

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Spinnaker Place Development, LLC
Business 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, HI 96706

Registration No. 5848

Effective date: August 6, 2007
Expiration date: September 6, 2008

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.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
X SUPPLEMENTARY: (pink) This report updates information contained in the:
And [] Supersedes all prior public reports.
[X] Must be read together with Final Public Report dated December 5, 2005
[X] This report reactivates the Final public report(s) which expired on January 5, 2007

(*) 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.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

1. As reflected in the updated preliminary title report dated March 8, 2007, Developer recorded a First Amendment to Declaration of Condominium Property Regime of Spinnaker Place Townhomes, Increment 4, dated July 14, 2006, to reflect the "as built" for the Project. As part of that filing, Condominium Map No. 1759 was revised to reflect the construction of the extended covered lanai option selected by the purchasers of Apt Nos. 402 and 403 of Building 4 of the Project, as shown on Condominium Map Sheets HPR-4.0.2, HPR-4.1.1, and HPR-4.2.01, all dated June 13, 2006. These extended covered lanais are options detailed in the original Condominium Map No. 1759, Sheets HPR-4.1.1 and HPR-4.2.01.

2. An Amended Disclosure Abstract dated March 27, 2007 (Exhibit "K") is also attached to this Supplementary Public Report to reflect the adoption of a 2007 annual budget.

3. A revised listing of the Encumbrances against Title (Exhibit "J") is attached.

4. The Final Public Report covered the apartments in Buildings 4, 53, and 54 of the Project. All apartments in Buildings 53 and 54 have been sold.

Note: The Final Public Report bearing an effective date of December 5, 2005, expired on January 5, 2007. This Supplementary Public Report reactivates this registration and updates information contained in said Final Public Report.

**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:

<input type="checkbox"/>	Proposed			
<input type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. _____	
			Book _____	Page _____
<input checked="" type="checkbox"/>	Filed -	Land Court:	Document No. <u>3357531</u>	

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

First Amendment to Declaration of Condominium Property Regime of Spinnaker Place Townhomes, Increment 4, dated July 14, 2006, filed as Document No. 3456267

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:

<input type="checkbox"/>	Proposed			
<input type="checkbox"/>	Recorded -	Bureau of Conveyances Condo Map No. _____		
<input checked="" type="checkbox"/>	Filed -	Land Court Condo Map No. <u>1759</u>		

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

"As built" plans for Land Court Condominium Map No. 1759 was filed on July 21, 2006

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:

<input type="checkbox"/>	Proposed			
<input type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. _____	
			Book _____	Page _____
<input checked="" type="checkbox"/>	Filed -	Land Court:	Document No. <u>3357532</u>	

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

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.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit "H".

as follows:

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

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 March 8, 2007 and issued by Title Guaranty of Hawaii, Inc.

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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WHITE paper stock

PINK paper stock

- 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:  _____
Duly Authorized Signatory*

April 23, 2007

Date

TSUTOMU SAGAWA, Executive Vice President of HASEKO Homes, Inc., as Manager of Developer

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 "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 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. The terms and provisions of said Limited Warranty Deed, were confirmed by that certain Confirmation of Deed Provisions and Reaffirmation of Reservations, dated January 17, 2007, recorded as Land Court Document No. 3543687.
3. 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.
4. 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.
5. 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.
6. 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.

7. 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.
8. 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.
9. 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.
10. 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.
11. Restriction of vehicular access rights, as shown on Map 1232, as set forth by Land Court Order No. 160235, recorded on February 18, 2005.
12. 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.
13. 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.
14. 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, as amended by that certain First Amendment to Declaration of Condominium Property Regime of Spinnaker Place Townhomes, Increment 4, dated July 14, 2006, recorded as Document No. 3456267.
15. 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.

16. Condominium Map No. 1759, filed on November 21, 2005, as amended on July 21, 2006.

EXHIBIT "K"

Spinnaker Place Townhomes, Increment 4

AMENDED DISCLOSURE ABSTRACT

Date: March 27, 2007

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" attached hereto sets out the estimated monthly common expenses and estimated costs for the year ending December 31, 2006. Exhibit "2" attached hereto sets out estimated monthly common expenses and estimated costs for the year ending December 31, 2007.

AMENDMENT: This Amended Disclosure Abstract supersedes and replaces in its entirety the Disclosure Abstract dated November 21, 2005, which was attached as Exhibit "K" to the Final Public Report for the Project (Report No. 5848, Effective Date: December 5, 2005). This Amended Disclosure Abstract amends the Disclosure Abstract by revising the monthly common expenses and costs for the year ending December 31, 2007 as described in Exhibit "2."

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

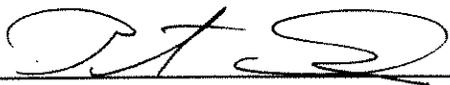
By 
Name:
Title:

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 2006¹
 (Based on 1927 Units)

<u>Budget Item</u>	<u>Amount</u>
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	<u>7,152.00</u>
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	<u><u>\$21.00</u></u>

¹ The Ocean Pointe Community Association's (the "Association") 2006 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 "2"

SPINNAKER PLACE TOWNHOMES, INCREMENT 4
(14 UNITS)
2007 ANNUAL BUDGET

ESTIMATE OF MAINTENANCE DISBURSEMENTS (a)	MONTHLY (\$)	ANNUAL (\$)
Utilities		
Common Electricity	\$ 68.66	\$ 823.92
Water	\$ 386.06	\$ 4,632.72
Sewer	\$ 483.41	\$ 5,800.92
Building and Grounds Maintenance		
Building	\$ 11.51	\$ 138.12
Grounds (Landscaping)	\$ 621.11	\$ 7,453.32
Pest Control	\$ 66.88	\$ 802.56
Amenities (Recreation Area)	\$ 46.10	\$ 553.20
Trash Removal	\$ 477.06	\$ 5,724.72
Custodial	\$ 2.30	\$ 27.60
Management		
Management Fees	\$ 141.92	\$ 1,703.04
Wages and Salaries	\$ 202.17	\$ 2,426.04
Administrative Expenses	\$ 43.43	\$ 521.16
Education Expenses	\$ 0.69	\$ 8.28
Insurance	\$ 931.78	\$ 11,181.36
Legal & Professional	\$ 2.30	\$ 27.60
Taxes/Government Assessments	\$ 0.60	\$ 7.20
Audit Fees	\$ 3.96	\$ 47.52
Reserves (b)	\$ 144.31	\$ 1,731.72
Totals (c)	\$ 3,634.25	\$ 43,611.00

- (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	259.59	22.00	281.59	3,379.08
402	1196	7.1429	259.59	22.00	281.59	3,379.08
403	1130	7.1428	259.59	22.00	281.59	3,379.08
404	1130	7.1428	259.59	22.00	281.59	3,379.08
405	1196	7.1429	259.59	22.00	281.59	3,379.08
406	1001	7.1428	259.59	22.00	281.59	3,379.08
5301	1183	7.1429	259.59	22.00	281.59	3,379.08
5302	1105	7.1428	259.59	22.00	281.59	3,379.08
5303	1105	7.1428	259.59	22.00	281.59	3,379.08
5304	1183	7.1429	259.59	22.00	281.59	3,379.08
5401	1135	7.1429	259.59	22.00	281.59	3,379.08
5402	1135	7.1429	259.59	22.00	281.59	3,379.08
5403	1135	7.1429	259.59	22.00	281.59	3,379.08
5404	1135	7.1429	259.59	22.00	281.59	3,379.08

(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 2007¹
 (Based on 2,200 Units)

<u>Budget Item</u>	<u>Amount</u>
a. Maintenance - Grounds ²	363,553.00
b. Utilities (Water)	77,220.00
c. Utilities (Electricity)	2,400.00
d. Insurance	11,319.00
e. Management Services ³	81,500.00
f. Admin Supplies & Services	7,200.00
g. Legal & Audit	4,140.00
h. Miscellaneous Administrative Expenses	180.00
i. Security	38,400.00
j. Reserve Contribution	<u>4,212.00</u>
k. Total Estimated Annual Costs	590,124.00
l. Total Estimated Monthly Costs	49,177.00
m. Total Costs Per Unit Per Month ⁴	22.00
n. Net Assessments Per Unit Per Month ⁵	<u>\$22.00</u>

¹ The Ocean Pointe Community Association's (the "Association") 2007 fiscal year runs from January 1, 2007 through December 31, 2007.

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 annual costs (line item k.) and dividing that number by 2,200 and further dividing that number by 12. The resulting sum is then rounded to the nearest dollar.

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.