tax returns and other information.

The Agreement provides the Developer with certain rights, including the right to terminate the Agreement if the buyer fails to comply with the various requirements.

2. Closing Date. The terms "Closing Date" or "Closing" as used in the Agreement shall mean the date when the Developer and the buyer have each carried out all of their obligations under the Agreement and escrow is closed by the recording in the Land Court of the Apartment Deed and also any mortgage in favor of the buyer's lender, and making all payments required from funds received. The projected "Closing Date" will be determined by the Developer alone (the "Scheduled Closing Date"). For purposes of determining when closing may occur, the buyer agrees to abide by the Developer's good faith estimate of the Scheduled Closing Date. The Scheduled Closing Date, however, is based on a number of factors including, without limitation, the type of loan program selected by the buyer, the projected construction schedule for the apartment and the Project, which schedule changes frequently due to a variety of factors. Therefore, the Scheduled Closing Date or any other estimate of the Closing Date provided by the Developer is an estimate only and is subject to change. The Developer may delay or change the Scheduled Closing Date as necessary and the buyer is advised to work with the Developer in coordinating the actual Closing Date.

3. What the Buyer is Required to Do at Closing. On or prior to the Closing Date, the buyer will sign and deliver to escrow all documents which the buyer must sign in order to effect the closing. This will include, without limitation, any mortgage in favor of the buyer's lender. The buyer shall also pay to escrow any cash payment required on account of the balance of the "Total Purchase Price" (as defined in the Agreement) (including those amounts representing the options contracted by buyer), and all sums included in the "Estimate of Additional Sums Payable" (as defined in the Agreement) and further described below (subject to adjustment for actual fees payable as determined at closing).

4. Estimate of Additional Sums Payable. The sums included in the Estimate of Additional Sums Payable are in addition to and are not part of the Total Purchase Price. The buyer's closing costs shall include, but shall not be limited to, all escrow fees, all notary fees, costs of title insurance, legal costs for the preparation of any apartment deed or any notes and mortgages, all recording costs or fees, loan fees, credit report costs, appraisal fees and all other applicable mortgage costs. In addition, the buyer agrees to pay the buyer's pro-rata share of applicable monthly maintenance and associations' fees (if closing occurs on a day other than the first day of the month), taxes, assessments and other expenses, which shall be prorated between the buyer and the Developer as of the closing date. Also included will be the monthly maintenance and associations' fees and the Association of Apartment Owners start-up fee.

5. The Buyer's Acceptance of the Apartment. The buyer agrees to close the sale of the apartment on time and accept possession of the apartment (a) even if the common elements of the Project have not yet been fully completed and/or construction activity is still in progress, and (b) notwithstanding the existence of any defects in or damage to the apartment which does not render the apartment unusable. The buyer also promises to indemnify and hold harmless the Developer from any loss or damage, including interest and attorneys' fees and costs, resulting from the buyer's failure to close the sale or to accept possession of the apartment as required above.

6. Delay in Closing. The Agreement includes provisions to address if the closing is delayed.

7. Conditions of the Project. The Agreement contains various disclosures made in the Agreement regarding the condition of the Project and the surrounding areas that could affect the buyer's use or enjoyment of an apartment in the Project, including potential aircraft noise, ongoing construction and sales activities, the nearby B-1 zoned lot and the possible need to provide access to such lot through the rear lanes, roadways, or driveways located nearby, the proximity of the Project to the proposed Ocean Pointe Elementary School and the possible need to provide pedestrian areas between the school and the Project, the proximity of the Project to the proposed fire station, the possible installation of a Hawaiian Electric Company electrical substation located across the Spinnaker Place Townhomes development near Kapolei Parkway, the proximity of the Project to the Kapolei Parkway and Keone'ula Boulevard, and possible environmental and utility effects, that neither the Association of Apartment Owners nor Developer or its affiliates are responsible for providing security for the Project. The Agreement also contains disclosures regarding the approximate area of the apartments, potential mold, electricity charges for certain exterior lighting, the Developer's right to modify the plans and specifications for the production homes, the right to substitute materials, the right to increase or decrease the purchase price of any apartment not subject to a binding contract, and that certain improvements constructed and installed for aesthetic reasons have no structural purposes.

8. Disclosures Regarding Model Homes; Advertising Materials. The homes in the Project will be mass constructed based on limited styles and floor plans being offered by the Developer, but with minor variations to the colors, door styles, elevations, yards, landscaping, walkways, entryways and other features to provide each home with a certain degree of uniqueness. The model homes and various advertising materials, brochures and displays are intended to assist the buyer in visualizing the floor plan of the apartment that the buyer is purchasing, but are not intended to be exact replicas or depictions of all the apartments or buildings in the Project. The model homes and yard areas of the model homes also contain numerous upgrades, options and decorator items which are not included with the apartment being purchased by the buyer or the building in which the apartment is located, or which, if included with the property being purchased, may differ from that shown with the model homes or in the advertising materials, brochures or displays due to various factors.

9. Disclosures Regarding Ongoing Sales and Advertising Activities. The Agreement discloses that the Developer and others shall have the right to conduct extensive sales activities on the common elements (excluding the limited common elements appurtenant to any sold apartments) and any unsold apartments and limited common elements appurtenant thereto until the date that all of the residential units proposed for development in Area IID are sold and conveyed.

10. Landscaping; Fences. The buyer is responsible for the initial landscaping of the buyer's rear yard area (for TH-1 or TH-2 buildings). The Developer will install the initial landscaping in the front yard area (for TH-11 or TH-12 buildings), including an irrigation sprinkler system. The maintenance of such landscaping shall thereafter be the responsibility of the buyer. The buyer also acknowledges that the Developer will install the initial fences enclosing, as the case may be, the rear yard or the front yard of the apartment the buyer is purchasing, but that the buyer is responsible for maintaining, repairing and replacing such fences. If any such rear yard fence is shared by more than one apartment, the obligation to maintain, repair and replace such fence shall be shared jointly by both apartment owners.

11. Utility Infrastructure. The buyer acknowledges that additional utility infrastructure may be constructed in the future which provides utility services for the Project, the cost of which is not included in the purchase price of any apartment in the Project.

12. Developer's Repurchase Option. The buyer acknowledges and agrees that the Developer has reserved the option to repurchase the apartment during the first twelve (12) month period following the close of escrow to the extent the buyer sells, transfers, assigns, rents or offers to sell, transfer, assign, or rent the apartment during such twelve (12) month period. The purchase price paid by Developer to buyer upon the exercise of this repurchase option shall be equal to the Total Purchase Price shown on page 2 of the Agreement, plus the amount of any options, upgrades, and floor selections paid by buyer in connection with the apartment, and together with the amount of any capital improvements made by the buyer to the apartment. The Agreement also describes the conditions in which certain sales, transfers, or assignments or offers to sell, transfer, or assign will not be subject to the repurchase option.

13. Developer's Limited Warranty for the Apartment. The buyer acknowledges the Developer's limited warranty regarding the apartment and the common elements, which is described in the Disclosure Abstract attached to this public report as Exhibit "K".

14. Interest on the Buyer's Deposits. All interest earned on the buyer's deposits shall accrue to the credit of and shall be paid to the Developer unless (a) the buyer instructs escrow to establish a separate interest-bearing account on the buyer's behalf ("Buyer's Account") and pays escrow a processing fee of $25.00 (or such other amount as escrow may establish from time to time) and complies with all other requirements of escrow, or (b) a Buyer's Account is established pursuant to the escrow agreement (in which case the buyer agrees to pay the processing fee provided thereunder).

15. No Rental Service/Investment Representations. The buyer agrees that the buyer has entered into the Agreement without any reference or representation by the Developer or any sales person: (a) that the Developer or anyone affiliated with the Developer or any unaffiliated third party will provide, directly or indirectly, any services relating to the rental or sale or management on behalf of the buyer; (b) as to projected rental income, occupancy rates or other matters related to the rental of the apartment; (c) as to possible tax advantages or other economic benefits accruing to an owner who chooses to rent an apartment; or (d) as to projected appreciation in the value of the apartment. The buyer agrees to be solely responsible for any rental or other disposition of the apartment.

16. Default by Buyer. If the buyer fails to make any payment when it is due or fails to keep any of the other promises or agreements of the buyer set forth in the Agreement, the Developer will give the buyer written notice of such failure. If the buyer does not cure such default or failure within ten (10) calendar days after the Developer sends such notice, the Developer shall have the right to do any one or more of the following:

(a) Cancel the Agreement by giving the buyer written notice of cancellation. The Developer may then keep all sums deposited by the buyer, including any and all interest accrued thereon (notwithstanding the establishment of a Buyer's Account), as "liquidated damages" (i.e., the amount agreed to by the buyer and the Developer as properly payable in settlement for breach of contract), in lieu of actual damages and not as a penalty;

(b) Take advantage of any other rights which the law allows, including, for example, a lawsuit for actual damages suffered, or a lawsuit for "specific performance," which means a lawsuit to require the buyer to pay the total purchase price and keep all of the buyer's promises under the Agreement; and

(c) Collect from the buyer all costs, including reasonable attorneys' fees, court costs, escrow cancellation fees, and any document preparation fees if the deed conveying the property to the buyer has been prepared and delivered to escrow, which may be incurred by the Developer because of the buyer's default.

17. Mediation; Arbitration. Any dispute arising out of the Limited Warranty, the construction, or sale of an apartment shall first be resolved by binding arbitration. Except as otherwise provided by law, binding arbitration shall be the sole remedy for resolving such disputes. The arbitration shall be conducted by Construction Arbitration Services, Inc. or such other reputable arbitration service that the warranty administrator shall select, in its sole discretion, at the time the request for arbitration is submitted. The rules and procedures of the designated arbitration organization that are in effect at the time the request for arbitration is submitted will be followed. Said arbitration proceeding shall be governed by the United States Arbitration Act (9 U.S.C. §§ 1-16) to the exclusion of any inconsistent state law, regulation or judicial decision. The award of the arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction. Each party shall bear its own attorneys' fees

and costs (including expert costs) for the arbitration. The arbitrator shall, as part of any decision, award to the party prevailing at the arbitration any applicable filing fees or other arbitration fees paid by that party.

THE FOREGOING IS A SUMMARY OF SOME OF THE PERTINENT PROVISIONS OF THE AGREEMENT FOR THE CONVENIENCE OF THE BUYER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THE AGREEMENT. THE FULL TEXT OF THE ORIGINAL DOCUMENT SHOULD BE EXAMINED AND CONTROLS OVER THIS SUMMARY.

NOTE: The Developer is offering the buyer a selection of various floor coverings (i.e., tiling and carpeting) and window coverings for the apartment which buyer will select in an addendum to the Agreement. In addition, the Developer is also offering various optional floor plans, appliances and upgrades for the apartment, each at various prices, and which, if selected, will also be included in an addendum or addenda to the Agreement. The purchase price for such options, appliances and upgrades are non-refundable once the Agreement is deemed binding under the Condominium Property Act.

EXHIBIT "M"

Spinnaker Place Townhomes, Increment 4

Summary of Escrow Agreement

An executed Escrow Agreement has been submitted to the Real Estate Commission as part of this registration. The Escrow Agreement identifies Title Guaranty Escrow Services, Inc. as the escrow agent ("Escrow"). The Escrow Agreement sets up an arrangement under which Escrow will hold deposits that a buyer makes to the Developer under a Reservation Agreement and Sales Contract (the "Sales Contract") for the purchase of an apartment in the Project. The Escrow Agreement provides in part:

1. Payment of Funds to Escrow. The Developer shall pay over to Escrow any monies received by the Developer from a buyer under a Sales Contract, including all disbursements made on loan commitments, if any, from lending institutions to the buyer. Escrow shall deposit all funds so received in accordance with written instructions from the Developer in a federally-insured, interest-bearing account at a bank, savings and loan association, or trust company authorized to do business in the State.

2. Return of Funds to a Buyer. A buyer shall be entitled to a refund of the buyer's funds held in Escrow as follows:

(a) Escrow shall refund to the buyer all of the buyer's entire deposit together with all interest earned thereon, if: (i) the buyer entered into the Sales Contract pursuant to a Contingent Final Public Report; (ii) the Real Estate Commission does not issue an effective date for a Final Public Report by the date on which the Contingent Final Public Report expires; and (iii) the Developer or the buyer elects to rescind the buyer's Sales Contract.

(b) Escrow shall refund to the buyer all of the buyer's entire deposit, without interest and less any Escrow cancellation fees, if any one of the following has occurred: (i) the Developer and the buyer request in writing that Escrow return the buyer's funds to the buyer; (ii) the Developer notifies Escrow of the Developer's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to the Developer; (iii) the buyer notifies Escrow of buyer's exercise of buyer's right to cancel the Sales Contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or (iv) the buyer notifies Escrow of buyer's exercise of buyer's right to rescind the Sales Contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

3. Buyer's Default under Sales Contract. If the Developer terminates a Sales Contract due to a default thereunder by the buyer, Escrow shall thereafter treat all funds of the buyer paid on account of such buyer's Sales Contract as funds of the Developer and not as funds of the buyer. Thereafter, such funds shall be free of the escrow established by the Escrow Agreement and shall be held by Escrow for the account of the Developer.

THE FOREGOING IS A SUMMARY OF SOME OF THE PERTINENT PROVISIONS OF THE ESCROW AGREEMENT FOR THE CONVENIENCE OF THE BUYER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THE ESCROW AGREEMENT. THE FULL TEXT OF THE ORIGINAL DOCUMENT SHOULD BE EXAMINED AND CONTROLS OVER THIS SUMMARY.

EXHIBIT "N"

Spinnaker Place Townhomes, Increment 4

Description of the Spinnaker Place Design Guidelines

Spinnaker Place Townhomes is part of Ocean Pointe, a master-planned community encompassing approximately 1,100 acres (see Section V.C.1 of the public report for a description of Spinnaker Place Townhomes and Ocean Pointe). Being part of a master-planned community, developmental guidelines are necessary to promote the community's evolution in a manner consistent with the original design principles, as approved by the City and other governmental agencies.

To accomplish this purpose and to maintain Spinnaker Place's special character, the Spinnaker Place Design Guidelines (the "Design Guidelines") have been prepared to regulate construction, additions, modifications, and site improvements visible from the street or neighboring properties. A copy of the proposed Design Guidelines has been submitted to the Real Estate Commission as part of this registration.

The Design Guidelines, which are both prescriptive and restrictive, are intended to be illustrative of acceptable improvements and seek to provide an overall framework for future modifications within this Project and Spinnaker Place. The Design Guidelines contain various rules and guidelines, including but not limited to, architectural guidelines, examples of acceptable improvements, materials and color schemes, and Design Review Committee application procedures.

The Design Review Committee, which has been established pursuant to the Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential) (see Exhibit "O" for a description of this document), is or will be responsible for reviewing applications for compliance with the Design Guidelines.

THE FOREGOING IS A DESCRIPTION OF THE DESIGN GUIDELINES FOR THE CONVENIENCE OF THE BUYER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THESE DESIGN GUIDELINES. THE FULL TEXT OF THE DESIGN GUIDELINES SHOULD BE EXAMINED AND CONTROLS OVER THIS SUMMARY.

EXHIBIT "O"

Spinnaker Place Townhomes, Increment 4

Description of the Declaration of Covenants,
Conditions, and Restrictions for Ocean Pointe (Residential)

As mentioned in Section V.C.1 of the public report, in addition to being part of Spinnaker Place, the Project is also a part of the approximately 1,100 acre master-planned community known as Ocean Pointe and will therefore be subject to the terms and conditions set forth in that certain Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated September 15, 1998, recorded as Land Court Document No. 2486145, as amended and/or supplemented by that certain First Amendment to Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated October 30, 1998, recorded as Land Court Document No. 2498586, that certain First Supplemental Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated July 27, 1999, recorded as Land Court Document No. 2564353, that certain Second Supplemental Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated October 12, 2000, recorded as Land Court Document No. 2658343, that certain Third Supplemental Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated August 3, 2001, recorded as Land Court Document No. 2727221, that certain First Amendment to Third Supplemental Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated August 29, 2001, recorded as Land Court Document No. 2733526, that certain Fourth Supplemental Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated March 16, 2002, recorded as Land Court Document No. 2788218, that certain Fifth Supplemental Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated June 28, 2002, recorded as Land Court Document No. 2819438, that certain Sixth Supplemental Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated December 4, 2002, recorded as Land Court Document No. 2869221, that certain Seventh Supplemental Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated April 4, 2003, recorded as Land Court Document No. 2912637, that certain Eighth Supplemental Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated April 23, 2003, recorded as Land Court Document No. 2920358, that certain Second Amendment to Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated April 29, 2003, recorded as Land Court Document No. 2923437, that certain Third Amendment to Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated May 13, 2003, recorded as Land Court Document No. 2930015, that certain Ninth Supplemental Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated February 20, 2004, recorded as Land Court Document No. 3077910, and that certain Tenth Supplemental Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential), dated March 2, 2005, recorded as Land Court Document No. 3237189, as the same has been and/or may hereafter be further amended and/or supplemented from time to time (the "Master Declaration"). The Master Declaration was prepared and executed by Developer's affiliated companies, HASEKO Homes, Inc. and HASEKO (Ewa), Inc. (HASEKO (Ewa), Inc. hereafter referred to as the "Master Declarant").

The purpose of the Master Declaration is to facilitate the development, ownership, and use of the "Property" (as defined in the Master Declaration) and to provide for the formation of the Ocean Pointe Residential Community Association (the "Master

Association") that administers the Property. The following is a brief description of some of the significant provisions of the Master Declaration (unless defined herein, capitalized terms shall be defined as set forth in the Master Declaration).

1. Scope. The Master Declarant presently plans to develop (i) a master-planned residential community tentatively consisting of approximately 4,850 dwelling units together with (ii) a contiguous master-planned non-residential development which may include commercial, industrial, resort, and recreational uses, all of which will be known as "Ocean Pointe" (as defined in the Master Declaration). The primary purpose of the Master Declaration is to provide for the maintenance of the "Area of Common Responsibility" and the "Master Facilities" as well as to administer the "Design Guidelines" (as those terms are defined in the Master Declaration) applicable to the residential component of Ocean Pointe. The Property encumbered by the Master Declaration presently includes Ocean Pointe's first residential phase, consisting of two sub-neighborhoods known as Ke 'Āina Kai and Mariners Place as discussed in Section V.C.1 of the public report, as well as certain adjacent parcels owned by Master Declarant which will be devoted to roadway and landscaping purposes. The Master Declarant has reserved the right to annex to the Property those portions of the proposed Ocean Pointe project that are predominantly used for residential purposes (including without limitation for single or multi-family dwelling purposes or that may in the future be devoted to such uses). In connection with this, the Master Declarant has annexed Spinnaker Place to the Property. The Master Declarant has also reserved the right to withdraw property from the Master Declaration. The Master Declarant's rights to annex and withdraw property from the Master Declaration may be exercised at any time prior to the Last Conveyance Date (which is the date that the last residential dwelling unit proposed to be developed within Ocean Pointe is sold). The Master Declarant's rights to withdraw and annex property are generally covered in Sections 2.2 and 2.3 of the Master Declaration.

2. Amendment. Generally, the Master Declaration can be amended only with the vote of 75% of the units within the Property. However, prior to the termination of the Class B membership (see paragraph 3 below), such amendments will require the approval of the Master Declarant and the Master Declarant has reserved the right to amend the Master Declaration unilaterally (i) for any reason prior to the conveyance any unit within the Property; (ii) as to any unit, lot, or group of units/lots, where the same are owned by Master Declarant or the Developer; (iii) for the purpose of correcting technical defects, to make non-substantive changes, to comply with the requirements of various governmental loan programs, or to comply with various governmental or statutory requirements; (iv) for any other changes that do not have a material adverse effect on the rights of any "Owner" (as defined in the Master Declaration) and the value of any unit not owned by the Master Developer or the Developer; or (v) to annex or withdraw any property pursuant to the Master Declaration or to change the designation of the Area of Common Responsibility. The Master Declarant and the Developer also have the right to amend the Master Declaration unilaterally at any time to exercise their rights that are otherwise reserved or referenced in the Master Declaration. (See generally Section 2.1).

3. Association Membership/Voting. Membership in the Master Association is divided into two classes: (a) Class A members are all Owners (including Master Declarant as to each unit Master Declarant owns) and there will be one vote for each unit; and (b) the sole Class B member is the Master Declarant. The Class B member has the right to select all Master Association board members until the earlier of (i) the date when the total number of units subject to the Master Declaration equals 800; or (ii) December 31, 2010. Thereafter, the Class B member shall have the right to select a majority of the Master Association board members until the termination of the Class B membership which shall occur upon the earlier of: (i) the

date when 75% of all of the residential units proposed to be constructed within Ocean Pointe have been sold; (ii) December 31, 2030; or (iii) the date when the Master Declarant elects to terminate its Class B membership. Generally, in all matters other than the election of board members, there shall only be one class of membership (see generally Article III). If Owners are members of a "Community Parcel Association" (as defined in the Master Declaration) (such as the Spinnaker Place Community Association), then all voting rights of such Owners will be exercised by the senior elected officer of that Community Parcel Association.

4. Master Association Powers and Duties.

(a) General. The Master Association has broad powers to administer the Property. Generally, the Master Association has the power: (i) to acquire, hold, and dispose of property; (ii) to pay, compromise, or contest real property taxes and assessments on the Master Facilities and other property; (iii) to enforce the Master Declaration and the Spinnaker Place Declaration; (iv) to enter into contracts for the purpose of carrying out its duties under the Master Declaration (including management contracts); (v) to collect assessments; (vi) to maintain books and records of its receipts and expenditures; and (vii) to maintain the Master Facilities and Area of Common Responsibility (described below) and portions of Spinnaker Place.

(b) Master Facilities. The Master Facilities will include property that the Master Association acquires any ownership interest in (whether by deed, lease, easement, license, assignment, or other instrument) and generally may include the following property which Master Declarant in the exercise of its sole discretion may elect to convey to the Master Association: (i) the "Initial Landscaping Lot"; (ii) the "Initial Landscaping Easements"; (iii) the "Entry Lots" (as such terms are defined in the Master Declaration); (iv) any improvements which constitute all or any component of the "Non-potable Water System" (as defined in the Master Declaration) serving the Property including associated easements; and (v) components of the circulation and greenbelt systems for the Property, including non-dedicated roadways, pedestrian pathways, bikeways, associated landscaping easements, private parks, open space and all other related property and facilities located within or adjacent to the "Master Declarant Land" (as defined in the Master Declaration) which may be designated by Master Declarant from time to time. The Master Association through the board may also acquire any other property which the board in the exercise of its discretion deems necessary or appropriate. Prior to the time that any of the Master Facilities are transferred to the Master Association, the Master Declarant shall have all rights, duties, and powers reserved to the Master Association in the Master Declaration. (See generally Article IV).

(c) Area of Common Responsibility. The Area of Common Responsibility generally consists of those areas designated in the Master Declaration that the Master Association is responsible for maintaining even though the Master Association does not have an ownership interest in such property. Currently, the Area of Common Responsibility generally includes all landscaping located within the main roadways that encircle the existing Ke 'Āina Kai and Ke Noho Kai developments (plus Kapolei Parkway, Kaipu Street, and Kaileonui Street, as well as various perimeter mini-parks that are situated next to these roadways. The Area of Common Responsibility may also include in the future the following property when designated in a supplemental Master Declaration: (a) all landscaping located within all other dedicated roadways which are located within, adjacent to, in the vicinity of or which otherwise benefit the Property as determined by the Master Declarant, (b) any of the property generally described in subparagraph 4.b. above as determined by the Master Declarant, (c) the Non-Potable Water System, (d) the Entry Lots, and (e) such other property as may be maintained by

the Association by agreement. The Area of Common Responsibility shall not include any property that is transferred to the Master Association and thereby becomes part of the Master Facilities.

5. Use of Master Facilities. Generally, the Owners have a non-exclusive right and easement to use the Master Facilities subject to: (i) any restrictions set forth in any rules adopted by the Master Association; (ii) any restrictions, encumbrances, easements, and rights of way which may be reserved at the time any Master Facilities are transferred to the Master Association; (iii) any road, utility, or similar easements and rights of way which may be required by any governmental entity, or that may be taken under power of eminent domain, or granted or conveyed by the board; and (iv) other rights reserved to the Master Declarant or the Developer in the Master Declaration. Owners may not relinquish rights to use the Master Facilities and thereby avoid their obligations for assessments.

6. Assessments. The Master Association shall have the right to assess Owners common assessments for the expenses incurred by the Master Association (see generally Article VI). The common assessments to be levied on each unit shall be computed as follows:

(i) The common assessment to be levied on each unit during such fiscal year shall be computed by multiplying the sum of all common expenses by a fraction, the numerator of which is one (1), and the denominator of which is the total number of units subject to the Master Declaration.

Until the Last Conveyance Date, either the Master Declarant and/or the Developer may annually elect either to pay the common assessments due on their respective unsold units or to pay to the Association the difference between the amount of all common assessments assessed against all units (other than those units owned by Master Declarant and/or Developer) subject to assessment and the amount of the actual expenditures required to operate the Master Association during the fiscal year.

The Master Association shall also be entitled to levy special assessments as follows: (i) against an Owner when an Owner defaults in the performance of its obligations under the Master Declaration, (ii) to make up a shortfall in receipts due to Owner delinquencies; (iii) where the budget is exceeded due to unanticipated circumstances; or (iv) for other reasons determined by the board.

Nonpayment of any assessments will give rise to a lien against the Owner's unit in an amount equal to the unpaid assessments plus interest, attorney's fees, and costs of collection and the board may foreclose on such lien as provided by law, provided, however, that with respect to units whose Owners are members of a Community Parcel Association (such as the Spinnaker Place Community Association), all assessments attributable to such units shall be an obligation of the Community Parcel Association and shall be included as a common expense in the budget of such association. Individual Owners shall not be personally liable for the failure of a defaulting Community Parcel Association to pay its share of assessments and the Master Association shall have recourse only against the defaulting Community Parcel Association and its property.

7. Design Standards. All construction and alteration of improvements within the Property are subject to approval by the Design Review Committee ("DRC") and must be in compliance with the Design Guidelines which will be initially adopted by the Master Declarant

(see generally Article VII). Until the Last Conveyance Date, all members of the DRC will be appointed by the Master Declarant. The DRC will have the authority to grant variances under specified circumstances and shall also have the authority to order the removal of any work which is not performed in accordance with the Master Declaration and Design Guidelines. The administration of the Design Guidelines applicable to a particular Community Parcel may be delegated to such Community Parcel from time to time as provided in the Master Declaration.

8. Additional Reserved Rights of Master Declarant and Developer. Generally, Article VIII of the Master Declaration provides that the Master Declarant and/or Developer (as the case may be) (i) may assign their rights reserved under the Master Declaration to any third party, (ii) may execute and record any instruments necessary (including amendments or supplements to the Master Declaration) which they deem necessary to exercise rights referenced or reserved to them in the Master Declaration, (iii) have reserved the right to conduct sales activities within portions of the Property, (iv) have reserved the right to erect signs within the Master Facilities, (v) have reserved the right to change development plans for the Ocean Pointe project, (vi) have reserved the right to execute specified documents affecting the Property, and (vii) have reserved the right to exercise cross easement agreements on behalf of the Master Association. Master Declarant and Developer have reserved the following additional rights:

(a) Easements. Under Section 8.7 of the Master Declaration, the Master Declarant and Developer have reserved for themselves and their designees blanket perpetual easements as well as the right to designate, grant, dedicate, realign, relocate, or cancel perpetual easements for various purposes including access and utility purposes across the Master Facilities. Such easements may be assigned to the Master Association on such terms and conditions as are acceptable to the Master Declarant or Developer, as the case may be.

(b) Drainage. During the Initial Term, the Master Declarant shall have the right to select a qualified engineer who shall have the authority to determine the Master Association's fair and equitable share of drainage control costs within Ocean Pointe. Such drainage control costs may include: (i) the dredging of the marina depicted in the "Master Plan" (as defined in the Master Declaration) (if constructed and as the configuration of same may be altered by Master Declarant in its discretion) or alternatively, the maintenance of a permanent retention basin within Ocean Pointe; and (ii) maintaining all associated drainage channels located within Ocean Pointe. The Master Association's share of all such expenses shall be a common expense of the Master Association and shall be included in the common assessments.

9. Insurance. The Master Association is required to carry the following types of insurance: (i) property casualty insurance on all insurable improvements within the Master Facilities and Area of Common Responsibility; (ii) commercial general liability insurance (with umbrella liability coverage); (iii) worker's compensation insurance (where required by law); (iv) directors and officers liability insurance; (v) fidelity insurance; (vi) non-owned and hired automobile liability coverage, (vii) such additional insurance as the board may determine from time to time. Premiums for insurance carried by the Master Association shall be common expenses which will be included in common assessments.

10. Term. The term of the Master Declaration shall be for a period of fifty (50) years from the date that the Master Declaration was recorded. Thereafter, the Master Declaration shall automatically be extended for successive periods of twenty (20) years unless terminated by a written instrument approved by a 75% of the total votes in the Association.

THE FOREGOING IS A GENERAL DESCRIPTION OF THE MASTER DECLARATION FOR THE CONVENIENCE OF THE BUYER AND IS NOT INTENDED TO BE AN EXHAUSTIVE LIST OF ALL OF THE TERMS OF THE MASTER DECLARATION. THE FULL TEXT OF THE MASTER DECLARATION SHOULD BE EXAMINED AND CONTROLS OVER THIS DESCRIPTION.