

**AMENDMENT 1 TO  
SECOND AMENDED DEVELOPER'S PUBLIC REPORT  
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME:	WAIPIO BUSINESS CENTER
PROJECT ADDRESS:	94-1388 Moaniani Street Waipahu, Hawaii 96797
REGISTRATION NUMBER:	6305
EFFECTIVE DATE OF REPORT:	February 6, 2009
MUST BE READ TOGETHER WITH DEVELOPER'S PUBLIC REPORT DATED:	Second Amended Developer's Public Report, dated June 17, 2008
DEVELOPER(S):	WIC Partners LLC, a Hawaii limited liability company

**Preparation of this Amendment**

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desires to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS means any change that directly, substantially, and adversely affects the use or value of (1) A purchaser's unit or appurtenant limited common elements; or (2) Those amenities of the project available for the purchaser's use.

The law defines "pertinent change" to mean, as determined by the commission, a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) The size, construction materials, location, or permitted use of a unit or its appurtenant limited common element; (2) The size, use, location, or construction materials of the common elements of the project; or (3) The common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developer's Public Report or an amended Developer's Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

This Amendment has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this amendment to the Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts, material changes, or pertinent changes about the project have been fully or adequately disclosed; and (3) is not the

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Commission's judgment of the value or merits of the project.

The law defines "material facts" to mean any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale.

This amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

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Summary of Changes from Earlier Developers Public Report:

This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

1. The Developer's sales broker for the Project is now CB Richard Ellis, Inc. (Peter Grossman). This change is referenced on Page 9 (Section 2.2) of the Second Amended Developer's Public Report, as well as in the specimen form of the sales contract.
2. The Declaration was amended to assign parking stall number 338 to Unit 103. The Amendment to the Declaration dated December 23, 2008, was recorded as Document No. 3815540. The recording information for the Amendment was inserted on Page 10 (Section 3.1) of the Second Amended Developer's Public Report. The parking stall assignment chart in Exhibit "B" to the Second Amended Developer's Public Report was revised accordingly.
3. The Project Rules were amended to provide that that if the business conducted in a Unit includes selling or servicing skateboards, rollerblades or scooters, then such skateboards, rollerblades and scooters can be tested within the Project solely for sales and demonstration purposes by occupants and guests of such Unit, but that their use in the Project is otherwise prohibited. The Project Rules were also amended to reflect that, subject to various restrictions, certain pets are allowed in the Project. The date of the Amendment to the Project Rules was inserted on Page 11 (Section 3.4) of the Second Amended Developer's Public Report.
4. Construction of all of the units in the Project has been completed. Page 14 (Section 5.5) of the Second Amended Developer's Public Report has been revised to reflect this. The specimen form of the sales contract has also been revised to reflect that all of the units in the Project have been completed.
5. The initial maintenance fees and estimate of maintenance fee disbursements in Exhibit "I" to the Second Amended Developer's Public Report were revised to reflect the 2009 budget and maintenance fees.
6. The Summary of the Specimen Sales Contract in Exhibit "J" to the Second Amended Developer's Public Report was revised to reflect revisions to the specimen form of the sales contract.

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Changes continued:

See previous page.

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The Developer declares subject to the penalties set forth in Section 514B-69, HRS that this project continues to conform to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a) (13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report as amended, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report as amended, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report as amended and the exhibits attached to this report (if any) as amended and all documents to be furnished by the Developer to purchasers 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. The Developer hereby agrees promptly to amend this report as amended to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report as amended at least 30 days prior to the anniversary date of the effective date of this report.

WIC Partners LLC,  
a Hawaii limited liability company

By: WIC Holdings LLC,  
a Hawaii limited liability company  
Its: Managing Member

Printed Name of Developer

  
\_\_\_\_\_  
Duly Authorized Signatory\*

December 26, 2008

\_\_\_\_\_  
Date

David L. Bierwert, Managing Member

\_\_\_\_\_  
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

**\*Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

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## 2. PERSONS CONNECTED WITH THE PROJECT

<p><b>2.1 Developer(s)</b></p>	<p>Name: WIC Partners LLC          Business Address: 615 Piikoi Street, Suite 808          Honolulu, HI 96814</p> <p>Business Phone Number: (808) 237-5289          E-mail Address: <a href="mailto:dbierwert@thmhawaii.com">dbierwert@thmhawaii.com</a></p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>The Manager of WIC Partners LLC is WIC Holdings LLC. The Members of WIC Partners LLC are WIC Holdings LLC and UHI, LLC. The Members of WIC Holdings LLC are David L. Bierwert, Samuel J. Chung and Serge M. Krivatsy. The names of the Members of UHI, LLC are available upon request of the Developer.</p>
<p><b>2.2 Real Estate Broker</b></p>	<p>Name: CB Richard Ellis, Inc.          Business Address: 1003 Bishop Street, Suite 1800          Honolulu, HI 96813</p> <p>Business Phone Number: (808) 541-5143          E-mail Address: <a href="mailto:Peter.Grossman@cbre.com">Peter.Grossman@cbre.com</a></p>
<p><b>2.3 Escrow Depository</b></p>	<p>Name: Island Title Corporation          Business Address: 1132 Bishop Street, 4<sup>th</sup> Floor          Honolulu, HI 96813</p> <p>Business Phone Number: (808) 531-0261</p>
<p><b>2.4 General Contractor</b></p>	<p>Name: Nordic Construction, Ltd.          Business Address: 94-1187 Ka Uka Boulevard          Waipahu, HI 96797</p> <p>Business Phone Number: (808) 677-3501</p>
<p><b>2.5 Condominium Managing Agent</b></p>	<p>Name: Hawaiiana Management Company, Ltd.          Business Address: 711 Kapiolani Blvd., Suite 700          Honolulu, HI 96813</p> <p>Business Phone Number: (808) 593-9100</p>
<p><b>2.6 Attorney for Developer</b></p>	<p>Name: Schneider Tanaka Radovich Andrew &amp; Tanaka, LLLC          Att'n: David F. Andrew          Business Address: 1100 Alakea Street, Suite 2100          Honolulu, HI 96813</p> <p>Business Phone Number: (808) 792-4200</p>

### 3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

#### 3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	April 20, 2007	3605457

#### Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	June 20, 2007	3617965
	May 14, 2008	3747967
	December 23, 2008	3815540

#### 3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	April 20, 2007	3605458

#### Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

#### 3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	1891
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map: June 20, 2007 as Document No. 3617965; and May 14, 2008 as Document No. 3747967.	

**3.4 House Rules**

The Board of Directors may adopt rules and regulations (commonly called "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. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

Are Proposed	<input type="checkbox"/>
Have Been Adopted and Date of Adoption	<input checked="" type="checkbox"/> <b>May 14, 2008</b> (amends and restates rules dated April 19, 2007); First Amendment dated December 26, 2008
Developer does not plan to adopt House Rules	<input type="checkbox"/>

**3.5 Changes to the Condominium Documents**

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

**3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents**

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:  See Exhibit H

**5.5 Status of Construction, Date of Completion or Estimated Date of Completion**

Status of Construction:  Construction of all of the units in the Project is completed.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract:  NOT APPLICABLE
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: NOT APPLICABLE

**5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance**

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

**5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance**

<input type="checkbox"/>	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project.
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**5.6.2 Purchaser Deposits Will Be Disbursed Before Closing**

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable Box):

<input checked="" type="checkbox"/>	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
<input type="checkbox"/>	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

EXHIBIT B  
Parking Stall Assignments

UNIT #	STALL #s
101	36, 37, 38, 39
102	40, 41, 42, 43
103	44, 45, 46, 47, 51, 52, 53, 338
104	54, 55, 56, 57
105	58, 59, 60, 61
106	62, 63, 64, 48
107	65, 66, 67, 49
108	68, 69, 70, 50
109	71, 72, 73, 74, 133
110	75, 76, 77, 113
111	78, 79, 80, 81
112	82, 83, 84
113	85, 86, 87
114	88, 89, 90
115	91, 92, 93, 94
116	95, 96, 97
201	1, 2, 155
202	3, 4, 5, 6
203	7, 8, 9, 10
204	11, 12, 13, 14, 15
205	16, 17, 18, 19, 20, 21
206	22, 23, 24, 25, 26
207	27, 28, 29, 30
208	31, 32, 33, 34, 35
209	152, 153, 154
210	149, 150, 151
211	146, 147, 148
212	142, 143, 144
213	140, 141, 145
214	137, 138, 139
215	134, 135, 136

UNIT #	STALL #s
216	130, 131, 132
217	127, 128, 129
218	124, 125, 126
219	120, 121, 122, 123
220	117, 118, 119
221	114, 115, 116
222	110, 111, 112
223	107, 108, 109
224	104, 105, 106
225	101, 102, 103
226	98, 99, 100
227	211, 212, 213
228	208, 209, 210
229	205, 206, 207
230	202, 203, 204
231	199, 200, 201
232	195, 196, 197
233	192, 193, 194
234	188, 189, 190, 191
235	185, 186, 187
236	182, 183, 184
237	179, 180, 181
238	175, 176, 177
239	172, 173, 174
240	169, 170, 171
241	166, 167, 168
242	163, 164, 165
243	160, 161, 162
244	156, 157, 158
301	214, 215, 216
302	217, 218, 219

All parking stalls are regular in size and open.

UNIT #	STALL #s
303	220, 221, 222
304	223, 224, 225
305	227, 228, 229
306	231, 232, 233
307	234, 235, 236
308	237, 238, 239
309	240, 241, 242
310	244, 245, 246
311	247, 248, 249
312	250, 251, 252
313	285, 286, 287
314	282, 283, 284
315	279, 280, 281
316	276, 277, 278
317	273, 274, 275
318	270, 271, 272
319	267, 268, 269
320	264, 265, 266
321	262, 263
322	259, 260, 261

UNIT #	STALL #s
323	256, 257, 258
324	253, 254, 255
401	Parking for Unit 401 shall be within the Limited Common Element Private Yard Area appurtenant to Unit 401 that is described in Exhibit F of the Amended Public Report
402	330, 331, 332
403	327, 328, 329
404	324, 325, 326
405	320, 321, 322
406	317, 318, 319
407	314, 315, 316
408	311, 312, 313
409	308, 309, 310
410	305, 306, 307
411	301, 302, 303
412	298, 299, 300
413	295, 296, 297
414	291, 292, 293
415	288, 289, 290

All parking stalls are regular in size and open.

**EXHIBIT I**  
**Estimate of 2009 Maintenance Fees\***

Waipio Business Center		
Unit Type(s)**	Monthly Fee (per unit)***	Yearly Total (per unit)***
1A	\$372.08	\$4,464.96
1B	\$377.51	\$4,530.12
1C	\$817.50	\$9,810.00
1D and 1D-R	\$393.81	\$4,725.72
1E	\$393.81	\$4,725.72
1F	\$507.88	\$6,094.56
1G	\$529.61	\$6,355.32
2A	\$203.70	\$2,444.40
2B	\$258.01	\$3,096.12
2C	\$279.74	\$3,356.88
2D	\$331.34	\$3,976.08
2E	\$382.95	\$4,595.40
2F	\$277.03	\$3,324.36
2G	\$277.03	\$3,324.36
2H	\$309.62	\$3,715.44
2J	\$325.91	\$3,910.92
2K and 2K-R	\$328.63	\$3,943.56
2L	\$456.28	\$5,475.36
2M and 2M-R	\$228.14	\$2,737.68
2N and 2N-R	\$228.14	\$2,737.68
2P	\$344.92	\$4,139.04
2Q	\$225.42	\$2,705.04
3A and 3A-R	\$162.96	\$1,955.52
3B and 3B-R	\$162.96	\$1,955.52
3C	\$219.99	\$2,639.88
3D	\$198.26	\$2,379.12

Waipio Business Center		
Unit Type(s)**	Monthly Fee (per unit)***	Yearly Total (per unit)***
4A	\$635.53	\$7,626.36
4B and B-R	\$211.84	\$2,542.08
4C and 4C-R	\$211.84	\$2,542.08
4D	\$211.84	\$2,542.08
4E	\$249.87	\$2,998.44

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

\*See Section 4.2 of the Public Report for an explanation of when Buyers must start paying maintenance fees.

\*\* See Exhibit D for a list of units by unit type.

\*\*\*NOTE: The Purchaser acknowledges and agrees that the above-referenced assessments do include the Master Association assessments, which are to be paid to the Master Association via the Project Association. As of the effective date of this Public Report, it is estimated that the amount of the Master Association assessments to be paid by the unit owners ranges from \$12.88 per month (\$154.56 per year) (for the smallest unit) to \$64.60 per month (\$775.20 per year) (for the largest unit). These amounts may be increased from time to time by the Master Association.

**Estimate of Maintenance Fee Disbursements:**

	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
<b>Utilities and Services</b>		
Air conditioning	\$ N/A	
Electricity		
<input checked="" type="checkbox"/> common elements only	\$ 3,400.00	\$ 40,800.00
<input type="checkbox"/> common elements and units		
Elevator	\$ N/A	
Gas		
<input type="checkbox"/> common elements only	\$ N/A	
<input type="checkbox"/> common elements and units		
Refuse Collection	\$ 1,100.00	\$ 13,200.00
Telephone (Alarm Connection)	\$ 450.00	\$ 5,400.00
Water	\$ N/A	
Sewer	\$ 1,250.00	\$ 15,000.00
Cable Television	\$ N/A	
Internet Service	\$ N/A	
Water Irrigation	\$ 750.00	\$ 9,000.00
<b>Maintenance, Repairs and Supplies</b>		
Building	\$ 500.00	\$ 6,000.00
Grounds	\$ 200.00	\$ 2,400.00
Landscape Maintenance	\$ 680.00	\$ 8,160.00
Common Area Janitorial	\$ 150.00	\$ 1,800.00
Electrical/Lighting	\$ 200.00	\$ 2,400.00
Pest Control	\$ 200.00	\$ 2,400.00
Storm Drain Cleaning	\$ 300.00	\$ 3,600.00
Equipment Repairs	\$ 100.00	\$ 1,200.00
Fire Control	\$ 300.00	\$ 3,600.00
Fire Sprinkler Alarm Monitor	\$ 150.00	\$ 1,800.00
<b>Management</b>		
Management Fee	\$ 2,576.00	\$ 30,912.00
Payroll, Payroll Taxes, and Employment-Related Insurance	\$ N/A	
Tax Return prep/audit	\$ 150.00	\$ 1,800.00
Security	\$ 6,500.00	\$ 78,000.00
Office Expenses	\$ 250.00	\$ 3,000.00
Design Review Requests	\$ 300.00	\$ 3,600.00
Legal	\$ 50.00	\$ 600.00
<b>Insurance</b>		
Property Insurance	\$ 4,166.67	\$ 50,000.04
General Liability Insurance	included	
Crime	included	
Umbrella Liability	included	
Non-Owned Auto Liability	included	
Director & Officer Liability	included	
<b>Reserves(*)</b>		
	\$ 1,000.00	\$ 12,000.00
<b>Taxes and Government Assessments</b>		
General Excise Tax	\$ 70.00	\$ 840.00
Condo Registration	\$ 200.00	\$ 2,400.00
Master Association Dues	\$ 2,166.67	\$ 26,000.04
<b>TOTAL</b>	<b>\$27,159.34</b>	<b>\$325,912.08</b>

I, Emory Bush, employed by HAWAIIANA MANAGEMENT COMPANY, LTD. ("HMC"), the condominium managing agent for the Waipio Business Center condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

  
Signature

1-29-09  
Date

**NOTE:** The 2009 Maintenance Fee Disbursements have been compiled for the Developer on the basis of standard budget assumptions. Although every effort has been made to estimate the actual cost of operation, certain budget items, especially insurance in today's insurance market, may change. The buyer must be aware that such amounts are only estimates and may change for reasons beyond the control of Developer, and, by taking title to a unit, the buyer accepts and approves any such changes. The buyer must also be aware that such estimates do not include the buyer's obligation for payment of real property taxes or utilities that are charged directly to the unit owner or insurance paid directly by the unit owner. The buyer understands that such

estimates are not intended to be and do not constitute any representation or warranty by the Developer, including relating to the accuracy of the estimates. The 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. The Buyer should examine the maintenance charges schedule to see what services are included in the schedule. Buyers should also be aware that the estimates provided are as of the date reflected in the schedule and do not reflect the actual charges that may be incurred upon the formation of the Association and the actual contracting for such services such as insurance and maintenance, etc.

(\*) Pursuant to HRS §514B-148, a new association need not collect estimated replacement reserves until the fiscal year beginning after the Association's first annual meeting. To obtain the "Reserves" figure above, the Developer did not conduct a reserve study in accordance with HRS §514B-148 or HAR §16-107-65. The figure is an estimate from HMC, based on reasonable projections of reserve requirements. Reserve funds shall be considered a common expense, assessed to the unit owners as provided in the Declaration.

EXHIBIT J  
Summary of Specimen Sales Contract

A specimen of the Deposit Receipt and Sales Agreement (the "Agreement") has been submitted to the Real Estate Commission. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ, IN FULL, THE AGREEMENT THAT APPLIES TO THEIR PROPOSED PURCHASE, because the summary set forth below is NOT A COMPLETE DESCRIPTION of its contents. The Agreement contains, among others, the following terms and provisions (which may be modified or otherwise limited by provisions that are not summarized below):

A. The Developer has engaged Island Title Company ("Escrow") to handle Buyer's funds and to close the transaction in accordance with the terms of the Agreement.

B. The total purchase price, method of payment and additional sums that must be paid in connection with the purchase of a Unit will be included. The purchase price does not include closing costs. Closing costs include, among other things, Escrow's fees, cost of a preliminary title report, cost of preparation of the Deed, real property taxes for the remainder of the year, maintenance fees and other prorations, notary fees, conveyance taxes, title insurance for Buyer and Buyer's appraisal fees, costs for drafting of any notes and mortgages, all recording costs or fees, loan fees, and all other applicable mortgage costs. Buyer shall pay as additional sums the Association start-up fees, estimated reserves and other fees, as provided in the Agreement.

C. If Buyer intends to finance any portion of the purchase price, then, within 7 days after Buyer signs the Agreement, Buyer must deliver to the Developer a loan pre-qualification letter from one or more lending institutions and must begin applying for a mortgage loan. If Buyer intends to pay any portion of the purchase price using Buyer's cash, then Buyer may be required to provide the Developer with recent financial statements as proof of Buyer's ability to pay that portion in cash.

D. The "Scheduled Closing Date" shall be the date that is selected by Developer and specified in a written notice to Buyer, provided that such date shall not be more than 60 calendar days after the Effective Date of the Agreement. All payments not previously made pursuant to the terms of the Agreement shall be due and payable 10 days prior to the Scheduled Closing Date, and, if not paid at the time and in the manner set forth in the Agreement, shall result in a default by Buyer under the Agreement.

E. The Buyer specifically acknowledges and agrees that the Declaration contains reservations of certain rights in favor of Developer, the Association and other owners and contains certain other provisions to which the Buyer consents. In addition to the Declaration, the Unit and the Project will be subject to various other legal documents that the Buyer should examine. The Developer may change these documents under certain circumstances.

F. The Agreement will provide that Buyer acknowledges having received the public report for the Project and will have reviewed and approved it prior to expiration of the Buyer's right to cancel the Agreement.

G. Buyer agrees that it will not assign the Agreement, or sell the Unit, or advertise the Unit for sale prior to closing under the Agreement, and that any assignment or sale attempted by Buyer prior to closing without Developer's prior written consent is void.

H. Buyer expressly acknowledges, consents to and approves all of the disclaimers, disclosures, and other matters described in the Agreement, and Buyer assumes any and all risks in connection with each of those matters. Buyers should review the Agreement (including, specifically, Article IV) carefully to fully understand the matters set forth therein.

I. Buyer has examined and approved the estimate of monthly maintenance charges for the Project, as shown in the Public Report. Buyer is aware that such amounts are only estimates and may change for reasons beyond the control of Developer, and Buyer hereby specifically accepts and approves any such changes.

J. Buyer shall not be entitled to possession of the Unit as the owner thereof until Buyer has completed all required payments, has executed all documents relating to the purchase, has performed the remaining terms and conditions of the Agreement to be performed as of the Closing, the Developer turns over possession of the Unit and Closing has occurred.

K. The Agreement includes provisions relating to Buyer's remedies in the event of a default by Developer.

L. If Buyer defaults in making any payment or fails to perform any other obligation of Buyer and then fails to cure the default within 10 days after notice of the default, then Developer may terminate the Agreement and up to a maximum of 25% of the Total Purchase Price, shall belong to the Seller as liquidated damages and shall be paid by Escrow Agent to the Seller from the Escrow account established for the Buyer (less any escrow cancellation fee not to exceed \$250.00). Developer may also pursue other remedies, including specific performance. All costs, including reasonable attorneys' fees, incurred by Developer by reason of default by Buyer shall be paid by Buyer.

M. The Buyer acknowledges that Buyer has entered into the Agreement without any reference or representation by Developer or any salesperson that Developer, any agent of Developer or anyone else affiliated with the Developer, will provide, directly or indirectly, any services relating to the rental of the Unit purchased. The Buyer also acknowledges that the Developer makes no representations concerning rental of a Unit, income or profit from a Unit, or any other economic benefit to be derived from the purchase of a Unit.

O. The Developer makes no warranties regarding the Unit, the Project or anything installed or contained in the Unit or the Project.

P. The purchase and sale of the Unit under the Agreement are not subject to Buyer obtaining a loan to fund any part of the purchase price. In other words, after Buyer has waived his right to rescind the Agreement, Buyer shall not be allowed to cancel the Agreement if he does not obtain financing for his purchase of the Unit.

Q. Buyer specifically acknowledges that Developer has reserved the right for itself, its sales representatives and prospective Buyers to utilize the common elements of the Project for ingress and egress and to show the common elements to prospective Buyers.

R. Except as specifically permitted in the Agreement, no judicial or administrative (inclusive of arbitration) proceeding shall be commenced or maintained by the Buyer. Certain disputes against certain persons (including, without limitation, Developer) must go through the process of negotiation, mediation and arbitration and, if applicable, a process by which an opportunity is given to cure certain alleged defects.

S. The Project will be subject to ongoing construction and sales activities which may result in certain annoyances to the Buyer.

T. If the Buyer pays Escrow Agent a fee of \$25.00 and furnishes Escrow Agent with the Buyer's social security or federal identification number and if Escrow Agent establishes a separate account for the Buyer's deposits, then any interest earned in such account shall accrue to the credit of the Buyer. In the absence of such a separate account, the Developer will get all of the interest earned on the Buyer's deposits.

THIS SUMMARY IS NOT INTENDED TO BE A THOROUGH OR EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF BUYER'S RIGHTS AND OBLIGATIONS UNDER THE AGREEMENT, BUYER MUST REFER TO THE AGREEMENT TO DETERMINE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL.