

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer CASTLE & COOKE WAIKOLOA, LLC
 Address 100 Kahelu Avenue, 2nd Floor, Mililani, Hawaii 96789
 Project Name(*): MAKANA KAI AT WEHILANI – PHASE I*
 Address: Waikoloa Road, South Kohala, Hawaii

Registration No. 5941 Effective date: March 30, 2006
 Expiration date: April 30, 2007

*This registration is referred to in this Report as Makana Kai at Wehilani – Phase I (Increment 1-B).

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:** 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.
(yellow)
 - CONTINGENT FINAL:** The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date. Contingent Final public reports may not be extended or renewed.
(green)
 - No prior reports have been issued.
 - This report supersedes all prior public reports.
 - FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.
(white)
 - No prior reports have been issued.
 - This report supersedes all prior public reports.
 - This report must be read together with _____
 - SUPPLEMENTARY:** This report updates information contained in the:
(pink)
 - 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.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

- [X] Required and attached to this report as Exhibit "H" [] Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

- [] Changes made are as follows:

SPECIAL ATTENTION:

The Makana Kai at Wehilani – Phase I condominium project (the “Project”) consists of 92 units. In addition to Makana Kai at Wehilani – Phase I, the Developer plans to develop approximately one (1) additional phase of Makana Kai at Wehilani, for a two-phase total of approximately 173 units. The Developer plans to merge the phases of the Makana Kai at Wehilani condominium project; however, each phase of the Makana Kai at Wehilani condominium project is a separate project, and the Developer, although it has the right to do so, is not obligated to merge the various projects.

The Developer has decided to register the Project with the Real Estate Commission in approximately three (3) separate registrations and to offer units within the Project for sale by registrations. Each registration will cover a portion of the Project. The separate registration are for the following reasons: (a) Registering the Project in separate registrations will enable the Developer to offer units for sale in orderly phases that better fit with the anticipated construction program, rather than offering all of the units in the Project for sale at one time; and (b) Registering the project in separate registrations will enable the Developer to meet the Real Estate Commission’s requirements for the issuance of a Final Public Report for a particular registration rather than the Project as a whole. For reference purposes, each registration will sometimes be referred to as an “increment”.

This registration will sometimes be referred to as “Makana Kai at Wehilani – Phase I (Increment 1-B)” and will cover that portion of the Project that is identified on the site plan on page 2c of this Public Report as “Increment 1-B”. Makana Kai at Wehilani – Phase I (Increment 1-B) will include the following: (a) 30 units of the total 92 units within the Project, identified as Unit Nos. 2501, 2502, 2503, 2504, 2601, 2602, 2603, 2604, 2701, 2702, 2703, 2704, 2801, 2802, 2803, 2804, 2805, 2806, 2807, 3201, 3202, 3203, 3204, 3205, 3206, 3207, 3301, 3302, 3303 and 3304; (b) 60 assigned parking stalls; (c) 11 guest parking stalls; (d) 4 parking stalls which are appurtenant to one or more units in a condominium project in the vicinity of the Project; and (e) the Recreation Pavilion and other common elements located within the area identified on page 2c of this Public Report as “Increment 1-B”. That portion of the Project that is identified on the site plan as Increment 1-B does not constitute a separate condominium project but is merely a portion of the Project that is covered by this registration.

Purchasers should be aware of the following:

1. Since portions of the Project will be registered separately, there will be a separate public report or public reports covering each of the increments. Prospective purchasers will receive only the public report or public reports relating to the increment that includes the unit that they are purchasing.
2. The owner-occupant presale requirements will be satisfied on an increment-by-increment basis. The Project will contain a certain number of “affordable housing” units, as disclosed below. The remainder of the units in the Project will be referred to as “market housing”. Each increment may contain market housing units only or both affordable housing units and market housing units. If an increment contains market housing units only, Seller will designate at least 50% of the units within the increment for sale to prospective owner-occupants and Seller shall conduct a public lottery for the increment to determine the order in which prospective owner-occupant purchasers would be given the opportunity to select one of the designated residential units. If an increment contains both affordable housing units and market housing units, Seller will designate at least 50% of the affordable housing units within the increment and at least 50% of the market housing units within the increment for sale to prospective owner-occupants and Seller will conduct two (2) public lotteries for the increment to determine the order in which prospective owner-occupant purchasers would be given an opportunity to select one of the designated residential units, one public lottery for the affordable housing units and the other public lottery for the market housing units. In either case, at least 50% of the units in that registration (as opposed to 50% of the total units in the Project) will be offered for sale pursuant to one or more public lotteries.
3. The condominium association budget provided in Exhibit H of this Public Report relates to the entire Project. The Developer will assume all the actual common expenses of the entire Project until such time as the Developer files with the Real Estate Commission an amended Disclosure Abstract which states that after a date certain, the respective unit owner shall thereafter be obligated to pay for his respective share of common expenses that are allocated to his unit, as provided in Exhibit H of this Public Report. When the Developer turns over to the unit owners the obligation to pay for common expenses, the turnover shall apply to the entire Project and not with respect to certain increments only.

4. Hawaii law requires that if any circumstance occurs which would render this Public Report to be misleading as to purchasers in any material respect, the Developer shall stop all offers of sale and sales and immediately submit to the Real Estate Commission a supplementary public report, together with such supporting information as may be required by the Real Estate Commission, to update the information contained in the public report. Since the Project will consist of one (1) legal project, it is possible that a change affecting one or more units in a separate increment will affect the Project as a whole and will require the Developer to obtain a supplementary report for this increment.

5. The Recreation Pavilion is included in a portion of the Project that is covered by this registration. The Recreation Pavilion will be available for use (a) by owners of all of the units within the Project, whether or not those units are located within portions of the Project that are covered by this Public Report, and (b) owners of units in a condominium project in the vicinity of the Project.

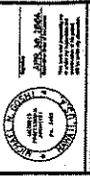
6. Pursuant to a commitment made by the Developer to the Mayor of the County of Hawaii, a portion of the units within the Project will be designated as "affordable housing" and will be offered for sale for a limited period of time, at certain prices and subject to certain conditions, to eligible persons or families with income levels below certain limits set by the government. This may result in certain units within the Project being sold by the Developer at prices below the prices which may be available to the general public.

7. Certain units in the Project will have certain owner-occupancy requirements and certain restrictions on use and transfer after the purchase. In the event that buyers of these units do not occupy the unit as said buyers' primary residence for the applicable Occupancy Period (as defined in the Condominium Unit Deed), or if buyers attempt to Transfer (as defined in the Condominium Unit Deed) the unit to any other person or entity during the Occupancy Period without the Developer's prior written consent, the Developer shall have the right, in the nature of an option, but shall not be obligated to, repurchase the unit for an amount as provided in the Condominium Unit Deed. Buyers of units in this Project should be aware of such restrictions in the Condominium Unit Deed, which are more particularly described in Exhibit I (Summary of Sales Agreement) of this Public Report and in the "Specimen Condominium Unit Deed (Two-Year Repurchase Option)" and the "Specimen Condominium Unit Deed (One-Year Repurchase Option)" filed at the Developer's Sales Office.

8. The Developer may offer for sale units in the Project, including those units originally designated for sale as affordable housing, free of eligibility requirements and/or conditions, or pursuant to less restrictive eligibility requirements and/or conditions. Accordingly, certain units within the Project may be sold to buyers free of requirements and/or conditions that may be placed upon the sale of other units in the Project, or pursuant to less restrictive requirements and/or conditions than those placed upon the sale of other units within the Project.

As disclosed above, Makana Kai at Wehilani – Phase I (Increment 1-B) is not a separate, legal project, but is part of a condominium project consisting of 92 units. Please review carefully this Public Report and the condominium documents referenced in this Public Report for further information with regard to the 92-unit Makana Kai at Wehilani – Phase I condominium project.

The prospective Buyer is cautioned to carefully review this Public Report and the documents filed at the Developer's Sales Office in connection with the Project for further information in connection with the foregoing.

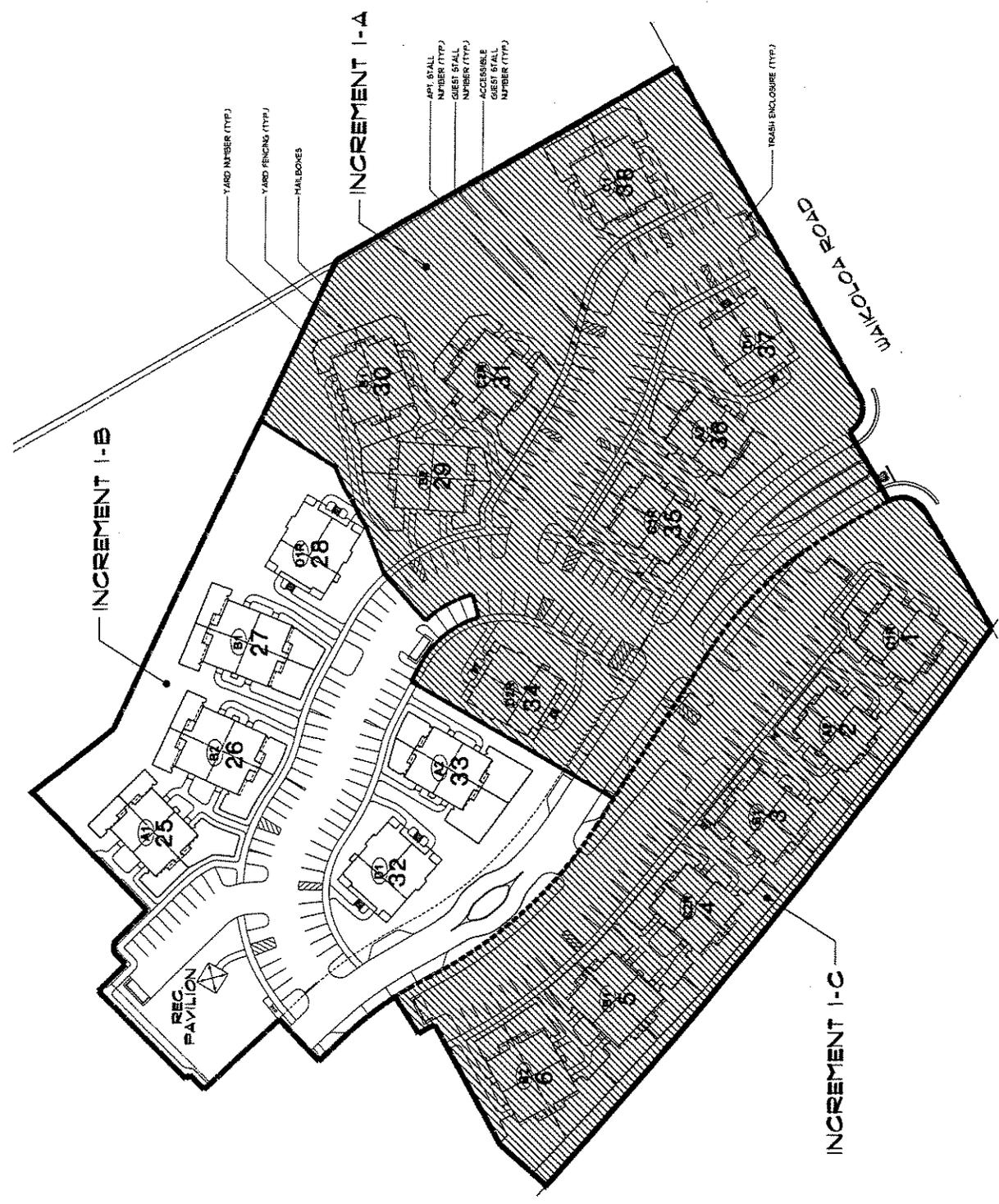


DATE	DESCRIPTION

Makana Kai
 At Wehiliani
 PHASE I
 WAIKOLA, SOUTH KOHALA, HAWAII
 CASTLE & COKE WAIKOLA, LLC



PROJECT NUMBER	DATE
DESIGNER	SCALE
CHECKED	
DATE	



SITE PLAN - PHASE I
 SCALE: 1/8" = 1'-0"

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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: Castle & Cooke Waikoloa, LLC Phone: (808) 548-4811
Name* (Business)
100 Kahelu Avenue, 2nd Floor
Business Address
Mililani, Hawaii 96789

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):

Castle & Cooke Homes Hawaii, Inc. - Member
The Incurable Collector, Inc. - Member
See Page 5a for additional information.

Real Estate Broker*: Kona Coast Realty Corporation Phone: (808) 329-2991
Name (Business)
75-240 Nani Kailua Drive, #8
Business Address
Kailua-Kona, Hawaii 96740

Escrow Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)
235 Queen Street, 1st Floor
Business Address
Honolulu, Hawaii 96813

General Contractor*: Castle & Cooke Homes Hawaii, Inc. Phone: (808) 548-4811
Name (Business)
100 Kahelu Avenue, 2nd Floor
Business Address
Mililani Hawaii 96789

Condominium Managing Agent*: Certified Management, Inc. Phone: (808) 836-0911
Name (Business)
3179 Koapaka Street, 2nd Floor
Business Address
Honolulu, Hawaii 96819

Attorney for Developer: Goodsill Anderson Quinn & Stifel Phone: (808) 547-5600
(Gail O. Ayabe) (Business)
Name
1099 Alakea Street, 18th Floor
Business Address
Honolulu, Hawaii 96813

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

Names of officers of the Developer:

Harry A. Saunders	President
Edward C. Roohan	Executive Vice President
Richard K. Mirikitani	Senior Vice President and Secretary
Alan K. Arakawa	Senior Vice President
Jon Uchiyama	Senior Vice President, Controller and Assistant Secretary
Arnold C. Savrann	Senior Vice President
Richard S. Wolff	Vice President and Chief Financial Officer
Henry N. Millner	Vice President and Treasurer
Bonnie E. Freitas	Vice President and Assistant Secretary
Mary J. Garnett	Vice President and Assistant Secretary
Rosalinda V. Oasay	Vice President and Assistant Treasurer
Philip M. Young	Vice President, Human Resources
Richard R. Anzai	Assistant Controller

Name of the officers and directors of Castle & Cooke Homes Hawaii, Inc.

David H. Murdock	Chief Executive Officer
Harry A. Saunders	President and Director
Edward C. Roohan	Executive Vice President and Director
Richard K. Mirikitani	Senior Vice President and Secretary
Jon Uchiyama	Senior Vice President, Controller and Assistant Secretary
Arnold C. Savrann	Senior Vice President, Architecture
Alan K. Arakawa	Senior Vice President of Residential Operations
Richard S. Wolff	Vice President and Chief Financial Officer
Henry N. Millner	Vice President and Treasurer
Rosalinda V. Oasay	Vice President and Assistant Treasurer
Melinda K. Beckner	Vice President and Assistant Secretary
Mary J. Garnett	Vice President and Assistant Secretary
Richard S. Toppe	Vice President and Assistant Secretary
Lynn Scott Safrin	Vice President and Assistant Secretary
Bonnie E. Freitas	Vice President and Assistant Secretary
Philip M. Young	Vice President, Human Resources
William B. Barrett	Vice President, Sales and Marketing
Natalie I. Kiehm	Vice President, Planning and Assistant Secretary
Douglas E. Pearson	Vice President, Construction
Garret H. Furukido	Assistant Secretary
Richard R. Anzai	Assistant Controller
Scott A. Griswold	Director

Name of the officers and directors of The Incurable Collector, Inc.

David H. Murdock	Chief Executive Officer
Edward C. Roohan	President, Chief Operating Officer and Director
Scott A. Griswold	Executive Vice President –Finance and Director
Roberta Wieman	Executive Vice President of Administration and Corporate Secretary
Richard S. Wolff	Vice President and Chief Financial Officer
Henry N. Millner	Vice President and Treasurer
Rosalinda V. Oasay	Vice President and Assistant Treasurer
Mary J. Garnett	Vice President and Assistant Secretary
Philip M. Young	Vice President - Human Resources
Harry A. Saunders	Director

**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 _____
 Filed - Land Court: Document No. _____

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

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. _____
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, 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 _____
 Filed - Land Court: Document No. _____

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

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 Adopted Developer does not plan to adopt House Rules

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>	
Declaration (and Condo Map)	75%*	67%**	**Until the new Hawaii condominium statute becomes effective on 7/1/2006, the current percentages of common interest set by law to amend the Declaration and the By-Laws shall control over those amounts set forth in the proposed drafts of the Declaration and the By-Laws. The Developer's written consent also is required to amend any provision that gives the Developer any right or authority
Bylaws	65%	67%**	
House Rules	---	Majority of the Board of Directors	

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

2. **Developer:**

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

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

The Developer may amend the Declaration, By-Laws and Condominium Map (a) at any time prior to the filing of the first unit conveyance to a party not signatory to the Declaration; (b) to make any amendments required by law, by the Real Estate Commission of the State of Hawaii, by any title insurer issuing title insurance on the Project or any of the units, by any institutional lender lending funds on the security of the Project or any of the units, by any purchaser, insurer or guarantor of loans, including, for example, the Federal Housing Administration, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to purchase, insure or guarantee a loan made on the security of the Project or any of the units, or by any governmental agency; (c) to file the "as built" verified statement required by the Condominium Property Act; (d) to reflect alterations of the Project which the Developer is permitted to make pursuant to Paragraph 3 of Section R of the Declaration; (e) to change the designation of parking stalls which are appurtenant to units owned by the Developer; (f) at any time to effect the changes provided in the Declaration of Merger of Condominium Phases referred to in Section S of the Declaration, including the right to merge the Project with one or more condominium projects located or to be located on lands (or a portion or portions thereof) in the vicinity of the Project site.

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: Waikoloa Road, South Kohala, Hawaii Tax Map Key (TMK): (3) 6-8-002-027

[] Address [X] TMK is expected to change because the land that will be part of the project was recently subdivided from other land.

Land Area: 7.702* [] square feet [X] acre(s) Zoning: RM-1.5

* The portion of the Project covered by this Public Report, which consists of 30 units, 60 assigned parking stalls, 11 guest parking stalls, 4 parking stalls which are appurtenant to one or more units in a condominium project in the vicinity of the Project, and the Recreation Pavilion and other common elements, is located on a portion of the 7.702 acres.

Fee Owner: Castle & Cooke Waikoloa, LLC
 Name
100 Kahelu Avenue, 2nd Floor
 Address
Mililani, Hawaii 96789

Lessor: N/A
 Name

 Address

C. Buildings and Other Improvements:

1. New Building(s) *20 residential buildings (this Public Report covers 6 residential buildings)
 Conversion of Existing Building(s) 1 Recreation Pavilion (this Public Report covers the Recreation Pavilion)
 Both New Building(s) and Conversion

2. Number of Buildings: 21* Floors Per Building: 2

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other galvanized light gauge steel, gypsum board, composition siding, asphalt shingles, glass and other allied construction materials

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>92**</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Other	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

Yes No

**The entire project includes 92 units. This Public Report covers 30 units of the total 92 units.

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:

Pets: No animals allowed, except that dogs, cats and other household pets (as determined by the Board of Directors) in reasonable number and size as determined by the Board of Directors (but not to exceed a total of two such animals per unit) may be kept in the unit and/or the Yard Area, if any, appurtenant to such unit.

Number of Occupants: _____

Other: Ask to see "Rules & Regulations" (House Rules) regarding other possible restrictions. Also see owner-occupancy requirements noted on page 2b of this Report.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 4 in each building Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>See EXHIBIT A</u>	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 92**

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

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

**The entire project includes 92 units. This Public Report covers 30 units of the total 92 units.

Boundaries of Each Apartment:

SEE EXHIBIT B

Permitted Alterations to Apartments:

SEE EXHIBIT C

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.

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> X </u>	<u> </u>	<u> </u>
Structures	<u> X </u>	<u> </u>	<u> </u>
Lot	<u> X </u>	<u> </u>	<u> </u>

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:

described in Exhibit D .

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.

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

described in Exhibit E/F.

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 F.

as follows:

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

Exhibit G describes the encumbrances against the title contained in the title report dated February 27, 2006 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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage lien(s) of Developers lender(s)	Buyer's interest is specifically made subject and subordinate to such liens. If Developer defaults or the liens are foreclosed prior to conveyance, either the buyer will obtain title to buyer's unit upon payment under buyer's sales contract and performance of buyer's other obligations under buyer's sales contract, or the buyer, if the buyer has not received a full refund of buyer's deposits, may make a claim against the Developer for refund of buyer's deposits.

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 SECTION 3 OF EXHIBIT H (DISCLOSURE ABSTRACT)

2. Appliances:
SEE SECTION 3 OF EXHIBIT H (DISCLOSURE ABSTRACT)

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

The Developer estimates that construction of the Project, which commenced in July 2005, will be completed in or before March 2007.

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, at its option, has the right, but not the obligation, to expand the Project by merging, either through an administrative merger or mergers or an ownership merger or mergers, the Project with one or more condominium projects located or to be located on lands (or a portion or portions thereof) in the vicinity of the Project site, and to amend the Declaration to provide for such merger or mergers without obtaining the approval, consent or joinder of any owner, mortgagee or purchaser of any unit, all as set forth in that certain Declaration of Merger of Condominium Phases referred to in Section S of the Declaration.

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
- Specimen Sales Contract
Exhibit I contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated July 29, 2005.
Exhibit J contains a summary of the pertinent provisions of the escrow agreement.
- Other Disclosure of Real Property Condition Statement

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 Waikoloa Village Covenants; Declaration of Merger of Condominium Phases

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. 5941 filed with the Real Estate Commission on March 7, 2006.

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

YELLOW paper stock WHITE paper stock PINK paper stock GREEN paper stock

C. Additional Information Not Covered Above

1. WAIKOLOA VILLAGE COVENANTS. The proposed Declaration of Condominium Property Regime provides that all present and future unit owners, tenants and occupants of units shall be bound by and subject to the provisions of that certain Declaration of Protective Covenants dated May 27, 1971, recorded in said Bureau in Liber 7577 at Page 66, as amended from time to time (the "Waikoloa Village Covenants"). The Waikoloa Village Covenants provide, among other things, that each unit owner, by virtue of being such an owner, shall be a member of the Waikoloa Village Association and shall pay assessments to the Waikoloa Village Association, as set forth in the Waikoloa Village Covenants. Each unit owner will be required to pay Waikoloa Village Association dues, which, as of January 1, 2006, are \$500 per year. This is more fully explained in Exhibit H attached to this report.
2. LANDSCAPING OF YARD AREA. All improvements and landscaping within the Yard Area shall comply the requirements of utility companies providing utilities for the Project. These requirements may include, without limitation, minimum setback requirements from utility easement areas and utility facilities. Each owner shall commence landscaping of the yard area assigned to his unit, if any, within ninety (90) days after the closing of the purchase of the unit and shall complete such landscaping within 180 days after the closing of the purchase of the unit (unless the yard area has already been completely landscaped). Before commencing any yard area landscaping, each owner shall submit to the Board of Directors a landscape plan (which shall include, without limitation, the location of any proposed lanais, patios, paved surfaces or wood decks within the yard area and a proposed plant list) for the Board's review and written approval, which approval shall not be unreasonably withheld or delayed. Prior to the installation of any lanai, patio, paved surface or wood deck within a yard area, an owner shall arrange for termite treatment of the area under such lanai, patio, paved surface or wood deck. Any costs attached to any of the foregoing actions shall be the responsibility of the owner.
3. AIR-CONDITIONING UNITS. If an owner wants to install air-conditioning units, the requirements and guidelines for doing so are summarized in Exhibit C attached to this report. Any costs for the air-conditioning and complying with the requirements and guidelines shall be the responsibility of the owner.
4. REPAIR AND MAINTENANCE OF UNITS AND COMMON ELEMENTS. The proposed By-Laws provide that every unit owner shall at his own expense at all times well and substantially repair, maintain, amend and keep his unit, including without limitation all doors, sliding glass doors (if any), windows, window fixtures, and all internal installations within the unit such as water, electricity, gas (if any), telephone, sanitation, lights, and all other fixtures and accessories belonging to such unit, if any, and the interior decorated or finished surfaces of all walls, partitions, floors, ceilings and roofs of such unit, if any (but excluding the lanai, if any, and the balcony, if any),

with all necessary reparations and amendments whatsoever in good order and condition, except as otherwise provided by law or the Declaration, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work diligently, and in case of such failure after reasonable notice to perform shall reimburse to the Association promptly on demand all expenses incurred by it in performing any such work authorized by the Board of Directors or the Managing Agent.

In addition, each unit owner shall at his own expense at all times well and substantially repair, maintain, amend and keep the yard area, if any, appurtenant to and reserved for the exclusive use of such owner's unit, in good order and condition, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work, and in case of such owner's failure after reasonable notice to keep the yard area, if any, as aforesaid, the Association (through the Board of Directors or the Managing Agent) shall have the right (but not the obligation) to perform any such work and the cost thereof shall be charged to such unit owner as a special assessment constituting a lien against his interest in his unit which may be foreclosed by the Board or Managing Agent in the same manner as provided in the Condominium Property Act for unpaid common expenses.

Except as hereinabove expressly provided to the contrary, all maintenance, repairs and replacements to the common elements, whether located inside or outside of the units, the lanais and the balconies, shall be made by the Board and be charged to all the owners as a common expense or a limited common expense; provided, however, that any such maintenance, repair or replacement necessitated by the negligence, misuse or neglect of a unit owner or occupant or any person under either of them, shall be charged to such unit owner or the unit owner of the unit of such occupant, as a special assessment constituting a lien against his interest in his unit which may be foreclosed by the Board or Managing Agent in the same manner as provided in the Condominium Property Act for unpaid common expenses.

5. ACCESS THROUGH PROJECT TO NEIGHBORING LOTS. Access to lots in the vicinity of the Project will be over the roadways contained in the Project. Purchasers of these lots will be granted nonexclusive easements for access purposes over the roadways within the Project. The Association, and not the owners of the lots in the vicinity of the Project, will be responsible for the maintenance and repair of the roadways within the Project.

6. MAINTENANCE OF AREA ADJACENT TO THE PROJECT. The Association of Apartment Owners will be responsible for the maintenance and repair of an area adjacent to the Project which consists of a gulch. The cost and expense of maintaining this area shall be a common expense of the Association.

7. PLANNED UNIT DEVELOPMENT. The Project is developed under a County of Hawaii planned unit development approval, and that certain restrictions shall apply to, among other things, design, alterations, additions and use of the Property and Project. The Developer reserves the right to amend from time to time the conditions contained in the Planned Unit Development Permit issued by the County of Hawaii to the Developer provided that the County of Hawaii approves the Developer's request or requests for amendment of the conditions.

- 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.

 CASTLE & COOKE WAIKOLOA, LLC
 Printed Name of Developer

By Castle & Cooke Homes Hawaii, Inc.
 Its Member

By:  MAR 3 '06
 Duly Authorized Signatory* Date

ALAN K. ARAKAWA EXECUTIVE VICE PRESIDENT
 Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

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

CONDOMINIUM PUBLIC REPORT ON
MAKANA KAI AT WEHILANI – PHASE I (INCREMENT 1-B)

EXHIBIT A

UNIT DESCRIPTION

Each Type 1 and Type 1R unit will have two (2) bedrooms, two and one-half (2½) bathrooms, a living/dining room, a kitchen, a laundry and a lanai.

Each Type 2 and Type 2R unit will have three (3) bedrooms, two and one-half (2½) bathrooms, a living/dining room, a kitchen, a laundry and a lanai.

Each Type 3 and Type 3R unit will have two (2) bedrooms, two (2) bathrooms, a living/dining room, a kitchen, a laundry and a lanai.

Each Type 3A and Type 3AR unit will have two (2) bedrooms, two (2) bathrooms, a living/dining room, a kitchen, a laundry and a balcony.

Each Type 4 and Type 4R unit will have two (2) bedrooms, two (2) bathrooms, a living/dining room, a kitchen, a laundry and two (2) lanais.

Each Type 5 and Type 5R unit will have one (1) bedroom, one (1) bathroom, a living/dining room and a kitchen.

<u>Unit Type</u>	<u>Quantity</u>	<u>Bedroom/ Bath</u>	<u>Approx. Net Living Area in Sq. Ft.</u>	<u>Approx. Net Laundry Area in Sq. Ft.</u>	<u>Approx. Net Lanai Area in Sq. Ft.</u>	<u>Approx. Net Balcony Area in Sq. Ft.</u>
1	13	2/2½	1,017	11	31	--
1R	13	2/2½	1,017	11	31	--
2	19	3/2½	1,245	17	48	--
2R	19	3/2½	1,245	17	48	--
3	4	2/2	825	17	46	--
3R	4	2/2	825	17	46	--
3A	4	2/2	825	17	--	42
3AR	4	2/2	825	17	--	42
4	2	2/2	900	18	110	--
4R	2	2/2	900	18	110	--
5	4	1/1	514	--	--	--
5R	4	1/1	514	--	--	--

Total Units: 92**

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

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

**There are 92 units in the Project. This Public Report covers a portion of the Project that includes 30 units. The 30 units consist of 4 Type 1 units, 4 Type 1R units, 4 Type 2 units, 4 Type 2R units, 2 Type 3 units, 2 Type 3R units, 2 Type 3A units, 2 Type 3AR units, 1 Type 4 unit, 1 Type 4R unit, 2 Type 5 units, and 2 Type 5R units. Please see Exhibit F for the specific units that are covered by this Public Report.

CONDOMINIUM PUBLIC REPORT ON
MAKANA KAI AT WEHILANI – PHASE I (INCREMENT 1-B)

EXHIBIT B

BOUNDARIES OF EACH UNIT

Each unit consists of the spaces within the perimeter walls, floors and ceilings of the respective unit as shown on the Condominium Map. The respective units shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, footings, floor slabs, supports, roofs and ceilings located within or at the perimeter of or surrounding such unit, any pipes, cables, conduits, chutes, flues, ducts, wires, vents, shafts, other utility or service lines or any other fixture running through or otherwise located within such unit which are utilized for or serve more than one unit, all of which are deemed common elements. Each unit shall be deemed to include all of the walls and partitions which are not load-bearing and which are within its perimeter walls; the inner decorated or finished surfaces of all walls, floors and ceilings; all windows, window frames, louvers (if any), shutters (if any), doors and door frames along the perimeter of the unit; the laundry, if any; the lanai(s), if any; the balcony, if any; and all of the fixtures and appliances originally installed therein.

CONDOMINIUM PUBLIC REPORT ON
MAKANA KAI AT WEHILANI – PHASE I (INCREMENT 1-B)

EXHIBIT C

PERMITTED ALTERATIONS TO UNITS

Except as otherwise provided in the Declaration or in the By-Laws, 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 said Condominium Map of the Project, shall be undertaken by the Association or any unit owners only pursuant to an amendment of the Declaration, duly executed by or pursuant to the affirmative vote or written consent of sixty-seven percent (67%) of the unit owners and accompanied by the written consent of all unit owners whose units or appurtenant limited common elements are directly affected, as determined in a reasonable manner by the Board, and in accordance with all of the requirements of Paragraph 6 of Section I of the Declaration, and promptly upon completion of such restoration, replacement or construction, the Association shall record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER, that notwithstanding any other provision in the Declaration to the contrary, the owner of a unit may make any alterations or additions within a unit. The alterations or additions permitted by the immediately preceding proviso shall require only the written approval thereof, including approval of the unit owner's plans therefor, by the holders of first mortgage liens affecting such unit (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the County of Hawaii if such agencies so require, by the Board of Directors of the Association (which approval shall not be unreasonably or arbitrarily withheld or delayed), and 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.

Notwithstanding any other provision in the Declaration to the contrary, prior to (a) the time that all units in the Project have been sold and recorded and (b) the recordation by the Developer of the "as-built" verified statement (with plans, if applicable) required by the Condominium Property Act (but in no event later than December 31, 2012), the Developer shall have the right to make alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any unit owner, which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any unit (and the limited common elements appurtenant thereto) in the Project which is not sold and recorded; or to make other alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any unit owner, which make minor changes in any unit in the Project or the

common elements which do not affect the physical location, design or size of any unit which has been sold and recorded, including, without limitation, changes to the metes and bounds or dimensions of the limited common elements; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 3 of Section T of the Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of units in the Project and the recordation in the Bureau of Conveyances of the State of Hawaii of unit conveyances transferring interests in the units from the Developer to parties not signatory to the Declaration.

Notwithstanding any other provision in the Declaration to the contrary, prior to the time that all units 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, the By-Laws and the Condominium Map accordingly) without the approval, consent or joinder of any unit owner, which consist of changing the unit type of any of the units in the Project; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 4 of Section T of the Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of units in the Project and the recordation in the Bureau of Conveyances of the State of Hawaii of unit conveyances transferring interests in the units from the Developer to parties not signatory to the Declaration.

Notwithstanding any other provision in the Declaration to the contrary, the Board shall have the right to install or cause the installation of antennas, conduits, chases, cables, wires, and other television signal distribution and telecommunications equipment upon the common elements of the Project; provided that the same shall not be installed upon any limited common element without the consent of the owner or owners of the unit or units for the use of which the limited common element is appurtenant; and the installation of antennas, conduits, chases, cables, wires, and other television signal distribution and telecommunications equipment upon the common elements by the Board shall not be deemed to alter, impair, or diminish the common interest, common elements, and easements appurtenant to each unit, or to be a structural alteration or addition to any building constituting a material change in the plans of the Project filed in accordance with the Condominium Property Act; provided that no such installation shall directly affect any nonconsenting unit owner. Notwithstanding any other provision in the Declaration to the contrary, the Board shall have the right to abandon or change the use of any television signal distribution and telecommunications equipment due to technological or economic obsolescence or to provide an equivalent function by different means or methods. The abandonment or change of use of any television signal distribution or telecommunications equipment by the Board due to technological or economic obsolescence or to provide an equivalent function by different means or methods shall not be deemed to alter, impair or diminish the common interest, common elements, and easements appurtenant to each unit or to be a structural alteration or addition to any building different in any material respect from the plans of the Project filed in accordance

with the Condominium Property Act. As used in this section, "directly affect" means the installation of television signal distribution and telecommunications equipment in a manner which would specially, personally, and adversely affect a unit owner in a manner not common to the unit owners as a whole, and "television signal distribution" and "telecommunications equipment" shall be construed in their broadest possible senses in order to encompass all present and future forms of communications technology.

A unit owner or occupant may install air-conditioning units in accordance with a written request and plans and specifications prepared by a licensed architect (if so required by the Board) that are submitted to and approved by the Board, all in accordance with all provisions of the Declaration. The flow of condensate from an air-conditioning unit should be directed away from the limited common elements, including without limitation, the yard areas, if any, appurtenant to the ground floor units of the building in which the air conditioning unit is located.

No highly reflective finish, other than glass (which, however, may not be tinted or mirrored), shall be used on the exterior of any building in the Project; provided, however, that a gray film tint without visible purple tinge (as approved by the Board of Directors of the Association) and with an approved reflective value (as determined by the Board) may be installed by a unit owner on the glass located along the perimeter of his unit. If any bubbling or cracking shall occur, the unit owner shall immediately remove the tint and may replace it in accordance with the foregoing provisions.

CONDOMINIUM PUBLIC REPORT ON
MAKANA KAI AT WEHILANI – PHASE I (INCREMENT 1-B)

EXHIBIT D

COMMON ELEMENTS

The common elements consist of all portions of the Project other than the units, including specifically, but not limited to:

- (a) The Land in fee simple;
- (b) All foundations, columns, girders, beams, footings, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions, roofs, stairways, walkways, corridors, ramps, fences (if any), entrances, entryways and exits of all buildings of the Project;
- (c) All walkways, roadways, sidewalks, perimeter walls, retaining walls, fences (if any), gates, yard areas, driveways, parking areas, loading zones, yards, grounds, landscaping, trash enclosures, mail kiosks and mailboxes;
- (d) Those portions of any pipes, cables, conduits, chutes, flues, ducts, wires, vents, shafts, other utility or service lines or any other fixtures, sewage treatment equipment and facilities (if any), electrical equipment, electrical closets, communications rooms, or other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one unit for services such as power, light, gas (if any), sewer, water, telephone and television signal distribution (if any);
- (e) The two hundred seventeen (217) regular size, uncovered parking stalls (twenty-five (25) of which are guest parking stalls, and eight (8) of which are appurtenant to one or more units in a condominium project in the vicinity of the Project), all as shown on the Condominium Map;
- (f) The Recreation Pavilion;
- (g) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use;
- (h) The limited common elements described in Exhibit E attached hereto.

NOTE: This Public Report covers a portion of the Project and accordingly, it covers a portion of the common elements referred to in this exhibit. Please see page 2c for a site

plan of the Project that indicates the portion of the Project and the common elements covered by this Public Report.

CONDOMINIUM PUBLIC REPORT ON
MAKANA KAI AT WEHILANI – PHASE I (INCREMENT 1-B)

EXHIBIT E

LIMITED COMMON ELEMENTS

(a) Each of the parking stalls, other than the parking stalls designated on the Condominium Map as guest parking stalls or the parking stalls which are appurtenant to one or more units in a condominium project in the vicinity of the Project, shall be a limited common element appurtenant to and reserved for the exclusive use of the unit to which it is assigned, as set forth in Exhibit F attached hereto;

(b) Each of the yard areas within the Project, designated on the Condominium Map as Yard Areas Y-101, Y-102, Y-103, Y-104, Y-201, Y-202, Y-203, Y-204, Y-301, Y-302, Y-303, Y-304, Y-401, Y-402, Y-403, Y-404, Y-501, Y-502, Y-503, Y-504, Y-601, Y-602, Y-603, Y-604, Y-2501, Y-2502, Y-2503, Y-2504, Y-2601, Y-2602, Y-2603, Y-2604, Y-2701, Y-2702, Y-2703, Y-2704, Y-2901, Y-2902, Y-2903, Y-2904, Y-3001, Y-3002, Y-3003, Y-3004, Y-3101, Y-3102, Y-3103, Y-3104, Y-3301, Y-3302, Y-3303, Y-3304, Y-3501, Y-3502, Y-3503, Y-3504, Y-3601, Y-3602, Y-3603, Y-3604, Y-3801, Y-3802, Y-3803, Y-3804, as shown on the Condominium Map, shall be a limited common element appurtenant to and reserved for the exclusive use of the unit to which it is assigned, as set forth in Exhibit F attached hereto;

(c) With respect to any pipe, cable, conduit, chute, flue, duct, wire, vent, shaft or other utility, service line and any other fixture which lies partially within and partially outside of a unit, those portions thereof serving only that unit shall be a limited common element appurtenant to and reserved for the exclusive use of such unit;

(d) Any walkway, stairway, entrance, exit, or steps which would normally be used only for the purposes of ingress to and egress from a specific unit or units shall be a limited common element appurtenant to and reserved for the exclusive use of such unit or units;

(e) Any mailbox assigned to a unit by the Developer or the Association of Unit Owners of the Project shall be a limited common element appurtenant to and reserved for the exclusive use of such unit.

NOTE: This Public Report covers a portion of the Project and accordingly, it covers a portion of the limited common elements referred to in this exhibit. Please see page 2c for a site plan of the Project that indicates the portion of the Project and the limited common elements covered by this Public Report.

CONDOMINIUM PUBLIC REPORT ON
MAKANA KAI AT WEHILANI – PHASE I (INCREMENT 1-B)

EXHIBIT F

COMMON INTERESTS AND LIMITED COMMON ELEMENTS

Unit No.	Unit Type	Bldg. No.	Parking Stall No(s).	Yard Area No.	Common Interests
101	2R	1	9, 10	Y-101	1.31518%
102	1	1	7, 8	Y-102	1.07432%
103	1R	1	6, 11	Y-103	1.07433%
104	2	1	5, 12	Y-104	1.31518%
201	1R	2	4, 13	Y-201	1.07433%
202	1	2	3, 14	Y-202	1.07432%
203	1R	2	2, 15	Y-203	1.07433%
204	1	2	16, 17	Y-204	1.07432%
301	2R	3	22, 23	Y-301	1.31518%
302	2	3	24, 25	Y-302	1.31518%
303	2R	3	20, 21	Y-303	1.31518%
304	2	3	18, 19	Y-304	1.31518%
401	2R	4	32, 33	Y-401	1.31518%
402	1	4	30, 31	Y-402	1.07432%
403	1R	4	34, 35	Y-403	1.07433%
404	2	4	36, 37	Y-404	1.31518%
501	2R	5	42, 43	Y-501	1.31518%
502	2	5	44, 45	Y-502	1.31518%
503	2R	5	40, 41	Y-503	1.31518%
504	2	5	38, 39	Y-504	1.31518%
601	2R	6	50, 51	Y-601	1.31518%
602	2	6	52, 53	Y-602	1.31518%
603	2R	6	48, 49	Y-603	1.31518%
604	2	6	46, 47	Y-604	1.31518%
2501*	1R	25	251, 252	Y-2501	1.07433%
2502*	1	25	253, 254	Y-2502	1.07432%
2503*	1R	25	257, 387	Y-2503	1.07433%
2504*	1	25	258, 259	Y-2504	1.07432%
2601*	2R	26	260, 261	Y-2601	1.31518%
2602*	2	26	262, 263	Y-2602	1.31518%

Unit No.	Unit Type	Bldg. No.	Parking Stall No(s).	Yard Area No.	Common Interests
2603*	2R	26	264, 378	Y-2603	1.31518%
2604*	2	26	265, 377	Y-2604	1.31518%
2701*	2R	27	270, 271	Y-2701	1.31518%
2702*	2	27	272, 273	Y-2702	1.31518%
2703*	2R	27	268, 269	Y-2703	1.31518%
2704*	2	27	266, 267	Y-2704	1.31518%
2801*	3	28	276, 366	--	.87150%
2802*	3R	28	278, 364	--	.87150%
2803*	3A	28	277, 365	--	.87150%
2804*	3AR	28	279, 363	--	.87150%
2805*	4R	28	274, 275	--	.95073%
2806*	5R	28	255, 367	--	.54297%
2807*	5	28	256, 368	--	.54297%
2901	2R	29	288, 289	Y-2901	1.31518%
2902	2	29	290, 291	Y-2902	1.31518%
2903	2R	29	284, 285	Y-2903	1.31518%
2904	2	29	286, 287	Y-2904	1.31518%
3001	2R	30	294, 295	Y-3001	1.31518%
3002	2	30	292, 293	Y-3002	1.31518%
3003	2R	30	280, 281	Y-3003	1.31518%
3004	2	30	282, 283	Y-3004	1.31518%
3101	2R	31	296, 297	Y-3101	1.31518%
3102	1	31	298, 299	Y-3102	1.07432%
3103	1R	31	302, 303	Y-3103	1.07433%
3104	2	31	300, 301	Y-3104	1.31518%
3201*	3	32	379, 380	--	.87150%
3202*	3R	32	385, 386	--	.87150%
3203*	3A	32	381, 382	--	.87150%
3204*	3AR	32	383, 384	--	.87150%
3205*	4	32	388, 389	--	.95073%
3206*	5R	32	390, 392	--	.54297%
3207*	5	32	391, 393	--	.54297%
3301*	1R	33	369, 370	Y-3301	1.07433%
3302*	1	33	371, 372	Y-3302	1.07432%
3303*	1R	33	373, 374	Y-3303	1.07433%
3304*	1	33	375, 376	Y-3304	1.07432%
3401	3	34	355, 359	--	.87150%

Unit No.	Unit Type	Bldg. No.	Parking Stall No(s).	Yard Area No.	Common Interests
3402	3R	34	358, 362	--	.87150%
3403	3A	34	356, 360	--	.87150%
3404	3AR	34	357, 361	--	.87150%
3405	4R	34	353, 354	--	.95073%
3406	5R	34	349, 352	--	.54297%
3407	5	34	350, 351	--	.54297%
3501	2R	35	338, 339	Y-3501	1.31518%
3502	1	35	340, 341	Y-3502	1.07432%
3503	1R	35	334, 335	Y-3503	1.07433%
3504	2	35	336, 337	Y-3504	1.31518%
3601	1R	36	330, 331	Y-3601	1.07433%
3602	1	36	332, 333	Y-3602	1.07433%
3603	1R	36	326, 327	Y-3603	1.07433%
3604	1	36	328, 329	Y-3604	1.07433%
3701	3	37	314, 315	--	.87150%
3702	3R	37	320, 321	--	.87150%
3703	3A	37	316, 317	--	.87150%
3704	3AR	37	318, 319	--	.87150%
3705	4	37	324, 325	--	.95073%
3706	5R	37	323, 347	--	.54297%
3707	5	37	322, 348	--	.54297%
3801	1R	38	312, 313	Y-3801	1.07433%
3802	2	38	310, 311	Y-3802	1.31518%
3803	2R	38	306, 307	Y-3803	1.31518%
3804	1	38	308, 309	Y-3804	1.07433%

NOTE: All of the parking stalls are regular size.

Parking Stall Nos. 1G, 26G, 27G, 28G, 29G, 58G, 59G, 60G, 61G, 242G, 243G, 244G, 245G, 246G, 304G, 305G, 342G, 343G, 344G, 345G, 346G, 394G, 395G, 396G and 397G are guest stalls.

Parking Stall Nos. 54, 55, 56, 57, 247, 248, 249 and 250 are appurtenant to one or more units in a condominium project in the vicinity of the Project.

NOTE: This Public Report covers a portion of the Project and accordingly, it covers only certain units referred to in this exhibit. The units marked with an asterisk (*) are covered by this Public Report. The other units will be covered by separate registrations.

CONDOMINIUM PUBLIC REPORT ON
MAKANA KAI AT WEHILANI – PHASE I (INCREMENT 1-B)

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor of the County of Hawaii.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF PROTECTIVE
COVENANTS

DATED : May 27, 1971
RECORDED : Liber 7577 Page 66

Said Declaration was amended and/or supplemented by instruments recorded in Liber 7577 at Page 94, Liber 8026 at Page 291, Liber 8306 at Page 196, Liber 9360 at Page 369, Liber 9794 at Page 32, Liber 9956 at Page 597, Liber 10701 at Page 5, Liber 10706 at Page 490, Liber 13453 at Pages 142 and 147, Liber 13588 at Page 658, Liber 13904 at Page 310, Liber 14266 at Page 453, Liber 15016 at Page 403, Liber 18999 at Page 418, Liber 19199 at Page 37, Liber 20893 at Page 418, Liber 21761 at Page 582, Liber 22070 at Page 414, Liber 22127 at Page 733, Liber 22361 at Page 1, Liber 22791 at Page 30, Liber 23172 at Pages 387 and 414, Liber 23182 at Page 398, Liber 23806 at Page 238, as Document No. 90-029591, as Document No. 91-077792 (Joinders recorded as Documents Nos. 91-077793, 91-077794 and 91-077795), and as Document No. 96-013206.

Said Declaration was supplemented by instrument dated September 4, 2001, recorded as Document No. 2001-050419, and by instrument dated January 26, 2005, recorded as Document No. 2005-023801.

4. Grant in favor of Waikoloa Sanitary Sewer Co., Inc., a Hawaii corporation, dated December 31, 1985, recorded in Liber 21447 at Page 643; granting a nonexclusive easement over Easement "G", more particularly described as follows:

EASEMENT "G"

LAND SITUATED ON THE NORTHWESTERLY SIDE OF
WAIKOLOA ROAD
AT WAIKOLOA, SOUTH KOHALA, ISLAND OF HAWAII, HAWAII

BEING A PORTION OF ROYAL PATENT 5671,
LAND COMMISSION AWARD 8521-B, APANA 1 TO G. D. HUEU

BEING ALSO A PORTION OF LOT 4-C OF WAIKOLOA DEVELOPMENT

BEING AN EASEMENT FIFTY (50.00) FEET WIDE
EXTENDING TWENTY-FIVE (25.00) FEET ON EACH SIDE
OF THE FOLLOWING DESCRIBED CENTERLINE

Beginning at the southeasterly end of this easement on the northwesterly side of Waikoloa Road, the coordinates of which referred to Government Survey Triangulation Station "PUU HINAI" being 8,374.72 feet north and 6,598.66 feet west and running by azimuths measured clockwise from true South:

1. 150° 22' 16" 380.00 feet;

thence along a curve to the left with a radius of 650.00 feet, the chord azimuth and distance being:

2. 135° 20' 08" 337.24 feet, thence;

3. 120° 18' 337.00 feet;

thence along a curve to the right with a radius of 500.00 feet, the

chord azimuth and
distance being:

4. 135° 11' 30" 256.99 feet, thence;

5. 150° 05' 222.00 feet;

thence along a
curve to the left
with a radius of
400.00 feet, the
chord azimuth and
distance being;

6. 124° 38' 342.78 feet, thence;

7. 99° 11' 181.00 feet;

thence along a
curve to the right
with a radius of
510.00 feet, the
chord azimuth and
distance being:

8. 158° 20' 875.68 feet, thence;

9. 217° 29' 28.88 feet;

thence along a
curve to the left
with a radius of
75.00 feet, the
chord azimuth and
distance being:

10. 163° 59' 45" 120.56 feet, thence;

11. 110° 30' 30" 24.89 feet;

thence along a
curve to the right

with a radius of
150.00 feet, the
chord azimuth and
distance being:

12. 135° 21' 126.03 feet, thence;

13. 160° 11' 30" 305.00 feet;

thence along a
curve to the left
with a radius of
225.66 feet, the
chord azimuth and
distance being:

14. 141° 38' 32" 143.58

feet to the
northerly
boundary of Lot
4-C and the
southerly
boundary of Lot 5
of Waikoloa
Development (File
Plan 1172) and
containing an area
of 4.482 acres.

5. Grant in favor of Waikoloa Village Association, a Hawaii nonprofit corporation, dated December 31, 1985, recorded in Liber 21447 at Page 724; granting a perpetual non-exclusive easement over Easement "K", more particularly described as follows:

EASEMENT "K"

(15.00 FEET WIDE)

FOR WATER PIPELINE PURPOSES

LAND SITUATED AT WAIKOLOA, SOUTH KOHALA,
ISLAND OF HAWAII, HAWAII

BEING A PORTION OF ROYAL PATENT 5671,

LAND COMMISSION AWARD 8521-B, APANA 1 TO G. D. HUEU
 BEING ALSO A PORTION OF LOT 4 OF WAIKOLOA DEVELOPMENT
 (FILE PLAN 1172)

Beginning at the north corner of this parcel of land,
 on the westerly boundary of Lot 111 of Waikoloa Village, Unit 1-A
 (File Plan 1188), the coordinates of which referred to
 Government Survey Triangulation Station "PUU HINAI" being
 9,267.32 feet north and 6,425.52 feet west and running by
 azimuths measured clockwise from true South:

- | | | | | | |
|----|------|-----|-----|--------|--|
| 1. | 320° | 24' | 37" | 15.01 | feet along Lot 111
of Waikoloa
Village, Unit 1-A
(File Plan 1188); |
| 2. | 52° | 23' | 27" | 532.01 | feet along
remainder of R. P.
5671, L. C. Aw.
8521-B, Ap. 1 to
G. D. Hueu; |
| 3. | 142° | 23' | 27" | 15.00 | feet along
remainder of R. P.
5671, L. C. Aw.
8521-B, Ap. 1 to
G. D. Hueu; |
| 4. | 232° | 23' | 27" | 531.49 | feet along
remainder of R. P.
5671, L. C. Aw.
8521-B, Ap. 1 to
G. D. Hueu to the
point of beginning
and containing an
area of 7,976
square feet. |

6. Easement "A-2" (50.00 feet wide) for access and utility purposes, as shown on File Plan No. 1976.
7. Easement "D-1" for drainage purposes, as shown on File Plan No. 1976.

8. Easement "N-1" (10.00 feet wide) for "No-Access" planting screen purposes, as shown on File Plan No. 1976.
9. Easement "N-2" (10.00 feet wide) for "No-Access" planting screen purposes, as shown on File Plan No. 1976.
10. Easement "S-1" for sanitary sewer purposes, as shown on File Plan No. 1976.
11. Easement "S-2" (15.00 feet wide) for sanitary sewer purposes, as shown on File Plan No. 1976.
12. Easement "W-1" (15.00 feet wide) for water pipeline purposes, as shown on File Plan No. 1976.
13. Easement "W-2" for water well purposes, as shown on File Plan No. 1976.
14. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DEED

DATED : January 5, 1990

RECORDED : Document No. 90-001488

The foregoing includes, but is not limited to, matters relating to the reservations in favor of WAIKOLOA DEVELOPMENT, CO., a Hawaii limited partnership, as follows:

"EXCEPTING AND RESERVING, HOWEVER, unto Grantor and its successors and assigns, easements for drainage purposes, easements for electric, telephone, communication, water and other utility purposes and easements for roadway and vehicular access purposes over, under, across, along, upon and through any easement areas within the granted premises which are so designated on File Plan 1976 recorded in the Bureau of Conveyances of the State of Hawaii, including without limitation, Easement A-2 for access and utility purposes, Easement D-1 for drainage purposes, Easements S-1 and S-2 for sewer purposes, Easement W-1 for water pipeline purposes, Easement W-2 for water well purposes, and Easements N-1 and N-2 for 'no access' planting screen purposes, together with the rights of reasonable access thereto in connection with the exercise of said easement rights, and together also with the right to grant to the State of Hawaii, the County of Hawaii, the Waikoloa

Village Association, the owners of lots subject to the Declaration, any appropriate governmental agency, public utility or private utility, and or any other corporation, partnership or individual, easements for any such purposes within said easements over, under, across, along, upon and through said easement areas.

ALSO, EXCEPTING AND RESERVING unto Grantor and its successors and assigns, all water and water rights within or belonging or appertaining to the granted premises, together with the right to assign and transfer said rights to the State of Hawaii, County of Hawaii, any appropriate governmental agency, public utility or private utility, and or any other corporation, partnership or individual; provided, however, that except, as to Easement W-2, in the exercise of said rights, Grantor, its successors and assigns shall not have the right to drill upon or otherwise disturb the surface of the land within the granted premises or any improvements thereon."

The water rights of WAIKOLOA DEVELOPMENT, CO., a Hawaii limited partnership, in the above instrument was assigned to WAIKOLOA WATER CO., INC., a Hawaii corporation, and WAIKOLOA RESORT UTILITIES, INC., a Hawaii corporation, as Tenants in Common, by instrument dated May 22, 1998, recorded as Document No. 98-086093.

Said Deed Document No. 90-001488 was amended by instrument dated May 13, 2005, recorded as Document No. 2005-111105; re: density of residential units allowed by County zoning.

15. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : AGREEMENT ALLOWING
ENCROACHMENT

DATED : May 13, 1997

RECORDED : Document No. 97-062852

PARTIES : PMO JOINT VENTURE, a Hawaii
registered general partnership, "Grantor",
and FRANCES ABBIT SYKES, wife of
Donald M. Sykes, Jr., and JEANNIE WEBB
PASCALE, unmarried, "Grantee"

16. GRANT

TO : WAIKOLOA WATER CO., INC., a Hawaii corporation, doing business as WEST HAWAII WATER COMPANY

DATED : August 21, 2000, but effective as of the 25th day of February, 1990

RECORDED : Document No. 2000-124712

GRANTING : an easement over said Easements "A-2", "W-1" and "W-2"

17. MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : CASTLE & COOKE WAIKOLOA, LLC, a Hawaii limited liability company

MORTGAGEE : BANKERS TRUST COMPANY, a New York corporation, as administrative agent for the Lenders under the Amended and Restated Credit Agreement dated as of December 27, 2001

DATED : as of December 27, 2001

RECORDED : Document No. 2002-003170 on January 8, 2002 at 10:00 a.m.

AMOUNT : \$310,000,000.00

Said Mortgage was assigned to WELLS FARGO BANK, N.A., a national association, as replacement administrative agent for the Lenders under the Amended and Restated Credit Agreement dated as of December 27, 2001, by instrument dated effective as of January 8, 2002, recorded as Document No. 2002-003171.

FIRST AMENDMENT TO MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT, dated as of March 25, 2003, recorded as Document No. 2003-060022, by and between CASTLE & COOKE WAIKOLOA, LLC, a Hawaii limited liability company, "Mortgagor", and WELLS FARGO BANK, N.A., as administrative agent and collateral agent for the lenders under the Amended and Restated Credit Agreement dated as of

December 27, 2001, "Mortgagee"; re: additional provision added to Section 1.9 of the Mortgage as stated therein, and maximum amount of principal indebtedness is \$325,000,000.00.

SECOND AMENDMENT TO MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT dated as of December 22, 2003, recorded as Document No. 2003-290092, by and between CASTLE & COOKE WAIKOLOA, LLC, a Hawaii limited liability company, "Mortgagor", and WELLS FARGO BANK, N.A., as administrative agent and collateral agent for the lenders under the Credit Agreement dated as of December 27, 2001, "Mortgagee"; re: deleting the reference to "Three Hundred Twenty Five Million Dollars (\$325,000,000.00)" and replacing such deletion with "Three Hundred Seventy-Five Million Dollars (\$375,000,000.00)".

18. ASSIGNMENT OF LEASES AND RENTS dated and effective as of December 27, 2001, recorded as Document No. 2002-003172, by and between CASTLE & COOKE WAIKOLOA, LLC, a Hawaii limited liability company, "Assignor", and BANKERS TRUST COMPANY, as administrative agent for the Lenders under the Amended and Restated Credit Agreement dated as of December 27, 2001, "Assignee", assigning the entire Lessor's interest in and to all Leases covering or affecting all or any part of the premises described herein, to secure the repayment of that certain mortgage recorded as Document No. 2002-003170, in the principal sum of \$310,000,000.00, as assigned by instrument recorded as Document No. 2002-003171.

Said Assignment of Leases and Rents was assigned to WELLS FARGO BANK, N.A., a national association, as replacement administrative agent for the Lenders under the unrecorded Amended and Restated Credit Agreement dated as of December 27, 2001, by instrument dated effective as of January 8, 2002, recorded as Document No. 2002-003173.

19. FINANCING STATEMENT

DEBTOR : CASTLE & COOKE WAIKOLOA, LLC

SECURED
PARTY : WELLS FARGO BANK, N.A., as
administrative agent

RECORDED : Document No. 2002-003174
RECORDED ON : January 8, 2002

20. Any and all easements shown and/or designated on Subdivision Map dated August 16, 2005, approved by the County of Hawaii Planning Department on November 25, 2005 (Subdivision Number 04-000001), prepared by Rodney M. Kawamura, Licensed Professional Land Surveyor, and on Subdivision Map dated August 29, 2005, approved by the County of Hawaii Planning Department on November 25, 2005 (Subdivision Number 04-000093), prepared by Ross K. Tanaka, Licensed Professional Land Surveyor, or recorded in said Bureau of Conveyances affecting the granted premises, and any and all grants of easements or other rights over, under, across, along, upon or through said easement areas previous granted to others.

(b) Castle & Cooke Customer Care Program and Agreement. Developer will also provide additional services and repairs for the Unit (over and above its warranty obligations under the Limited Warranty Agreement) on the terms and conditions set forth in the Castle & Cooke Customer Care Program and Agreement (“Customer Care Agreement”) in the form attached to the Sales Agreement as Exhibit B as a specimen, which will be executed by Developer and buyer at closing. The Customer Care Agreement does not provide additional warranties to buyer. It does, however, specify certain items for which Developer will provide additional services and repair for specified periods up to one year after the “Commencement Date” referred to in the Customer Care Agreement.

(c) Homeowner’s Guide Book. Developer will provide to buyer a Homeowner’s Guide Book at or prior to closing. This is not a legal document, and does not confer any additional warranty or service and repair rights on buyer. It is for informational purposes and is intended to provide useful maintenance and care tips for the Unit.

(d) Terms, Conditions, Limitations, Exceptions, Disclosures and Disclaimers. Buyer should refer to the Sales Agreement for more information about the Limited Warranty Agreement and the Customer Care Agreement. Buyer also should refer to the Limited Warranty Agreement and the Customer Care Agreement which each specify terms, conditions, limitations, exceptions, disclosures and disclaimers (“Conditions”), with respect to the warranties and additional services and repairs which they provide. Buyer’s rights and Developer’s obligations for such work are subject to such Conditions, and buyer must read and understand them.

4. BREAKDOWN OF ANNUAL MAINTENANCE CHARGES AND ESTIMATED COSTS FOR EACH UNIT:

Attached to this Disclosure Abstract as Exhibit "A" is a breakdown of the annual maintenance charges and the monthly estimated cost for each unit in the Project, prepared by Certified Management, Inc., a Hawaii corporation, for the one-year period commencing July 1, 2005, and certified to have been based on generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each unit are subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Developer, unit owner delinquencies and other factors may cause the maintenance assessments to be greater or less than the estimated maintenance assessments. The breakdown of the estimated cost for each unit contained in this Disclosure Abstract does not include the buyer's obligation for the payment of the Waikoloa Village Association dues (as of January 1, 2006, \$500 per year)

or real property taxes, and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE VERY DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF SUCH MAINTENANCE CHARGES HAVE BEEN ACCURATELY ESTIMATED, SUCH CHARGES WILL TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS AGE. MAINTENANCE CHARGES CAN VARY DEPENDING ON SERVICES DESIRED BY UNIT OWNERS. THE BUYER SHOULD EXAMINE THE MAINTENANCE CHARGE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED IN THE SCHEDULE.

5. TEMPORARY ASSUMPTION BY DEVELOPER OF ACTUAL COMMON EXPENSES:

The Developer will assume all the actual common expenses of the Project (and therefore an unit owner will not be obligated for the payment of his respective share of the common expenses) until such time as the Developer files with the Real Estate Commission of the State of Hawaii an amended Disclosure Abstract which states that after a date certain, the respective unit owner shall thereafter be obligated to pay for his respective share of common expenses that is allocated to his unit; provided, however, that such amended Disclosure Abstract shall be filed at least 30 days in advance with the Real Estate Commission, with a copy thereof being delivered either by mail or personal delivery after the filing to each of the unit owners whose maintenance expenses were assumed by the Developer. The Developer shall have no obligation to pay for any cash reserves or any other reserve amounts with respect to or attributable to the period during which the Developer assumes the actual common expenses of the Project.

6. WAIKOLOA VILLAGE ASSOCIATION DUES:

Each unit owner will be required to be a member of the Waikoloa Village Association. As such member, each unit owner will be required to pay Waikoloa Village Association dues (as of January 1, 2006, \$500 per year).

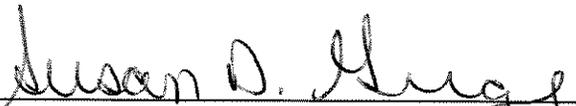
CERTIFICATE

I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. That I am the Regional Vice-President, Hawaii of Certified Management, Inc., a Hawaii corporation, designated by the Developer of the Makana Kai at Wehilani - Phase I condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

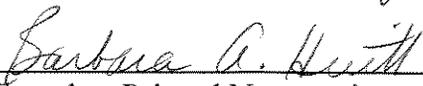
2. That I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each unit in the Project, as set forth in Exhibit "A" attached hereto and hereby incorporated herein by reference, were determined pursuant to a reserve study conducted in accordance with Section 514A-83.6 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, and are reasonable estimates for the one-year period commencing July 1, 2005, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 22nd day of February, 2006.



Name: Susan D. Gregg
Title: Regional Vice-President, Hawaii

Subscribed and sworn to before me
this 22nd day of February, 2006.



Typed or Printed Name: BARBARA A. HUITT
Notary Public, State of Hawaii

My commission expires: 3/30/08



EXHIBIT "A"

MAKANA KAI AT WEHILANI – PHASE I

Estimated Annual Common Expenses

	<u>MONTHLY</u>	<u>ANNUAL</u>
<u>Utilities</u>		
Electricity (common elements only)	\$1,595.00	\$19,140.00
Water and Sewer	5,850.00	70,200.00
Telephone (common elements only)	45.00	540.00
<u>Maintenance, Repairs and Supplies</u>		
Grounds	3,770.00	45,240.00
<u>Management</u>		
Management Fee	736.00	8,832.00
Office Expenses	309.00	3,708.00
Site-Management	2,314.00	27,768.00
<u>Insurance</u>	4,506.00	54,072.00
<u>Reserves</u>	2,093.00	25,116.00
<u>Professional Services – Audit</u>	<u>54.00</u>	<u>648.00</u>
TOTAL DISBURSEMENTS	<u>\$21,272.00</u>	<u>\$255,264.00</u>

ESTIMATED MAINTENANCE CHARGES OR FEES FOR EACH UNIT:

The estimated monthly maintenance charge for each Type 1 and Type 1R unit is \$225.82 per month.

The estimated monthly maintenance charge for each Type 2 and Type 2R unit is \$275.22 per month.

The estimated monthly maintenance charge for each Type 3, Type 3R, Type 3A and Type 3AR unit is \$182.38 per month.

The estimated monthly maintenance charge for each Type 4 and Type 4R unit is \$198.96 per month.

The estimated monthly maintenance charge for each Type 5 and Type 5R unit is \$113.63 per month.

CONDOMINIUM PUBLIC REPORT ON
MAKANA KAI AT WEHILANI – PHASE I (INCREMENT 1-B)

EXHIBIT I

SUMMARY OF SALES AGREEMENT

A specimen Reservation and Sales Agreement (Market) and a specimen Reservation and Sales Agreement (140% Limit) (hereinafter sometimes collectively referred to as the "Sales Agreement") have been submitted to the Real Estate Commission and are available in the Sales Office of the Seller. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES AGREEMENT, INCLUDING ANY ADDENDUM, IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of their provisions. The Sales Agreement, among other things, covers in more detail the following items:

1. That certain Declaration of Merger of Condominium Phases recorded in the Bureau of Conveyances of the State of Hawaii (hereinafter called the "Declaration of Merger"); among other things, gives Seller the right, in its sole and absolute discretion, to cause and effect an administrative merger or mergers of the Project with a condominium project or projects located or to be located on lands (or a portion or portions thereof) in the vicinity of the land of the Project, as part of the same incremental plan of development of the Project, such that the use of the respective common elements, the respective common expenses and the management of the respective affairs of the Project and the additional phases are shared, and the administration of the Project and the additional phases is unified under one association of unit owners, but the ownership interests of the unit owners in the Project and the additional phases are not altered or affected. The Declaration of Merger also gives the Seller the right, in its sole and absolute discretion, to cause and effect an ownership merger or mergers of the Project and the additional phases, as an alternative to an administrative merger or mergers of the Project and the additional phases, to provide for the common ownership of the Project and the additional phases by all of the unit owners of the Project and the additional phases. Upon an ownership merger, all of the units in the merged phases shall be treated as though they were all included in a single condominium project (the "Merged Project"), all common elements of the merged phases will become the common elements of the Merged Project, and the common interest appurtenant to the Unit shall be altered from the percentage set forth in Article I of the Sales Agreement to a percentage as set forth in the "Certificate of Ownership Merger" recorded by the Seller, in accordance with the Declaration of Merger. Nothing herein will be deemed to require Seller to develop the additional phases or to merge the additional phases into the Project, or to prohibit Seller from dealing with any lands adjacent to the Project not merged with the Project, including without limitation, developing all or any part of such lands for purposes inconsistent with the merger of such lands into the Project.

2. Seller has given to and/or may give to one or more lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment of loan(s) and covering Seller's ownership rights in the Project, including the individual units. All of the rights and interests which Seller gives to the lender or lenders will have priority over the buyers' rights and interests under the Sales Agreements. This applies to any changes to the loan or loans or the mortgage or mortgages, security agreement or agreements or other instruments (including, among other things, extensions, renewals and other changes). The buyers give up and subordinate the priority of their rights and interests under the Sales Agreements in favor of the rights and interests of Seller's lenders until the final closing and delivery of signed condominium unit deeds to the buyers. If Seller's lender or lenders ask the buyers to do so, the buyers will sign other documents to confirm the promises and agreements mentioned above.

3. The Declaration provides that as to all units located on the second floor of the residential buildings (the "Second Floor Units"), hard floor surfaces shall be limited to the areas of the entry foyer, the kitchen and the bathroom, as provided in the original construction of the respective units. The owners of the Second Floor Units shall be required to utilize continuous carpet and pad over all other floor surfaces of such units, or to utilize such other flooring materials and/or systems which meet the acoustic standards of an Acoustic Impact Isolation Class of IIC 45 or better (ASTM Designation E492).

4. (a) If buyer has executed the Reservation and Sales Agreement (140% Limit), the transfer of the Property to buyer will be made subject to (and the Condominium Unit Deed will so provide) certain restrictions on use and transfer of the Property, including without limitation, (a) a first option to purchase the Property at a designated price, in favor of Seller in the event buyer violates the covenant requiring buyer to occupy the Property for a period of two (2) years from the date of the conveyance of the Property to buyer, as more particularly described in the Condominium Unit Deed, and (b) a first option to purchase the Property at a designated price, in favor of Seller in the event buyer desires to transfer title to the Property during the occupancy period, as more particularly described in the Condominium Unit Deed.

(b) If buyer has executed the Reservation and Sales Agreement (Market), the transfer of the Property to buyer will be made subject to (and the Condominium Unit Deed will so provide) certain restrictions on use and transfer of the Property, including without limitation, (a) a first option to purchase the Property at a designated price, in favor of Seller in the event buyer violates the covenant requiring buyer to occupy the Property for a period of twelve (12) months from the date of the conveyance of the Property to buyer, as more particularly described in the Condominium Unit Deed, and (b) a first option to purchase the Property at a designated price, in favor

of Seller in the event buyer desires to transfer title to the Property during the occupancy period, as more particularly described in the Condominium Unit Deed.

5. Seller may (but does not have to) cancel the Sales Agreement (a) if the buyer's mortgage loan application is rejected or not approved within 60 days after application, or (b) if the buyer plans to pay the purchase price in cash but Seller is not satisfied for any reason with the buyer's ability to make the cash payments.

6. Buyer acknowledges that the Project is adjacent to or in the vicinity of the Wehilani Association, which is being developed by Seller or Seller's affiliate. Despite the Project's proximity to the Wehilani Association, the Project is not subject to the Wehilani project documents and purchasers will not become members of the Wehilani Association upon issuance of the Condominium Unit Deed.

7. (a) Seller will provide a ten (10) year limited warranty covering "Construction Defects" relating to the Unit. The terms and conditions of this limited warranty will be set forth in a Home Builder's Limited Warranty ("Limited Warranty Agreement") in the form attached to the Sales Agreement as Exhibit A as a specimen. The Limited Warranty Agreement defines the scope of "Construction Defects", will govern and control the terms of the limited warranty, and will supersede any and all other written or oral warranties, representations or promises as to the Unit. All warranties with respect to the Unit are contained in the Limited Warranty Agreement, and Seller provides no other warranties.

(b) Seller will also provide additional services and repairs for the Unit (over and above its warranty obligations under the Limited Warranty Agreement) on the terms and conditions set forth in the Castle & Cooke Customer Care Program and Agreement ("Customer Care Agreement") in the form attached to the Sales Agreement as Exhibit B as a specimen, which will be executed by Seller and buyer at closing. The Customer Care Agreement does not provide additional warranties to buyer. It does, however, specify certain items for which Seller will provide additional services and repair for specified periods up to one year after the "Commencement Date" referred to in the Customer Care Agreement.

(c) Seller will provide to buyer a Homeowner's Guide Book at or prior to closing. This is not a legal document, and does not confer any additional warranty or service and repair rights on buyer. It is for informational purposes and is intended to provide useful maintenance and care tips for the Unit.

(d) Buyer should refer to the Sales Agreement for more information about the Limited Warranty Agreement and the Customer Care Agreement. Buyer also should refer to the Limited Warranty Agreement and the Customer Care Agreement which each specify terms, conditions, limitations, exceptions, disclosures and disclaimers ("Conditions"), with respect to the warranties and additional services and

repairs which they provide. Buyer's rights and Seller's obligations for such work are subject to such Conditions, and buyer must read and understand them.

8. Buyer understands and agrees that (a) Seller's obligation to provide landscaping within the common elements of the Project will be deemed fully satisfied upon planting of the plant materials (which need not be in full coverage and maturity) and installation of the irrigation system pursuant to Seller's landscaping plans, as the same may be amended from time to time in Seller's sole discretion; (b) installation of the plant materials and irrigation system may be completed after the Closing Date; (c) full maturity of the plant materials will only be reached over an extended period of time and Seller is not responsible for providing landscaping maintenance to reach full coverage and maturity; and (d) the Association will be responsible for maintaining the landscaping after installation thereof, even if the landscaping has not reached full coverage or maturity. Notwithstanding anything contained herein to the contrary, buyer understands and agrees that buyer, and not Seller, shall be responsible for the landscaping of the yard area, if any, appurtenant to the Unit which buyer is purchasing.

9. The Condominium Map for the Project is intended to show only the layout, location, unit numbers and dimensions of the units in the Project. Buyer understands and acknowledges that items shown on the Condominium Map, including, without limitation, the metes and bounds or dimensions of the limited common elements, such as yard areas, may change due to field changes and other factors, and Seller reserves the right to amend the Condominium Map, the Declaration and the other Project documents from time to time to reflect such changes. BUYER AGREES THAT THE CONDOMINIUM MAP IS NOT INTENDED TO BE AND IS NOT A WARRANTY OR PROMISE OF ANY KIND BY SELLER.

10. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS TALKED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S UNIT. IF BUYER WANTS TO RENT OR SELL THE UNIT, HOW BUYER DOES IT WILL BE UP TO BUYER SUBJECT TO THE RESTRICTIONS CONTAINED IN THE SALES AGREEMENT. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE UNIT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE UNIT OR ABOUT THE TAX EFFECTS OF BUYING THE UNIT.

11. Notwithstanding any other provision in the Sales Agreement to the contrary, Seller shall complete construction of the Unit and building in which the Unit is to be located so as to permit normal occupancy within two (2) years from the date the Sales Agreement is signed by buyer (the "Building Completion Date"); provided, however, that the Building Completion Date will be extended for any period of time during which Seller's construction is actually delayed by weather, tsunami, earthquake,

strikes, material shortages, acts of God, war or aggression, destruction of property, acts of governmental authorities, or other matters or conditions legally supportable in the State of Hawaii as an impossibility of performance for reasons beyond the control of Seller. If construction of the Unit and building in which the Unit is to be located is not completed by the Building Completion Date, such failure to so complete shall be a default by Seller under the Sales Agreement, in which case buyer shall be entitled to the applicable remedies set forth in Article V, Section G.3 of the Sales Agreement.

12. Buyer understands that Seller has agreed with the Mayor of the County of Hawaii that Seller will offer certain units in the Project for sale for a limited period of time to eligible "Moderate Income Purchasers" as that term is defined below. Buyer represents to Seller that buyer is a "Moderate Income Purchaser". The term "Moderate Income Purchaser" as used herein means a buyer whose income (including the income of all members of such buyer's household) does not exceed 140% of the median income (adjusted for family size) for the County of Hawaii, as most recently determined by the United States Department of Housing and Urban Development. The following are such income limits (as of 2005) by family size for the Project:

<u>Family Size</u>	<u>Median</u>	<u>140% Income Limit</u>
1	\$36,750	\$51,450
2	42,000	58,800
3	47,250	66,150
4	52,500	73,500
5	56,700	79,380
6	60,900	85,260
7	65,100	91,140
8	69,300	97,020

In addition to qualifying as a "Moderate Income Purchaser", buyers must meet certain eligibility requirements. If Seller shall determine that buyer is not an eligible "Moderate Income Purchaser", Seller shall have the right to cancel the Sales Agreement at any time. If Seller cancels the Sales Agreement as aforesaid, Seller will tell Escrow to give buyer back all of buyer's payments, without interest, and neither party will have any other obligations under the Sales Agreement or relating to the Project. Buyer shall be responsible for the escrow cancellation fee and all other costs associated with the purchase, up to a maximum of \$250.00.

13. Buyer will pay for the following closing costs: all of the Escrow fee, all notary fees, all appraisal fees, all recording costs, all charges for buyer's credit report, all costs of preparing any mortgages and promissory notes, and all title insurance costs. Buyer will also pay all mortgage costs. Buyer will also pay a nonrefundable start-up fee

which will be held and used by the Seller and the first Managing Agent of the Association to pay for certain initial common expenses of the Project such as insurance premiums and as a working capital fund for the benefit of all the unit owners. Buyer agrees that Seller does not have to pay any start-up fee for any unit in the Project if it is owned by Seller. Proration of maintenance charges and other common expenses, and real property taxes will be made as of the scheduled Closing Date.

14. If, prior to Closing, buyer fails to make any payment when it is due or fails to keep any of buyer's other promises or agreements contained in the Sales Agreement, then Seller will have the right, at Seller's sole option and in addition to any other rights contained in the Sales Agreement, to do any one or more of the following:

(a) Seller may cancel the Sales Agreement by giving buyer written notice of cancellation and Seller may keep all sums paid by buyer under the Sales Agreement as "liquidated damages" (i.e., the amount agreed to by buyer and Seller as properly payable in settlement for breach of contract), and not as a penalty. Without limiting the generality of the foregoing, buyer understands and acknowledges that if buyer defaults under the Sales Agreement after it has become a binding contract (as described in Article V, Section E.1 of the Sales Agreement), Seller may keep the Option Deposit (as defined in the Sales Agreement) in addition to all other sums paid by buyer under the Sales Agreement. If Seller cancels the Sales Agreement, buyer agrees that it will be difficult and expensive to determine the amount of loss or damage Seller will suffer. This is because of, among other things, Seller's commitments relating to the financing of the Project, the effect of default and cancellation of one sale on other unit sales, and the nature of the real estate market in Hawaii. Buyer agrees that the sums paid by buyer under the Sales Agreement are a reasonable estimate of a fair payment to Seller for Seller's loss or damage resulting from buyer's default.

(b) Seller may file a lawsuit for damages.

(c) Seller may file a lawsuit for "specific performance" (in other words, a lawsuit to make buyer keep all of buyer's promises and agreements).

(d) Seller may take advantage of any other rights which the law allows or which Seller may have under the Sales Agreement.

Buyer also agrees to pay for all costs, including Seller's reasonable lawyers' fees (for both in-house and outside counsel) and the escrow cancellation fee, which are incurred because of buyer's default.

15. If, prior to Closing, Seller fails to keep any of Seller's promises or agreements contained in the Sales Agreement, buyer, if not in default hereunder, may file a lawsuit for specific performance to require Seller to go through with the Sales Agreement (unless the Sales Agreement is only a "reservation" in which case the terms of

Article V, Section E.1 of the Sales Agreement will control) or buyer may exercise any other remedy to which buyer is entitled to at law or equity, including cancel the Sales Agreement, if applicable. If buyer cancels the Sales Agreement because of Seller's default, Seller will repay to buyer all sums paid by buyer to Seller or Escrow under the Sales Agreement, without interest.

16. The buyer understands, acknowledges, covenants and agrees to the following:

(a) The Project and areas in the vicinity of the Project are part of the former Waikoloa Maneuver Area. The Waikoloa Maneuver Area was used as a military training area during World War II, and live ordnance, ranging from grenades and bazooka rounds to hedgehog missiles, have been found in the Waikoloa Maneuver Area. Although surface surveys and ordnance clearance programs have been performed in portions of the Waikoloa Maneuver Area, unexploded ordnance may be located within the Project and areas in the vicinity of the Project (collectively, the "Military Effects");

(b) The Property is or may be located adjacent to or in the vicinity of electric, water and other utilities and public roads and thoroughfares, including, without limitation, such things as electrical substations, high-powered electrical transmission lines, water pump stations, water tanks, reservoirs, freeways and exit ramps which may result in nuisances, such as noise and dust, disturbances or hazards (collectively, the "Utility Effects") to persons and to property on or within the Property. In recent years, concerns have been raised about possible adverse health effects of electric and magnetic fields from power lines. Seller is not insuring or guaranteeing the health of buyer or other occupants or users of the Property and disclaims liability for personal injury, illness or any other loss or damage caused by or arising from the Utility Effects including, without limitation, the presence or malfunction of any electrical distribution systems that may be located adjacent to, near, or over any part of the Property;

(c) (i) The Project is or may be located adjacent to or in the vicinity of other phases of Makana Kai at Wehilani, and various construction activities, including, but not limited to, ongoing residential and related construction, proposed construction of future residential subdivisions and roads, commercial and office buildings, land development activities, one or more recreational centers and facilities, churches and other construction and development projects (collectively, the "Proposed Development"); (ii) construction of the Proposed Development will or may result in noise, dust, vibration and other nuisances, disturbances or hazards to buyer and to persons and property on or within the Property or the Project, and may limit buyer access to the Project; (iii) when completed, traffic, lights, noise, dust, vibration and other nuisances, disturbances or hazards to persons and property on or within the Property or the Project may be generated from the Proposed Development; (iv) no representations or warranties

are made by Seller, its employees or agents concerning plans, or the absence of plans, by Seller or others for future development of adjacent or nearby properties, and any plans for the future development of adjacent and nearby properties by Seller are subject to change in the sole and absolute discretion of the Seller or its successors and assigns; and (v) Seller makes no representations regarding the view from the Property or any view easements or rights, and the views from the Property are not guaranteed and may be altered, diminished, eliminated or blocked entirely by the future development of adjacent or surrounding properties (items (i) through (v) are hereinafter collectively called the "Development Effects");

(d) Mold and other forms of fungi are common and occur naturally in Hawaii due to its climate. Any moisture, including but not limited to standing water, water intrusion in a home, or condensation will promote mold or other fungal growth. Lack of maintenance, utilization of an air-conditioner and other conditions which could increase moisture or condensation in a home, will therefore create conditions which are conducive to mold and fungi growth. It has been reported or alleged that molds and other fungi can cause mild to severe allergies, infections and other health problems and property damage (collectively, the "Mold Effects"). Seller is not insuring or guaranteeing the health of buyer or other occupiers or users of the Property and disclaims liability for personal injury, illness, property damage, or any other loss or damage caused by or arising from the Mold Effects; and

(e) Buyer represents and warrants to Seller that buyer, in buyer's sole discretion, has determined that the benefits of owning and enjoying the Property outweigh the risks of the Military Effects, the Utility Effects, the Development Effects and the Mold Effects (collectively, the "Property Conditions"). Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Military Effects, the Utility Effects and the Mold Effects. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Development Effects, for a period of ten (10) years after the date of recordation of the Condominium Unit Deed. Buyer hereby covenants and agrees to assume all risks of impairment of buyer's use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from the Property Conditions, and buyer, for the buyer and the buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, and those who use the Property through the buyer for an extended period of time (collectively, the "Occupants"), hereby waives any claims or rights of action or suits against Seller, its successors and assigns, and any agency or subdivision of the foregoing, arising from such impairment of the Occupants' use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from one or more of the Property Conditions. Buyer shall indemnify, hold harmless and defend Seller, its successors and assigns, and any agency or subdivision of the foregoing, from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from such impairment of the Occupants' use

and enjoyment of the Property or the Project, loss of market value of the Property, or property damage or personal injury to the property or person of the Occupants as a result of one or more of the Property Conditions. Buyer further covenants that buyer will notify all Occupants and transferees of the Property of the risks of the Property Conditions.

17. Buyer understands and acknowledges the following:

(a) Pursuant to a commitment made by Seller to the Mayor of the County of Hawaii, a portion of the units within the Project will be designated as “affordable housing” and will be offered for sale for a limited period of time, at certain prices and subject to certain conditions, to eligible persons or families with income levels below certain limits set by the government. This may result in certain units within the Project being sold by Seller at prices below the prices which may be available to the general public.

(b) Seller may offer for sale units in the Project, including those units originally designated for sale as affordable housing, free of eligibility requirements and/or conditions, or pursuant to less restrictive eligibility requirements and/or conditions. Accordingly, other units within the Project may be sold to buyers free of requirements and/or conditions that may be placed upon the sale of the Property to buyer, or pursuant to less restrictive requirements and/or conditions than those placed upon the sale of the Property to buyer.

18. If Closing occurs, buyer and Seller agree that:

(a) any and all claims or disputes arising out of the Sales Agreement or in any way connected with the design, development, construction, sale, marketing, financing, warranties, or any other activity or matter relating to the Property, between buyer, on the one hand, and Seller and/or Seller’s affiliates, on the other hand, shall be submitted to mediation, if applicable, and final and binding arbitration, all pursuant to and in accordance with the provisions contained in the Limited Warranty Agreement, administered by Professional Warranty Service Corporation (“PWC”), which mediation and arbitration provisions are incorporated by reference herein;

(b) buyer and Seller agree to follow the mediation and arbitration provisions set forth in the Limited Warranty Agreement even if a construction defect claim is excluded from coverage under the Limited Warranty Agreement or if the limited warranty provided under the Limited Warranty Agreement has expired or is no longer in effect;

(c) at Seller’s option, the mediation and/or arbitration shall include all or any of Seller’s agents, architects, consultants, engineers, contractors, subcontractors, suppliers, representatives or other third parties (“Related Parties”), and any action by buyer against any of the Related Parties (and not directly against Seller) in

respect of the Property which Seller shall determine directly or indirectly affects Seller, shall at Seller's option, be subject to these mediation and arbitration provisions; and

(d) all fees and costs in connection with the mediation and/or arbitration shall be allocated in accordance with the Limited Warranty Agreement; provided, however, that any fees charged by PWC that are not addressed by the Limited Warranty Agreement shall be shared equally by buyer and Seller.

The foregoing provisions are intended to comply with (and shall be construed consistent with) the requirements of the Hawaii Contractor Repair Act (Act 119 of the 2004 Legislature of the State of Hawaii), Chapter 672E of the Hawaii Revised Statutes ("Act"). In the event of an irreconcilable conflict between the foregoing provisions and the provisions of said Act, the provisions of the Act shall govern and control.

Pursuant to the requirements of the Act, Seller is giving buyer notice of the right of Seller and its related contractors to resolve any alleged construction defects before buyer may commence legal action against Seller or such contractors. This notice is required by law under the Act, and is set forth in the *ADDENDUM REGARDING RIGHT TO RESOLVE ALLEGED CONSTRUCTION DEFECTS* which shall be executed by buyer in connection with the Sales Agreement.

19. The buyer agrees that buyer may not transfer the Sales Agreement or any of buyer's rights or interests under the Sales Agreement without first getting Seller's written consent (which Seller may withhold in its sole and absolute discretion).

NOTE: ALL BUYERS SHOULD READ THE SALES AGREEMENT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE SALES AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE SALES AGREEMENT, AND DOES NOT ALTER OR AMEND THE SALES AGREEMENT IN ANY MANNER.

CONDOMINIUM PUBLIC REPORT ON
MAKANA KAI AT WEHILANI – PHASE I (INCREMENT 1-B)

EXHIBIT J

SUMMARY OF ESCROW AGREEMENT

Copies of the Escrow Agreement between the Seller and Title Guaranty Escrow Services, Inc. have been submitted to the Real Estate Commission and are available for inspection in the Sales Office of the Seller. The Escrow Agreement, among other things, covers in more detail the following items:

1. All monies received by Escrow under the Escrow Agreement shall be deposited within a reasonable time of their receipt by Escrow and in reasonably convenient and practical sums in a special account or accounts with a federally insured bank or savings and loan association in Honolulu, Hawaii, at the prevailing interest rate, and held in accordance with the terms thereof, and all interest paid thereon shall be credited to the account of Seller as provided in the sales contracts.
2. Disbursements from the buyer's escrow fund shall be made by Escrow in accordance with the respective sales contracts upon the direction of Seller.
3. An additional escrow fee shall be charged to the buyer for each mortgage obtained by the buyer if the buyer does not obtain a mortgage loan from a lender designated by Seller.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE ESCROW AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE ESCROW AGREEMENT, AND DOES NOT ALTER OR AMEND THE ESCROW AGREEMENT IN ANY MANNER.

CONDOMINIUM PUBLIC REPORT ON
MAKANA KAI AT WEHILANI – PHASE I (INCREMENT 1-B)

EXHIBIT K

DEVELOPER'S AFFILIATES

1. The Developer is a Hawaii limited liability company whose members are Castle & Cooke Homes Hawaii, Inc., a Hawaii corporation, and The Incurable Collector, Inc., a Delaware corporation.
2. Castle & Cooke Homes Hawaii, Inc. is the general contractor for the Project.
 - (a) The Hawaii licensed Responsible Managing Employee for Castle & Cooke Homes Hawaii, Inc., as general contractor for the Project, is Kenneth Teruya (Hawaii Contractor's License No. 21159).
3. The officers of the Developer, the officers and directors of Castle & Cooke Homes Hawaii, Inc. and the officers and directors of The Incurable Collector, Inc. are listed on pages 5a and 5b of this Report.