

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer CASTLE & COOKE HOMES HAWAII, INC.
Address 650 Iwilei Road, P.O. Box 2780, Honolulu, Hawaii 96817

Project Name(*): LALEA AT HAWAII KAI - PHASE I
Address: 7080, 7086, 7092, 7098, 7110, 7116, 7088 and 7090
Hawaii Kai Drive, Honolulu, Hawaii 96825

Registration No. 3476

Effective date: June 3, 1998
Expiration date: October 12, 1998

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

 PRELIMINARY The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
(yellow)

 FINAL The developer has legally created a condominium and has filed complete information with the Commission.
(white)
 [] No prior reports have been issued.
 [] This report supersedes all prior public reports.
 [] This report must be read together with _____

 X SUPPLEMENTARY: This report updates information contained in the:
(pink)
 [] Preliminary Public Report dated: _____
 [X] Final Public Report dated: August 12, 1996
 [] Supplementary Public Report dated: _____

And [] Supersedes all prior public reports
 [X] Must be read together with Final Public Report dated August 12, 1996
 [] This report reactivates the _____
 public report(s) which expired on _____

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

- Required and attached to this report as Exhibit H.
 Not Required - disclosures covered in this report.

SUMMARY OF CHANGES FROM EARLIER PUBLIC REPORTS:

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

- No prior reports have been issued by the developer.
 Changes made are as follows:

1. The Developer has made new disclosures to purchasers about the merger of the Project with other condominium projects, the model units for the Project, and the use of Masonite Hardboard Siding on the buildings in the Project. New pages 20 and 20a are included in this Supplementary Public Report to replace pages 20 and 20a that are included in the Final Public Report.
2. An updated list of the officers of the Developer is disclosed on page 5a of this report.

SPECIAL NOTE

This is an ABBREVIATED Supplementary Public Report. This Supplementary Public Report contains only pages 1, 2, 5a, 19, 20, 20a, and 21. THIS ABBREVIATED SUPPLEMENTARY PUBLIC REPORT MUST BE READ TOGETHER WITH THE FINAL PUBLIC REPORT DATED AUGUST 12, 1996.

SPECIAL ATTENTION

The Developer has disclosed previously in the Final Public Report, the following:

1. The Declaration of Merger of Condominium Phases, the Declaration of Condominium Property Regime (the "Declaration"), the By-Laws of the Association of Apartment Owners, and the Condominium Map have been recorded in the Bureau of Conveyances of the State of Hawaii. Prior to recordation, the Declaration of Merger of Condominium Phases, the Declaration and the By-Laws were revised since the issuance of the Preliminary Public Report. The modifications include, without limitation, changes to Section R of the Declaration relating to alteration of the Project, and Section T of the Declaration relating to amendment of the Declaration.
2. The Rules and Regulations have been adopted. Prior to recordation, the Rules and Regulations were revised since the issuance of the Preliminary Public Report.
3. Coastal Construction Company, Inc. is the general contractor for the Project.
4. Forms of the Deposit Receipt, Reservation and Sales Agreement, the V.A. Addendum to Reservation and Sales Agreement, and the Apartment Deed were revised since the issuance of the Preliminary Public Report.
5. An updated list of the officers of the Developer is disclosed on page 5a of this report.

Names of officers or general partners of developers who are corporations or partnerships:

Wallace Miyahira
Kevin R. Shaney
Edward C. Roohan
Beverly Garcia
Harry A. Saunders
Richard K. Mirikitani
Michael Y. W. Lum
Roland R. Kim
Alan K. Arakawa
Rosalinda Oasay

Chief Executive Officer and President
Senior Vice President and Secretary
Senior Vice President, Treasurer and Assistant Secretary
Senior Vice President, Controller and Assistant Secretary
Senior Vice President and General Manager
Vice President and Assistant Secretary
Vice President-Project Management/Design
Vice President-Acquisitions
Vice President-Construction and Engineering
Assistant Treasurer

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime.
 - C) Bylaws of the Association of Apartment Owners.
 - D) House Rules.
 - E) Condominium Map.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other Declaration of Merger of Condominium Phases

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P.O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 3476 filed with the Real Estate Commission on January 9, 1996.

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

yellow paper stock white paper stock pink paper stock

C. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. REPAIR AND MAINTENANCE OF APARTMENTS AND COMMON ELEMENTS. The By-Laws provide that every apartment owner shall at his own expense at all times well and substantially repair, maintain, amend and keep his apartment, including without limitation all doors, sliding glass doors (if any), windows, window fixtures, and all internal installations within the apartment such as water, electricity, gas (if any), telephone, sanitation, lights, and all other fixtures and accessories belonging to such apartment, if any, and the interior decorated or finished surfaces of all walls, partitions, floors, ceilings and roofs of such apartment, 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 apartment 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 apartment, 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 apartment owner as a special assessment constituting a lien against his interest in his apartment 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 apartments, 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 an apartment owner or occupant or any person under either of them, shall be charged to such apartment owner or the apartment owner of the apartment of such occupant, as a special assessment constituting a lien against his interest in his apartment 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.

2. LANDSCAPING OF YARD AREA. Each owner shall landscape the Yard Area assigned to his apartment, if any, within ninety (90) days after the closing of the purchase of the apartment (unless the Yard Area has already been completely landscaped). Before commencing any Yard Area landscaping, each owner shall submit to the Board of Directors a landscape plan (which shall include, without limitation, the location of any proposed lanais, patios, paved surfaces or wood decks within the Yard Area and a proposed plant list) for the Board's review and written approval, which approval shall not be unreasonably withheld or delayed.

3. CONDOMINIUM MAP. The Condominium Map for the Project is intended to show only the layout, location, apartment numbers and dimensions of the apartments in the Project. The Condominium Map is NOT intended to show the dimensions of any limited common elements, and buyer understands and acknowledges that the sizes of such limited common elements, such as yard areas, may vary from those shown on the Condominium Map due to field changes and other factors. **BUYER AGREES THAT THE CONDOMINIUM MAP IS NOT INTENDED TO BE AND IS NOT A WARRANTY OR PROMISE OF ANY KIND BY SELLER.**

4. MERGER OF PROJECT WITH OTHER CONDOMINIUM PROJECTS. In addition to the Project, the Seller has developed two (2) other phases of LALEA at Hawaii Kai and plans to develop one (1) additional phase of LALEA at Hawaii Kai. LALEA at Hawaii Kai - Phase II has eighty-one (81) apartments and LALEA at Hawaii Kai - Phase III has sixty-five (65) apartments. It is estimated that LALEA at Hawaii Kai - Phase IV will have approximately sixty-four (64) apartments. The Seller has reserved the right to effect an administrative merger or mergers, or an ownership merger or mergers, of any two or more of the phases; however, each phase is a separate project, and the Seller, although it has the right to do so, is not obligated to merge the various phases.

The Seller makes no representation or warranty that LALEA at Hawaii Kai - Phase IV will be developed. The Seller may elect not to develop LALEA at Hawaii Kai - Phase IV, or to develop all or any part of such land in a different manner.

The Declaration of Merger of Condominium Phases recorded in the Bureau of Conveyances of the State of Hawaii provides that upon either the administrative merger or mergers or the ownership merger or mergers of any two or more of the phases, the Seller may, but need not, require the apartment owners in all or any of the merged phases to make contributions, in addition to their normal prescribed share of the common expenses, to the replacement reserves, the general operating account, and/or any other accounts of the merged project. The Seller may provide that such contributions shall be made in a lump sum amount or in installments over a period of time and in setting the amount and terms of such contributions, the Seller may, but need not, take into account the amount of replacement reserves, the amounts in the general operating accounts, and/or the amounts in any other accounts of the respective phases, accumulated prior to the merger, and the condition of the various buildings and apartments. The amount and terms of the contributions to be made by the apartment owners in a phase shall be as fairly determined by the Seller, in the Seller's sole and absolute discretion, and shall be set forth in a notice by the Seller to the apartment owners or the Board of Directors of the merged project.

5. PRIOR USE. Portions of the Project and/or areas within the vicinity of the Project may have been used previously as a construction material storage facility in connection with the development of other portions of Hawaii Kai by a prior owner. During the construction of LALEA at Hawaii Kai - Phase II, certain remnant construction materials were discovered and removed from the Project site. Additional information regarding this matter is available at the Seller's sales office.

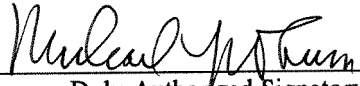
6. MODEL UNITS. Some of the materials used in the model units for the Project and certain methods of construction used for the model units for the Project may differ from the materials and methods of construction used in the buildings in the Project.

7. MASONITE HARDBOARD SIDING. The buildings in the Project contain Masonite Hardboard siding. In 1994, homeowners filed a class action lawsuit against Masonite Corp. and other in the Circuit Court of Mobile County, State of Alabama. This lawsuit was initiated on behalf of all individuals or entities owning property in the United States on which Masonite Hardboard siding has been incorporated and installed from January 1, 1980 to January 15, 1998. The class action lawsuit alleged that there were problems with the Masonite siding and Masonite disputed the allegations. On January 18, 1998, the Circuit Court of Mobile County, State of Alabama, approved a settlement between Plaintiffs and Defendants, including Masonite, in this class action. The Court specifically noted that the settlement was a compromise of dispute claims and is not to be taken as an indication of liability or that damages have been, or would be, found against Masonite if the action proceeded. The settlement does not automatically require the replacement of all Masonite Hardboard Siding and, in order for any class member to recover, that class member must have actually sustained compensable damage as set forth in the settlement. Seller has received complaints from some homebuyers about Masonite Hardboard Siding. These complaints only involve a minority of homes on which Masonite Hardboard Siding has been installed and it is not known whether these complaints are related to the problems alleged in the class action. Additional information regarding this matter is available at the Seller's sales office.

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

CASTLE & COOKE HOMES HAWAII, INC.

Name of Developer

By:  MAY 29 1998
Duly Authorized Signatory Date

Michael Y. W. Lum

Vice President/Project Management & Design

print name & title of person signing above

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu
Federal Housing Administration