**DEVELOPER'S PUBLIC REPORT**
**FOR A CONDOMINIUM**

| | |
|---|---|
| CONDOMINIUM PROJECT NAME | ISLAND COURTYARDS AT MILILANI MAUKA (INCREMENT A) |
| Project Address | Ukuwai Street<br>Mililani, Hawaii 96789 |
| Registration Number | 6334 |
| Effective Date of Report | **June 22, 2007** |
| Developer(s) | Castle & Cooke Homes Hawaii, Inc. |

**Preparation of this Report**

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. 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 report 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 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 or all pertinent changes, or both, about the project have been fully or adequately disclosed; or (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

## SPECIAL ATTENTION

A. CHANGES SINCE ISSUANCE OF PRELIMINARY PUBLIC REPORT. Changes made by the Developer since the issuance of the effective date of the Preliminary Public Report on Island Courtyards at Mililani Mauka (Increment A) are as follows:

1. Final subdivision approval was obtained to subdivide the land included in the Project from other land within the vicinity of the Project. The land area of the Project is approximately 3.601 acres.

2. The Declaration of Condominium Property Regime, the By-Laws of the Association of Unit Owners, and the Condominium Map have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii. Prior to filing, the drafts of the Declaration of Condominium Property Regime, the By-Laws and the Condominium Map were revised since the issuance of the Preliminary Public Report.

3. The Rules and Regulations have been adopted. These are the equivalent of "House Rules". Prior to adoption, the draft of the Rules and Regulations was revised since the issuance of the Preliminary Public Report.

4. The specimen forms of the Deposit Receipt, Reservation and Sales Agreement and the Condominium Unit Deed have been revised since the issuance of the Preliminary Public Report.

5. Exhibit G, Encumbrances Against Title, reflects additional easements, declarations, and restrictions.

6. Exhibit H, Officers of the Developer, etc., has been updated.

7. The Developer's Preliminary Public Report was filed pursuant to Chapter 514A, HRS; this Public Report is filed pursuant to Chapter 514B, HRS.

8. The Escrow Agreement was amended to reflect the applicability of Chapter 514B, HRS, rather than Chapter 514A, HRS, to the Project.

B. REGISTRATION OF PROJECT IN INCREMENTS.

1. The Project consists of 80 units. The Developer has decided to register the Project with the Real Estate Commission in approximately two (2) separate registrations and to offer units within the Project for sale by registrations. Each registration will cover a portion of the Project. 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. For reference purposes, each registration will sometimes be referred to as an "increment".

2. This registration will sometimes be referred to as "Island Courtyards at Mililani Mauka (Increment A)" and will cover that portion of the Project that is identified on the site plan on page 1c of this Public Report as "Increment A". Island Courtyards at Mililani Mauka (Increment A) will include the following: (a) 48 units of the total 80 units within the Project, identified as Unit Nos. 501, 502, 503, 504, 505, 506, 507, 508, 601, 602, 603, 604, 605, 606, 607, 608, 701, 702, 703, 704, 705, 706, 707, 708, 801, 802, 803, 804, 805, 806, 807, 808, 901, 902, 903, 904, 905, 906, 907, 908, 1001, 1002, 1003, 1004, 1005, 1006, 1007 and 1008; (b) 85 assigned parking stalls; (c) 2 guest parking stalls; and (d) the common elements located within the area identified on page 1c of this Public Report as "Increment A". That portion of the Project that is identified on the site plan as Increment A does not constitute a separate condominium project but is merely a portion of the Project that is covered by this registration.

3. Purchasers should be aware of the following:

a. 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.

b. The owner-occupant presale requirements will be satisfied on an increment-by-increment basis. The Project may 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, affordable housing units only or both market housing units and affordable housing units. If an increment contains market housing units only or affordable housing units only, the Developer will designate at least 50% of the units within the increment for sale to prospective owner-occupants and the Developer 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 market housing units and affordable housing units, the Developer will designate at least 50% of the market housing units within the increment and at least 50% of the affordable housing units within the increment for sale to prospective owner-occupants and the Developer 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 market housing units and the other public lottery for the affordable 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.

c. The estimate of initial maintenance fees provided in Exhibit I 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 sends the owners written notice that, after a specified date, the unit owners shall be obligated to pay for the portion of common expenses that is allocated to their respective units, as provided in Exhibit I 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.

C. OWNER-OCCUPANCY REQUIREMENTS. The Developer has disclosed the following:

1. 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 requirement that the Property be used as buyer's primary residence for at least 12 months after the recordation of the Condominium Unit Deed; (b) a requirement that buyer not within 12 months after the date of recordation of the Condominium Unit Deed for the Property (the "Occupancy Period"), convey, reconvey, license, lease or sublease the Property to any person or entity or otherwise part with possession of the Property or assign or convey any right, title or interest in or to the Property, without Developer's prior written consent, which consent may be withheld or given for any or no reason in Developer's sole and absolute discretion; and (c) a first option to purchase the Property at a designated price, in favor of Developer in the event buyer violates the covenant requiring buyer to occupy the Property as buyer's primary residence during the Occupancy Period, or if the buyer attempts to transfer the Property to any other person or entity during the Occupancy Period.

2. Such option to repurchase the Property shall be exercisable at any time during or after the Occupancy Period by written notice given by Developer to buyer, and the closing for the repurchase of the Property shall occur within 30 days after such written notice is delivered.

3. If buyer transfers the Property before Developer exercises its option to repurchase the Property, and if it is shown that buyer did not continuously use the Property as buyer's primary residence during the Occupancy Period, or that the Property was transferred by buyer during the Occupancy Period without Developer's consent, then, in addition to any other remedies available to Developer, the Developer shall be entitled to recover from buyer an amount of money equal to the cash price or other consideration the buyer received or is entitled to receive upon or as a result of the transfer of the Property (or the fair market value of any other consideration received by buyer if other than cash), less, in the event buyer transferred the Property by sale, the purchase price which would be payable by Developer under the option.

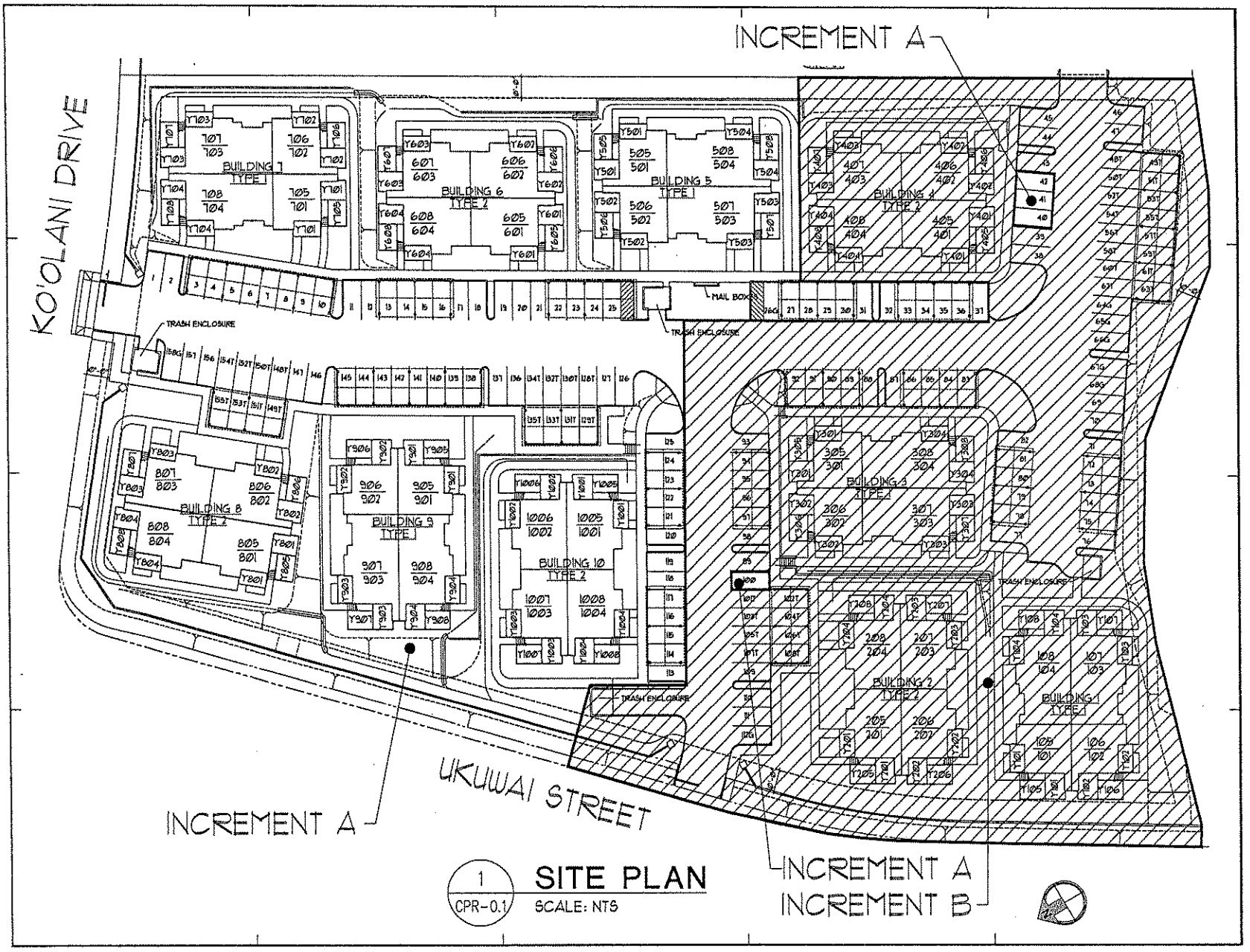
See Exhibit J, paragraph 3.

4. The Developer may offer for sale units in the Project free of requirements and/or conditions, or pursuant to less restrictive 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.

D. AFFORDABLE HOUSING. A portion of the units within the Project may be designated as "affordable housing" and may 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.

As disclosed above, Island Courtyards at Mililani Mauka (Increment A) is not a separate, legal project, but is part of a condominium project consisting of 80 units. Please review carefully this Public Report and the condominium documents referenced in this Public Report for further information with regard to the 80-unit Island Courtyards at Mililani Mauka 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.




1 CPR-0.1 **SITE PLAN**
SCALE: NTS

Design Partners Incorporated
Architects
Interior Designers
Planning
Graphics
Vernon Inoshita AIA
Michael Goshi AIA
Michael Muromoto AIA
Duane Hamada AIA

MICHAEL N. GOSHI LICENSED PROFESSIONAL ARCHITECT No. 6400 HAWAII, U.S.A.

Signature
Expiration Date of the Licence
This work was prepared by me or under my supervision and construction of this project will be under my observation.

Revision Number/Description

Project Name
Mililani Mauka
Island Courtyards
CASTLE & COOKE HOMES
HAWAII, INC.

Drawing Title
SITE PLAN

| Project Number | Date |
|---|---|
| 04041-2 | APRIL 2006 |

| Drawn | Checked | Designed |
|---|---|---|
| CAD | KS/RG | LT/CS |

Drawing Number
1.0

Sheet No. 2 of 10

## TABLE OF CONTENTS


Page

Preparation of this Report ..... 1

General Information on Condominiums ..... 2

Operation of the Condominium Project ..... 2

1. THE CONDOMINIUM PROJECT ..... 3

1.1 The Underlying Land ..... 3
1.2 Buildings and Other Improvements ..... 3
1.3 Unit Types and Sizes of Units ..... 3
1.4 Parking Stalls ..... 4
1.5 Boundaries of the Units ..... 4
1.6 Permitted Alterations to the Units ..... 4
1.7 Common Interest ..... 4
1.8 Recreational and Other Common Facilities ..... 4
1.9 Common Elements ..... 5
1.10 Limited Common Elements ..... 5
1.11 Special Use Restrictions ..... 5
1.12 Encumbrances Against Title ..... 5
1.13 Uses Permitted by Zoning and Zoning Compliance Matters ..... 6
1.14 Other Zoning Compliance Matters ..... 6
1.15 Conversions ..... 7
1.16 Project In Agricultural District ..... 8
1.17 Project with Assisted Living Facility ..... 8

2. PERSONS CONNECTED WITH THE PROJECT ..... 9

2.1 Developer ..... 9
2.2 Real Estate Broker ..... 9
2.3 Escrow Depository ..... 9
2.4 General Contractor ..... 9
2.5 Condominium Managing Agent ..... 9
2.6 Attorney for Developer ..... 9

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS ..... 10

3.1 Declaration of Condominium Property Regime ..... 10
3.2 Bylaws of the Association of Unit Owners ..... 10
3.3 Condominium Map ..... 10
3.4 House Rules ..... 11
3.5 Changes to the Condominium Documents ..... 11
3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents ..... 11

4. CONDOMINIUM MANAGEMENT ..... 12

4.1 Management of the Common Elements ..... 12
4.2 Estimate of the Initial Maintenance Fees ..... 12
4.3 Utility Charges to be Included in the Maintenance Fee ..... 12
4.4 Utilities to be Separately Billed to Unit Owner ..... 12

5. SALES DOCUMENTS ..... 13

5.1 Sales Documents Filed with the Real Estate Commission ..... 13
5.2 Sales to Owner-Occupants ..... 13
5.3 Blanket Liens ..... 13
5.4 Construction Warranties ..... 13
5.5 Status of Construction, Date of Completion or Estimated Date of Completion ..... 14

## TABLE OF CONTENTS


Page

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance ..... 14

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance ..... 14
5.6.2 Purchaser Deposits Will Be Disbursed Before Closing ..... 14
5.7 Rights Under the Sales Contract ..... 16
5.8 Purchaser's Right to Cancel or Rescind a Sales Contract ..... 16
5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract ..... 16
5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed ..... 17
5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change . 17

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT ..... 18

EXHIBIT A: UNIT TYPES AND SIZES OF UNITS
EXHIBIT B: COMMON INTERESTS AND LIMITED COMMON ELEMENT ASSIGNMENTS
EXHIBIT C: BOUNDARIES OF THE UNITS
EXHIBIT D: PERMITTED ALTERATIONS TO THE UNITS
EXHIBIT E: COMMON ELEMENTS
EXHIBIT F: LIMITED COMMON ELEMENTS
EXHIBIT G: ENCUMBRANCES AGAINST TITLE
EXHIBIT H: OFFICERS OF THE DEVELOPER, ETC.
EXHIBIT I: ESTIMATE OF INITIAL MAINTENANCE FEES
EXHIBIT J: SUMMARY OF SALES AGREEMENT
EXHIBIT K: SUMMARY OF ESCROW AGREEMENT
EXHIBIT L: CONSTRUCTION WARRANTIES

## General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. 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 and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

## Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit 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 a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first 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 purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

## 1. THE CONDOMINIUM PROJECT

### 1.1 The Underlying Land

| | |
|---|---|
| Fee Simple or Leasehold Project | ☒ Fee Simple ☐ Leasehold (attach Leasehold Exhibit) |
| Developer is the Fee Owner | ☒ Yes ☐ No |
| Fee Owner's Name if Developer is not the Fee Owner | Not Applicable |
| | |
| Address of Project | Ukuwai Street, Mililani, Hawaii |
| Address of Project is expected to change because | Not Applicable |
| Tax Map Key (TMK) | (1) 9-5-049-078 |
| Tax Map Key is expected to change because | The land recently was subdivided from other land. |
| Land Area | 3.601 acres (The portion of the Project covered by this Public Report, which consists of 48 units, 85 assigned parking stalls, 2 guest parking stalls, and certain common elements, is located on a portion of the 3.601 acres.) |
| Developer's right to acquire the Property if Developer is not the Fee Owner (describe) | Not Applicable |

### 1.2 Buildings and Other Improvements

| | |
|---|---|
| Number of Buildings | 10 (this Public Report covers 6 residential buildings) |
| Floors Per Building | 2 |
| Number of New Building(s) | 10 |
| Number of Converted Building(s) | 0 |
| Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.) | Wood, galvanized light gauge steel, gypsum board, composition siding, asphalt shingles, glass and other allied construction materials. |

### 1.3 Unit Types and Sizes of Units

| Unit Type | Quantity | BR/Bath | Net Living Area | Net Other Areas | Other Areas (lanai, garage, etc.) | Total Area |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| See Exhibit A . | | | | | | |

| | |
|---|---|
| 80* | **Total Number of Units** |

*The entire project includes 80 units. This Public Report covers 48 units of the total 80 units.

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

### 1.4 Parking Stalls

| | |
|---|---|
| Total Parking Stalls in the Project: | 158 (This Public Report covers 69 open, regular size, assigned parking stalls and 16 open, regular size, tandem assigned parking stalls, and 2 open, regular size, guest parking stalls.) |
| Number of Guest Stalls in the Project: | 8 |
| Number of Parking Stalls Assigned to Each Unit: | 150 (Each unit will have at least one parking stall assigned to it.) |
| Attach Exhibit B specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open). | |
| If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. The Declaration may amend the Declaration to change the designation of parking stalls which are appurtenant to units owned by the Developer. | |

### 1.5 Boundaries of the Units

| |
|---|
| Boundaries of the unit:<br><br>See Exhibit C |

### 1.6 Permitted Alterations to the Units

| |
|---|
| Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):<br><br>See Exhibit D |

### 1.7 Common Interest

| |
|---|
| Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit'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 unit owners. The common interest for each unit in this project, as described in Declaration, is: |
| Described in Exhibit B . |
| As follows: |

### 1.8 Recreational and Other Common Facilities (Check if applicable):

| | |
|---|---|
| ☐ | Swimming pool |
| ☐ | Laundry Area |
| ☐ | Storage Area |
| ☐ | Tennis Court |
| ☐ | Recreation Area |
| ☒ | Trash Chute/Enclosure(s) |
| ☐ | Exercise Room |
| ☐ | Security Gate |
| ☐ | Playground |
| ☒ | Other (describe): Mailboxes (limited common elements – see Exhibit F) |

## 1.9 Common Elements

| |
|---|
| Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below. |
| Described in Exhibit E . |
| Described as follows: |

| Common Element | Number |
|---|---|
| Elevators | 0 |
| Stairways | 4 in each building |
| Trash Chutes | 0 |

## 1.10 Limited Common Elements

| |
|---|
| Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project. |
| Described in Exhibit F . |
| Described as follows: |

## 1.11 Special Use Restrictions

| | |
|---|---|
| The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below. | |
| ☒ | 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 2 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 1b of this Report |
| ☐ | There are no special use restrictions. |

## 1.12 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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens). |
| Exhibit G describes the encumbrances against title contained in the title report described below. |
| Date of the title report: April 27, 2007 |
| Company that issued the title report: Title Guaranty of Hawaii, Incorporated |

## 1.13 Uses Permitted by Zoning and Zoning Compliance Matters

| Uses Permitted by Zoning | | | | |
|---|---|---|---|---|
| | Type of Use | No. of Units | Use Permitted by Zoning | Zoning |
| ☒ | Residential | 80 | ☒ Yes ☐ No | A-1 |
| ☐ | Commercial | | ☐ Yes ☐ No | |
| ☐ | Mix Residential/Commercial | | ☐ Yes ☐ No | |
| ☐ | Hotel | | ☐ Yes ☐ No | |
| ☐ | Timeshare | | ☐ Yes ☐ No | |
| ☐ | Ohana | | ☐ Yes ☐ No | |
| ☐ | Industrial | | ☐ Yes ☐ No | |
| ☐ | Agricultural | | ☐ Yes ☐ No | |
| ☐ | Recreational | | ☐ Yes ☐ No | |
| ☐ | Other(specify) | | ☐ Yes ☐ No | |
| Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws? | | | ☒ Yes ☐ No | |
| | | | | |
| Variances to zoning code have been granted. | | | ☐ Yes ☒ No | |
| Describe any variances that have been granted to zoning code. | | | | |

## 1.14 Other Zoning Compliance Matters

| Conforming/Non-Conforming Uses, Structures and Lots |
|---|
| In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.<br><br>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.<br><br>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot. |

| | Conforming | Non-Conforming | Illegal |
|---|---|---|---|
| Uses | ☒ | ☐ | ☐ |
| Structures | ☒ | ☐ | ☐ |
| Lot | ☒ | ☐ | ☐ |

| If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed: |
|---|
| |

## 1.15 Conversions

| **Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.** | ☐ **Applicable**<br>☒ **Not Applicable** |
|---|---|
| Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units: | |
| Developer's statement of the expected useful life of each item reported above: | |
| List of any outstanding notices of uncured violations of any building code or other county regulations: | |
| Estimated cost of curing any violations described above: | |

| **Verified Statement from a County Official** |
|---|
| Regarding any converted structures in the project, attached as Exhibit ___ is a verified statement signed by an appropriate county official which states that either:<br><br>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:<br>(i) Any variances or other permits that have been granted to achieve compliance;<br>(ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and<br>(iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance;<br><br>or<br><br>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above. |
| Other disclosures and information: |

### 1.16 Project In Agricultural District

| | |
|---|---|
| **Is the project in an agricultural district as designated by the land use laws of the State of Hawaii?**<br>**If answer is "Yes", provide information below.** | ☐ **Yes**<br>☒ **No** |
| Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? ☐ Yes ☐ No<br><br>If the answer is "No", provide explanation. | |
| Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? ☐ Yes ☐ No<br><br>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance. | |
| Other disclosures and information: | |

### 1.17 Project with Assisted Living Facility

| | |
|---|---|
| **Does the project contain any assisted living facility units subject to Section 321-11(10), HRS?**<br>**If answer is "Yes", provide information below.** | ☐ **Yes**<br>☒ **No** |
| Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project. | |
| The nature and the scope of services to be provided. | |
| Additional costs, directly attributable to the services, to be included in the association's common expenses. | |
| The duration of the provision of the services. | |
| Other possible impacts on the project resulting from the provision of the services. | |
| Other disclosures and information. | |

## 2. PERSONS CONNECTED WITH THE PROJECT

| | |
|---|---|
| **2.1 Developer** | Name: Castle & Cooke Homes Hawaii, Inc.<br>Business Address: 100 Kahelu Avenue, 2nd Floor<br>Mililani, Hawaii 96789<br>Business Phone Number: (808) 548-4811<br>E-mail Address: |
| 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). | Please see Exhibit H for additional information. |
| **2.2 Real Estate Broker** | Name: Castle & Cooke Homes Hawaii, Inc.<br>Business Address: 100 Kahelu Avenue, 2nd Floor<br>Mililani, Hawaii 96789<br>Business Phone Number: (808) 548-4811<br>E-mail Address: |
| **2.3 Escrow Depository** | Name: Title Guaranty Escrow Services, Inc.<br>Business Address: 235 Queen Street, 1st Floor<br>Honolulu, Hawaii 96813<br>Business Phone Number: (808) 521-0211 |
| **2.4 General Contractor** | Name: Castle & Cooke Homes Hawaii, Inc.<br>Business Address: 100 Kahelu Avenue, 2nd Floor<br>Mililani, Hawaii 96789<br>Business Phone Number: (808) 548-4811 |
| **2.5 Condominium Managing Agent** | Name: Certified Management, Inc.<br>Business Address: 3179 Koapaka Street, 2nd Floor<br>Honolulu, Hawaii 96819<br>Business Phone Number: (808) 836-0911 |
| **2.6 Attorney for Developer** | Name: Goodsill Anderson Quinn Stifel (Gail O. Ayabe)<br>Business Address: 1099 Alakea Street, 18th Floor<br>Honolulu, Hawaii 96813<br>Business Phone Number: (808) 547-5600 |

## 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 | January 16, 2007 | 3545947 |

| Amendments to Declaration of Condominium Property Regime | | |
|---|---|---|
| Land Court or Bureau of Conveyances | Date of Document | Document Number |
| | | |
| | | |
| | | |
| | | |

### 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 | January 16, 2007 | 3545948 |

| 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 | 1862 |
| Bureau of Conveyances Map Number | |

Dates of Recordation of Amendments to the Condominium Map:

### 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 | ☐ |
| Have Been Adopted and Date of Adoption | ☒ January 16, 2007 |
| Developer does not plan to adopt House Rules | ☐ |

### 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

| | |
|---|---|
| ☐ | No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any). |
| ☒ | 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:<br><br>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; and (e) to change the designation of parking stalls which are appurtenant to units owned by the Developer. |

## 4. CONDOMINIUM MANAGEMENT

### 4.1 Management of the Common Elements

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

| The Initial Condominium Managing Agent for this project is (check one): | |
|---|---|
| ☒ | Not affiliated with the Developer |
| ☐ | None (self-managed by the Association) |
| ☐ | The Developer or an affiliate of the Developer |
| ☐ | Other (explain) |

### 4.2 Estimate of the Initial Maintenance Fees

| |
|---|
| Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided. |
| Exhibit I contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses. |

### 4.3 Utility Charges to be Included in the Maintenance Fee

| If checked, the following utilities are included in the maintenance fee: | |
|---|---|
| ☒ | Electricity for the common elements |
| ☐ | Gas for the common elements |
| ☒ | Water |
| ☒ | Sewer |
| ☐ | TV cable |
| ☐ | Other (specify): |

### 4.4 Utilities to be Separately Billed to Unit Owner

| If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee: | |
|---|---|
| ☒ | Electricity for the Unit only |
| ☐ | Gas for the Unit only |
| ☐ | Water |
| ☐ | Sewer |
| ☒ | TV cable |
| ☐ | Other (specify) |

## 5. SALES DOCUMENTS

### 5.1 Sales Documents Filed with the Real Estate Commission

| Sales Documents on file with the Commission include, but are not limited to, the following: | |
|---|---|
| ☒ | Specimen Sales Contract<br>Exhibit _J_ contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer. |
| ☒ | Escrow Agreement dated: June 26, 2006, as amended.<br>Name of Escrow Company: Title Guaranty Escrow Services, Inc.<br>Exhibit _K_ contains a summary of the pertinent provisions of the escrow agreement. |
| ☒ | Other<br>Disclosure of Real Property Condition Statement |

### 5.2 Sales to Owner-Occupants

| If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants. |
|---|

| | |
|---|---|
| ☒ | The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B. |
| ☐ | Developer has designated the units for sale to Owner-Occupants in this report.<br>See Exhibit ____. |
| ☒ | Developer has or will designate the units for sale to Owner-Occupants by publication. |

### 5.3 Blanket Liens

| Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser. | |
|---|---|
| ☐ | There are no blanket liens affecting title to the individual units. |
| ☒ | There are blanket liens that may affect title to the individual units. |

| Type of Lien | Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance |
|---|---|
| Mortgage lien(s) of Developer's 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. |

### 5.4 Construction Warranties

| Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below: |
|---|
| Building and Other Improvements: See Exhibit L |
| Appliances: See Exhibit L |

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

| |
|---|
| Status of Construction: The Developer estimates that construction of the Project, which commenced in March 2006, will be completed in or before September 2007. |
| 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:<br>Developer 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 Developer'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 Developer. |
| Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:<br>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

| | |
|---|---|
| ☒ | 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.<br>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. |

### 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): | |
| ☐ | 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 |
| ☐ | 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. |

In connection with the use of purchaser deposits (check Box A or Box B):

| | |
|---|---|
| **Box A** ☐ | The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.<br><br>If Box A is checked, you should read and carefully consider the following notice, which is required by law:<br><br>**Important Notice Regarding Your Deposits: Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.** |
| **Box B** ☐ | The Developer has **not** submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.<br><br>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the **Important Notice Regarding Your Deposits** set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, **you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment**. (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.<br><br>You should understand that, although the **Important Notice Regarding Your Deposits** set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase. |

**Material House Bond**. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

## 5.7 Rights Under the Sales Contract

| | |
|---|---|
| Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report. | |
| **1.** | **Developer's Public Report** |
| **2.** | **Declaration of Condominium Property Regime (and any amendments)** |
| **3.** | **Bylaws of the Association of Unit Owners (and any amendments)** |
| **4.** | **Condominium Map (and any amendments)** |
| 5. | House Rules, if any |
| 6. | Escrow Agreement |
| 7. | Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted. |
| 8. | Other: Mililani Town Covenants. |

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 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

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

## 5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

### 5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

(1) The purchaser has signed the sales contract.

(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

(b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or

(c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of $250.

### 5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of $250.00.

### 5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be 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 purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

(1) Checking the waiver box on the rescission form; or

(2) Letting the 30-day rescission period expire, without taking any action to rescind; or

(3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30 calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

## 6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

A. MILILANI TOWN COVENANTS. The Declaration of Condominium Property Regime provides that all present and future unit owners, tenants and occupants of units shall be bound by and be subject to the provisions of that certain Declaration of Covenants, Conditions and Restrictions for Mililani Town dated April 19, 1968, filed in the Office of the Assistant Registrar of the Land Court of Hawaii as Document No. 441561, as amended by instrument dated May 22, 1968, filed in said Office as Document No. 445150, and as further amended from time to time (the "Mililani Town Covenants"). The Mililani Town Covenants provide, among other things, that each unit owner, by virtue of being such an owner, shall be a member of the Mililani Town Association and shall pay assessments to the Mililani Town Association, as set forth in the Mililani Town Covenants. See Exhibit I for the amount of the current assessments.

B. LANDSCAPING OF YARD AREA. Each owner shall landscape the yard area assigned to his unit, if any, within ninety (90) 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 and/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 and/or wood deck within a yard area, an owner shall arrange for termite treatment of the area under such lanai, patio, paved surface and/or wood deck. Any costs attached to any of the foregoing actions shall be the responsibility of the owner.

C. AIR-CONDITIONING UNITS. If an owner wants to install air-conditioning units, the requirements and guidelines for doing so are summarized in Exhibit D attached to this report. Any costs for the air-conditioning and complying with the requirements and guidelines shall be the responsibility of the owner.

D. REPAIR AND MAINTENANCE OF UNITS AND COMMON ELEMENTS. The 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, and window fixtures, 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, 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, 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.

E. WATER SUPPLY AND OTHER ISSUES. With respect to any adverse conditions existing in the general neighborhood/area of the Project (such as pesticides, soil problems, water supply issues, irrigation, etc.), studies and reports have been conducted on behalf of the Developer and by Government agencies. Refer to the Developer's Sales Office for copies of such studies and reports and other materials that are within the Developer's possession. The Developer is unaware of any contaminants in the air, soil or water source of the Project in excess of maximum permissible levels as established by governmental agencies. The following also are noted:

1. Wells serving the Project are operated by the Board of Water Supply of the City and County of Honolulu (the "Board of Water Supply"). In certain cases, water treatment facilities may be used.

2. The Board of Water Supply administers tests to monitor water quality, the results of which typically are not given to the Developer. The Developer is, however, in possession of a Board of Water Supply water quality report dated May 31, 2001 that was sent by the Board of Water Supply to its customers in Mililani Mauka ("water quality report"). Test results contained in this water quality report did not reveal any contaminants in excess of Maximum Contaminant Levels, the level defined in the report as the highest level of a contaminant that is allowed in drinking water, or the Maximum Contaminant Level Goal, which is defined as the highest level of contaminant in drinking water below which there is no known or expected risk to health. The water quality report further states that the water meets all Federal and State standards. Copies of this water quality report, which identifies the water source as Mililani Wells IV, and water quality data from the Board of Water Supply for Mililani Wells II, another well system that can sometimes provide water to homes in Mililani Mauka are available for review at the Developer's Sales Office. For further information, please contact the Board of Water Supply at Ph. (808) 748-5000.

3. Construction activities, processes (such as steel framing assembly), vehicles, and equipment incidental to construction will be present in the Project. Materials incidental to construction such as fuel, oil, grease, and maintenance of vehicles and equipment may be present.

4. The Project is located on property that was formerly used or was in the vicinity of property that was formerly used for agricultural purposes. Chemicals used in connection with the former agricultural use of the property may have come into contact with the soil.

5. On October 7, 1999, various individuals filed a Complaint against various defendants in the Circuit Court of the First Circuit, State of Hawaii (Civil No. 99-3757-10). On March 7, 2000, a First Amended Complaint was filed in this lawsuit. It was alleged in this lawsuit that chemicals used in connection with the planting, cultivation and harvesting of pineapple and sugar cane are present in the air, soil and water of Central Oahu and that plaintiffs have or are suffering harm as a result. The lawsuit has been settled. Information relating to the lawsuit is available for review at the Developer's Sales Office.

6. On September 27, 1999, the Board of Water Supply filed a Complaint against various defendants in the Circuit Court of the First Circuit, State of Hawaii (Civil No. 99-3618-09). In this lawsuit, the Board of Water Supply alleged, among other things, that it built and will continue to build facilities to remove chemicals used in connection with the growing of pineapple and other activities that have migrated into aquifers and groundwater sources. The Board of Water Supply sought, among other things, to recover expenses associated with the treatment or filtering of water. There were no allegations of unsafe drinking water and the complaint was not specifically directed at or limited to the water source for Mililani Mauka but instead addressed all groundwater sources in Central Oahu. Neither the Developer nor any Castle & Cooke, Inc. entity was a party to this lawsuit. The lawsuit has been settled. Information relating to the lawsuit is available for review at the Developer's Sales Office.

7. A class action lawsuit was brought by a group of residents in the general Central Oahu area against various agricultural operators and chemical companies, alleging damage to individuals caused by contamination of the drinking water in Central Oahu with pesticides. The lawsuit was brought in the State of Hawaii Circuit Court, and was removed to the Federal Courts in the State of Hawaii. Castle & Cooke Homes Hawaii, Inc. was not a party to this lawsuit. The lawsuit has been settled. Information relating to the lawsuit is available for review at the Developer's Sales Office.

F. ACCESS TO PUBLIC ROAD. Access from units within the Project to the public road may be over and upon roadways that are located within other projects. Units in other projects may have access to the public road over roadways within the Project. Owners of units within the Project may be granted easements over the roadways of other projects for such access purposes, and owners of units in other projects may be granted easements over the roadways within the Project for such access purposes. The roadways within the Project are part of the common elements of the Project and will remain private roadways.

G. ADJACENT AFFORDABLE RENTAL PROJECT. The Project is located adjacent to an affordable rental project.

IN ADDITION TO THE FOREGOING:

This Project is being sold by the Developer rather than through an unrelated brokerage firm. Thus, no listing agreement exists. However, the Developer does possess an active Hawaii real estate broker's license, and all sales shall be conducted according to laws relevant to real estate brokerage, not as "owner sales".

**The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms 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, 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 Sections 1.15 of this report, 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 and the exhibits attached to this report 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 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 at least 30 days prior to the anniversary date of the effective date of this report.

Castle & Cooke Homes Hawaii, Inc.
Printed Name of Developer

By: _____ MAY 18 2007
Duly Authorized Signatory* Date

W. Bruce Barrett Executive Vice President
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a corporation by an officer; 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.**

PUBLIC REPORT ON
ISLAND COURTYARDS AT MILILANI MAUKA (INCREMENT A)

EXHIBIT A

UNIT TYPES AND SIZES OF UNITS

Each Type 1, Type 1R, Type 1A and Type 1AR unit will have one (1) bedroom, one (1) bathroom, a living room, a kitchen and a storage closet.

Each Type 2, Type 2R, Type 2A and Type 2AR unit will have two (2) bedrooms, one (1) bathroom, a living/dining room, a kitchen, a storage closet.

Each Type 3, Type 3R, Type 3A and Type 3AR unit will have three (3) bedrooms, two (2) bathrooms, a living/dining room, a kitchen and a storage closet.

| Apt. Type | Quantity | Bedroom/ Bath | Approx. Net Living Area in Sq. Ft. | Approx. Net Storage Closet Area in Sq. Ft. |
|---|---|---|---|---|
| 1 | 5 | 1/1 | 505 | 23 |
| 1R | 5 | 1/1 | 505 | 23 |
| 1A | 5 | 1/1 | 505 | 23 |
| 1AR | 5 | 1/1 | 505 | 23 |
| 2 | 10 | 2/1 | 704 | 23 |
| 2R | 10 | 2/1 | 704 | 23 |
| 2A | 10 | 2/1 | 704 | 23 |
| 2AR | 10 | 2/1 | 704 | 23 |
| 3 | 5 | 3/2 | 923 | 23 |
| 3R | 5 | 3/2 | 923 | 23 |
| 3A | 5 | 3/2 | 923 | 23 |
| 3AR | 5 | 3/2 | 923 | 23 |

Total Units: 80

*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 80 units in the Project. This Public Report covers a portion of the Project that includes 48 units. The 48 units consist of 3 Type 1 units, 3 Type 1R units, 3 Type 1A units, 3 Type 1AR units, 6 Type 2 units, 6 Type 2R units, 6 Type 2A units, 6 Type 2AR units, 3 Type 3 units, 3 Type 3R units, 3 Type 3A units and 3 Type 3AR units. Please see Exhibit B for the specific units that are covered by this Public Report.

PUBLIC REPORT ON
ISLAND COURTYARDS AT MILILANI MAUKA (INCREMENT A)

EXHIBIT B

COMMON INTERESTS AND LIMITED COMMON ELEMENT ASSIGNMENTS

| Unit No. | Unit Type | Bldg. No. | Parking Stall No(s). | Yard Area No. | Common Interest |
|---|---|---|---|---|---|
| 101 | 1A | 1 | 47, 79 | Y101 | .89034% |
| 102 | 1AR | 1 | 46, 74 | Y102 | .89034% |
| 103 | 3AR | 1 | 71, 72 | Y103 | 1.62729% |
| 104 | 3A | 1 | 81, 82 | Y104 | 1.62729% |
| 105 | 1 | 1 | 44, 80 | Y105 | .89034% |
| 106 | 1R | 1 | 45, 73 | Y106 | .89034% |
| 107 | 3R | 1 | 75, 76 | Y107 | 1.62729% |
| 108 | 3 | 1 | 77, 78 | Y108 | 1.62729% |
| 201 | 2A | 2 | 107T, 108T | Y201 | 1.24119% |
| 202 | 2AR | 2 | 101T, 102T | Y202 | 1.24119% |
| 203 | 2A | 2 | 96, 110 | Y203 | 1.24119% |
| 204 | 2AR | 2 | 94, 109 | Y204 | 1.24119% |
| 205 | 2 | 2 | 105T, 106T | Y205 | 1.24118% |
| 206 | 2R | 2 | 103T, 104T | Y206 | 1.24118% |
| 207 | 2 | 2 | 97, 98 | Y207 | 1.24118% |
| 208 | 2R | 2 | 95, 111 | Y208 | 1.24118% |
| 301 | 1A | 3 | 90, 93 | Y301 | .89034% |
| 302 | 1AR | 3 | 91, 99 | Y302 | .89034% |
| 303 | 3AR | 3 | 84, 88 | Y303 | 1.62729% |
| 304 | 3A | 3 | 69, 85 | Y304 | 1.62729% |
| 305 | 1 | 3 | 38, 89 | Y305 | .89034% |
| 306 | 1R | 3 | 43, 92 | Y306 | .89034% |
| 307 | 3R | 3 | 70, 83 | Y307 | 1.62729% |
| 308 | 3 | 3 | 86, 87 | Y308 | 1.62729% |
| 401 | 2A | 4 | 60T, 61T | Y401 | 1.24119% |
| 402 | 2AR | 4 | 54T, 55T | Y402 | 1.24119% |
| 403 | 2A | 4 | 50T, 51T | Y403 | 1.24119% |
| 404 | 2AR | 4 | 56T, 57T | Y404 | 1.24119% |
| 405 | 2 | 4 | 62T, 63T | Y405 | 1.24118% |
| 406 | 2R | 4 | 52T, 53T | Y406 | 1.24118% |
| 407 | 2 | 4 | 48T, 49T | Y407 | 1.24118% |

| Unit No. | Unit Type | Bldg. No. | Parking Stall No(s). | Yard Area No. | Common Interest |
|---|---|---|---|---|---|
| 408 | 2R | 4 | 58T, 59T | Y408 | 1.24118% |
| 501* | 1A | 5 | 28 | Y501 | .89034% |
| 502* | 1AR | 5 | 34, 41 | Y502 | .89034% |
| 503* | 3AR | 5 | 36, 37 | Y503 | 1.62729% |
| 504* | 3A | 5 | 30, 31 | Y504 | 1.62729% |
| 505* | 1 | 5 | 27, 40 | Y505 | .89034% |
| 506* | 1R | 5 | 29 | Y506 | .89034% |
| 507* | 3R | 5 | 35, 42 | Y507 | 1.62729% |
| 508* | 3 | 5 | 32, 33 | Y508 | 1.62729% |
| 601* | 2A | 6 | 25, 39 | Y601 | 1.24119% |
| 602* | 2AR | 6 | 21, 22 | Y602 | 1.24119% |
| 603* | 2A | 6 | 14, 18 | Y603 | 1.24119% |
| 604* | 2AR | 6 | 16, 17 | Y604 | 1.24119% |
| 605* | 2 | 6 | 24, 136 | Y605 | 1.24118% |
| 606* | 2R | 6 | 20, 23 | Y606 | 1.24118% |
| 607* | 2 | 6 | 13, 19 | Y607 | 1.24118% |
| 608* | 2R | 6 | 15, 137 | Y608 | 1.24118% |
| 701* | 1A | 7 | 7 | Y701 | .89034% |
| 702* | 1AR | 7 | 9 | Y702 | .89034% |
| 703* | 3AR | 7 | 1, 4 | Y703 | 1.62729% |
| 704* | 3A | 7 | 6, 11 | Y704 | 1.62729% |
| 705* | 1 | 7 | 8 | Y705 | .89034% |
| 706* | 1R | 7 | 10 | Y706 | .89034% |
| 707* | 3R | 7 | 2, 3 | Y707 | 1.62729% |
| 708* | 3 | 7 | 5, 12 | Y708 | 1.62729% |
| 801* | 2A | 8 | 152T, 153T | Y801 | 1.24119% |
| 802* | 2AR | 8 | 142, 157 | Y802 | 1.24119% |
| 803* | 2A | 8 | 144, 146 | Y803 | 1.24119% |
| 804* | 2AR | 8 | 148T, 149T | Y804 | 1.24119% |
| 805* | 2 | 8 | 154T, 155T | Y805 | 1.24118% |
| 806* | 2R | 8 | 143, 147 | Y806 | 1.24118% |
| 807* | 2 | 8 | 145, 156 | Y807 | 1.24118% |
| 808* | 2R | 8 | 150T, 151T | Y808 | 1.24118% |
| 901* | 1A | 9 | 139 | Y901 | .89034% |
| 902* | 1AR | 9 | 140 | Y902 | .89034% |
| 903* | 3AR | 9 | 132T, 133T | Y903 | 1.62729% |
| 904* | 3A | 9 | 128T, 129T | Y904 | 1.62729% |
| 905* | 1 | 9 | 138 | Y905 | .89034% |
| 906* | 1R | 9 | 141 | Y906 | .89034% |

| Unit No. | Unit Type | Bldg. No. | Parking Stall No(s). | Yard Area No. | Common Interest |
|---|---|---|---|---|---|
| 907* | 3R | 9 | 134T, 135T | Y907 | 1.62729% |
| 908* | 3 | 9 | 130T, 131T | Y908 | 1.62729% |
| 1001* | 2A | 10 | 121, 126 | Y1001 | 1.24119% |
| 1002* | 2AR | 10 | 124, 125 | Y1002 | 1.24119% |
| 1003* | 2A | 10 | 100, 115 | Y1003 | 1.24119% |
| 1004* | 2AR | 10 | 117, 118 | Y1004 | 1.24119% |
| 1005* | 2 | 10 | 122, 127 | Y1005 | 1.24118% |
| 1006* | 2R | 10 | 120, 123 | Y1006 | 1.24118% |
| 1007* | 2 | 10 | 113, 114 | Y1007 | 1.24118% |
| 1008* | 2R | 10 | 116, 119 | Y1008 | 1.24118% |

NOTE: All parking stalls that have a "T" at the end of them are tandem stalls.

All parking stalls are open, regular size stalls.

Parking Stall Nos. 26G, 64G, 65G, 66G, 67G, 68G, 112G, and 158G are guest stalls.

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.

PUBLIC REPORT ON
ISLAND COURTYARDS AT MILILANI MAUKA (INCREMENT A)

EXHIBIT C

BOUNDARIES OF THE UNITS

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 storage closet; and all of the fixtures and appliances originally installed therein.

PUBLIC REPORT ON
ISLAND COURTYARDS AT MILILANI MAUKA (INCREMENT A)

EXHIBIT D

PERMITTED ALTERATIONS TO THE 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 file of 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 and the owner of any two adjoining units may alter or remove all or portions of the intervening walls, at such owner's expense, if such alterations or additions are not visible from the exterior of the units and if the structural integrity of the building is not thereby affected. 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 City and County of Honolulu 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 by all other unit owners thereby directly affected (as determined in a reasonable manner by the Board of Directors of the Association) 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. Prior to the termination of the common ownership of any two adjoining units, if the intervening walls shall have been altered or removed pursuant to the foregoing provision and any entrances sealed, the owner of such unit shall restore such intervening walls and entrances to substantially the same condition in which they existed prior to such alteration or removal.

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 filing in the Office of the Assistant Registrar of the Land Court 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 filing in the Office of the Assistant Registrar of the Land Court 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 wall mounted window-type 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. Split system air-conditioning units and any other types of air-conditioning systems other than window-type air-conditioning units, are prohibited. 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. Should it become necessary and upon the request of a second floor unit owner, the owner of a ground floor unit with an appurtenant Yard Area shall provide access over and upon said Yard Area for the initial installation and any required general maintenance of one or more air conditioning units located on the second floor of the building. The owner of the second floor unit shall be responsible for any and all damage to the Yard Area caused by the installation or operation of such owner's air conditioning unit(s). Notwithstanding the foregoing, the Developer shall be allowed to install, maintain, repair and replace one or more split system air-conditioning units in any units used by the Developer as model units or sales or management offices.

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.

PUBLIC REPORT ON
ISLAND COURTYARDS AT MILILANI MAUKA (INCREMENT A)

EXHIBIT E

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 one hundred ten (110) regular size, uncovered parking stalls, forty (40) regular size, uncovered, tandem parking stalls, and eight (8) regular size, uncovered guest parking stalls, all as shown on the Condominium Map;

(f) 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;

(g) The limited common elements described in Exhibit F 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 1c for a site plan of the Project that indicates the portion of the Project and the common elements covered by this Public Report.

PUBLIC REPORT ON
ISLAND COURTYARDS AT MILILANI MAUKA (INCREMENT A)

EXHIBIT F

LIMITED COMMON ELEMENTS

(a) Each of the parking stalls, other than the parking stalls designated on the Condominium Map as guest parking stalls 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 B attached hereto;

(b) Each of the yard areas within the Project, designated on the Condominium Map as Yard Areas Y101, Y102, Y103, Y104, Y105, Y106, Y107, Y108, Y201, Y202, Y203, Y204, Y205, Y206, Y207, Y208, Y301, Y302, Y303, Y304, Y305, Y306, Y307, Y308, Y401, Y402, Y403, Y404, Y405, Y406, Y407, Y408, Y501, Y502, Y503, Y504, Y505, Y506, Y507, Y508, Y601, Y602, Y603, Y604, Y605, Y606, Y607, Y608, Y701, Y702, Y703, Y704, Y705, Y706, Y707, Y708, Y801, Y802, Y803, Y804, Y805, Y806, Y807, Y808, Y901, Y902, Y903, Y904, Y905, Y906, Y907, Y908, Y1001, Y1002, Y1003, Y1004, Y1005, Y1006, Y1007, Y1008, 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 B 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 1c for a site plan of the Project that indicates the portion of the Project and the limited common elements covered by this Public Report.

PUBLIC REPORT ON
ISLAND COURTYARDS AT MILILANI MAUKA (INCREMENT A)

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 City and County of Honolulu.

2. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Covenants, Conditions and Restrictions for Mililani Town dated April 19, 1968, filed as Document No. 441561, as amended by instrument dated May 22, 1968, filed as Document No. 445150, as amended by instrument dated January 18, 2007, filed as Document No. 3545946, and as further supplemented and amended.

3. Certificate and Authorization dated June 21, 1989, filed as Document No. 1645132. Said Certificate and Authorization was amended by instruments dated November 12, 1991, recorded as Document No. 96-162477, dated April 15, 1997, recorded as Document No. 97-057583, and dated July 18, 1997, recorded as Document No. 97-100983.

4. Unilateral Agreement and Declaration for Conditional Zoning dated September 15, 1989, recorded in Liber 23653 at Page 571.

5. Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement dated September 19, 2000, filed as Document No. 2652425, and also recorded as Document No. 2000-132861, by and between Castle & Cooke Homes Hawaii, Inc., a Hawaii corporation, as Mortgagor, and Bankers Trust Company, a New York corporation, as administrative agent, as Mortgagee, as amended by instrument dated December 27, 2001, filed as Document No. 2767921 and also recorded as Document No. 2002-003137, and instrument dated March 25, 2003, filed as Document No. 2910515 and also recorded as Document No. 2003-060016, and instrument dated December 22, 2003, filed as Document No. 3050192 and also recorded as Document No. 2003-290094, and instrument dated January 11, 2007, filed as Document No. 3543476 and also recorded as Document No. 2007-010916. Said Mortgage was assigned to Wells Fargo Bank, N.A., a national association, as administrative agent, by instrument dated December 27, 2001, filed as Document No. 2767922 and also recorded as Document No. 2002-003138.

6. Financing Statement recorded as Document No. 2000-132862, as amended by Document No. 2002-003142. Said Financing Statement was assigned to Wells Fargo Bank, N.A., as administrative agent, by instrument recorded as Document No. 2002-003141.

7. Assignment of Leases and Rents dated September 19, 2000, recorded as Document No. 2000-139598, by and between Castle & Cooke Homes Hawaii, Inc., a Hawaii corporation, as Assignor, and Bankers Trust Company, a New York corporation, as administrative agent, as Assignee, as amended by instrument dated December 27, 2001, recorded as Document No. 2002-003139, as amended by instrument dated January 11, 2007, recorded as Document No. 2007-010917. Said Assignment of Leases and Rents was assigned to Wells Fargo Bank, N.A., a national association, as administrative agent, by instrument dated December 27, 2001, recorded as Document No. 2002-003140.

8. Unilateral Agreement and Declaration for Conditional Zoning dated May 20, 2002, filed as Document No. 2807187.

9. Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) dated April 5, 2005, filed as Document No. 3250025.

10. Designation of Easement 6748 as shown on Map 1143, as set forth by Land Court Order No. 168583, filed December 1, 2006, for access purposes.

11. Designation of Easement 6749 as shown on Map 1143, as set forth by Land Court Order No. 168583, filed December 1, 2006, for access, sewer and drainage purposes.

12. Designation of Easement 6750 as shown on Map 1143, as set forth by Land Court Order No. 168583, filed December 1, 2006, for sewer and drainage purposes.

13. Designation of Easement 6752 as shown on Map 1143, as set forth by Land Court Order No. 168583, filed December 1, 2006, for drainage purposes.

14. Condominium Map No. 1862, as amended from time to time.

15. Declaration of Condominium Property Regime of Island Courtyards at Mililani Mauka dated January 16, 2007, filed as Document No. 3545947, as amended from time to time.

16. By-Laws of the Association of Unit Owners of Island Courtyards at Mililani Mauka dated January 16, 2007, filed as Document No. 3545948, as amended from time to time.

17. Grant dated February 5, 2007, filed as Document No. 3565880, to Hawaiian Electric Company, Inc. and Hawaiian Telcom, Inc., of a perpetual right and easement for utility purposes.

PUBLIC REPORT ON
ISLAND COURTYARDS AT MILILANI MAUKA (INCREMENT A)

EXHIBIT H

OFFICERS OF THE DEVELOPER, ETC.

1. The Developer is a Hawaii corporation. The names of the officers and directors of the Developer are as follows:

| | |
|---|---|
| David H. Murdock | Chief Executive Officer |
| Harry A. Saunders | President and Director |
| Edward C. Roohan | Executive Vice President and Director |
| William B. Barrett | Executive Vice President – Residential Operations |
| Richard K. Mirikitani | Senior Vice President and Secretary |
| Jon Uchiyama | Senior Vice President, Controller and Assistant Secretary |
| Arnold C. Savrann | Senior Vice President, Architecture |
| 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 Safrit | Vice President and Assistant Secretary |
| Philip M. Young | Vice President, Human Resources |
| Donna Tomita | Vice President, Sales and Marketing |
| Douglas E. Pearson | Vice President, Construction |
| Garret H. Furukido | Assistant Secretary |
| Richard R. Anzai | Assistant Controller |
| Scott A. Griswold | Director |

2. Castle & Cooke Homes Hawaii, Inc. is the general contractor for the Project. The Hawaii licensed Responsible Managing Employee for Castle & Cooke Homes Hawaii, Inc., as general contractor for the Project, is Douglas Pearson (Hawaii Contractor's License No. BC26533).

3. Castle & Cooke Homes Hawaii, Inc. is the real estate broker for the Project.

PUBLIC REPORT ON
ISLAND COURTYARDS AT MILILANI MAUKA (INCREMENT A)

EXHIBIT I

ESTIMATE OF INITIAL MAINTENANCE FEES

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

Attached 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 October 1, 2006, 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 Exhibit "A" does not include the buyer's obligation for the payment of the Mililani Town Association dues (as of April 1, 2006, $90 per quarter) 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.

2. TEMPORARY ASSUMPTION BY DEVELOPER OF ACTUAL COMMON EXPENSES:

The Developer will assume all the actual common expenses of the Project (and therefore a unit owner will not be obligated for the payment of his respective share of the common expenses) until such time as the Developer sends the owners written notice that, after a specified date, the unit owners shall be obligated to pay for the portion of common expenses that is allocated to their respective units. 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.

3. MILILANI TOWN ASSOCIATION DUES:

Each unit owner will be required to be a member of the Mililani Town Association. As such member, each unit owner will be required to pay Mililani Town Association dues (as of April 1, 2006, $90 per quarter).

CERTIFICATE

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

1. That I am the Senior Vice President, Business Development of Certified Management, Inc., a Hawaii corporation, designated by the Developer of the Island Courtyards at Mililani Mauka 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 514B-148 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, and are reasonable estimates for the one-year period commencing October 1, 2006, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 11th day of October, 2006.

Douglas Mattos
Senior Vice President, Business Development

Subscribed and sworn to before me
this 11th day of October, 2006.

Typed or Printed Name: Candace M T Villarmia
Notary Public, State of Hawaii

My commission expires: 07/09/08

EXHIBIT "A"

ISLAND COURTYARDS AT MILILANI MAUKA

Estimated Annual Common Expenses

| | MONTHLY | ANNUAL |
|---|---|---|
| Utilities | | |
| Electricity (common elements only) | $ 406.00 | $ 4,872.00 |
| Water | 2,098.00 | 25,176.00 |
| Sewer | 2,440.00 | 29,280.00 |
| Maintenance, Repairs and Supplies | | |
| Maintenance | 3,436.00 | 41,232.00 |
| Refuse Contract | 1,256.00 | 15,072.00 |
| Exterminating | 70.00 | 840.00 |
| Management | | |
| Management Fee | 1,200.00 | 14,400.00 |
| Administrative Costs | 893.00 | 10,716.00 |
| Insurance | 4,480.00 | 53,760.00 |
| Reserves | 455.00 | 5,460.00 |
| Other Professional | 74.00 | 888.00 |
| TOTAL DISBURSEMENTS | $16,808.00 | $201,696.00 |

ESTIMATED MAINTENANCE CHARGES OR FEES FOR EACH UNIT:

The estimated monthly maintenance charge for each Type 1, Type 1R, Type 1A and Type 1AR unit is $149.65 per month.

The estimated monthly maintenance charge for each Type 2, Type 2R, Type 2A and Type 2AR unit is $208.62 per month.

The estimated monthly maintenance charge for each Type 3, Type 3R, Type 3A and Type 3AR unit is $273.51 per month.

PUBLIC REPORT ON
ISLAND COURTYARDS AT MILILANI MAUKA (INCREMENT A)

EXHIBIT J

SUMMARY OF SALES AGREEMENT

A specimen Reservation and Sales Agreement (hereinafter sometimes referred to as the "Sales Agreement") has 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. 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.

2. 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).

3. 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.

4. 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 the buyer fails to provide Seller with documents of the buyer's ability to make the cash payments.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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.

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

(a) The Project is located within a few miles of Wheeler Army Airfield and Schofield Barracks (collectively, the "Base"). The military conducts training exercises on properties near Waikakalaua Gulch, including the East Range, which is adjacent to Mililani Mauka. Low flying aircraft and explosive and other related noise is created from these training exercises, which can occur at any time, including the late evenings, early morning hours and weekends. These activities may result in noise, dust, vibration, and other nuisances, disturbances or hazards (collectively, the "Military Effects") to persons and property on or within the Property or the Project;

(b) The Project is located on and is near or adjacent to lands and easements used for or in connection with the cultivation of pineapple and diversified agricultural operations, which may include, but are not limited to, open burning, trucking, plowing, hauling, fertilizing, grading, storing, herbicide and pesticide spraying, crop dusting, water diversion, irrigation, and all other activities incidental to the planting, cultivating, harvesting and processing of crops, including night time activities, and the grazing and raising of livestock, poultry and other animals, which may from time to time

cause surface water runoff, noise, soot, smoke, dust, light, heat, vapors, odors, chemicals, vibrations, insect pests, and other substances and phenomena of every description (collectively, the "Agricultural Effects") to be discharged, emitted, dispersed or transmitted over and upon the Property or the Project which may bother or be a nuisance to the buyer and any person occupying or using the Property, and the buyer also acknowledges that the Hawaii Right to Farm Act (Chapter 165 of the Hawaii Revised Statutes) and Hawaii law limit the circumstances under which farming operations may be deemed to be a nuisance;

(c) 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;

(d) (i) The Project is or may be located adjacent to or in the vicinity of 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");

(e) 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

(f) 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 Agricultural 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 Agricultural 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, the City and County of Honolulu, the State of Hawaii, 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, the City and County of Honolulu, the State of Hawaii, 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.

13. Buyer understands and acknowledges the following:

(a) The Project is located adjacent to an affordable rental project.

(b) A portion of the units within the Project may be designated as "affordable housing" and may 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.

(c) 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.

14. 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, 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 required by law and gives to buyer the following notice:

**CHAPTER 672E OF THE HAWAII REVISED STATUTES CONTAINS IMPORTANT REQUIREMENTS YOU (i.e. BUYER) MUST FOLLOW BEFORE YOU MAY COMMENCE A LEGAL ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE SELLER OR RELATED CONTRACTORS WHO DESIGNED, REPAIRED, OR CONSTRUCTED YOUR HOME. NINETY DAYS BEFORE YOU COMMENCE A LEGAL ACTION, YOU MUST SERVE ON THE SELLER OR CONTRACTOR A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE. UNDER THE LAW, SELLER OR CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR AND/OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY SELLER OR A CONTRACTOR. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER THE LAW, AND FAILURE TO FOLLOW THEM MAY NEGATIVELY AFFECT YOUR ABILITY TO COMMENCE A LEGAL ACTION.**

It shall be buyer's obligation and responsibility to read and comply with the Act, the Sales Agreement and the Limited Warranty, in the event that buyer desires to pursue a legal action for defective construction relating to the Property.

15. 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.

PUBLIC REPORT ON
ISLAND COURTYARDS AT MILILANI MAUKA (INCREMENT A)

EXHIBIT K

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.

PUBLIC REPORT ON
ISLAND COURTYARDS AT MILILANI MAUKA (INCREMENT A)

EXHIBIT L

CONSTRUCTION WARRANTIES

1. Home Builder's Limited Warranty. Developer 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 Developer provides no other warranties.

2. 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.

3. 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.

4. 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.