

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: Peninsula -- Hawaii Kai, I.L.C.
Address: 745 Fort Street, Suite 2110, Honolulu, Hawaii 96813

Project Name(\*): THE PENINSULA AT HAWAII KAI - PROJECT I
Address: 520 Lunalilo Home Road, Honolulu, Hawaii 96825

Registration No. 4722
Effective date: July 17, 2002
Expiration date: August 17, 2003

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
X SUPPLEMENTARY: (pink) This report updates information contained in the: Preliminary Report dated: Contingent Final Public Report dated: Final Public Report dated: April 18, 2002 (This Final Report covers 67 of 218 units)\*\* Supplementary Public Report dated: And: Supersedes all prior public reports Must be read together with the Final Public Report This report reactivates the

(\*)Exactly as named in the Declaration

\*\* The entire condominium project contains a total of 218 apartments. However, the Final Public Report noted above only covers 67 of the 218 apartments as follows: Apartment Nos. 101-109 (inclusive), 208-210 (inclusive), 225-233 (inclusive), 301-335 (inclusive) and 1401-1411 (inclusive). The Developer shall obtain one or more separate Final Public Reports for the remaining apartments of the Project.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required and attached to this report

Not Required - Disclosures covered in this report.

**Summary of Changes from Earlier Public Reports:**

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

No prior reports have been issued by the developer.

Changes made are as follows:

1. Exhibit "H" to the Final Public Report has been revised to reflect that the total estimated Maintenance and Product Fees to be assessed to the owner of each Carriage Ways Apartment is \$185.00, and not \$197.00 as previously indicated. Moreover, the total estimated Maintenance and Product Fees to be assessed to owners of both the Type 1 and Type 3 Cottages were revised on said Exhibit to correct the oversight described in Paragraph 2 below.

2. In Exhibit "H-3" to the Final Public Report, the estimated Product Fee assigned to Type 1 Cottage apartments is actually the Product Fee attributable to the Type 3 Cottage apartments. Similarly, the estimated Product Fee assigned to Type 3 Cottage apartments is actually the Product Fee attributable Type 1 Cottage apartments. Accordingly, Exhibit "H-3" has been revised to set forth the correct Product Fees for both apartment types.

**SPECIAL NOTES**

N/A

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other: Design Guidelines for the Project and Master Declaration for the Development of The Peninsula at Hawaii Kai. Declaration of Protective Provisions for Luna-Kai Marina Park.

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. 4722 filed with the Real Estate Commission on August 29, 2001.

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

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- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-...] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

PENINSULA-HAWAII KAI, LLC,  
a Hawaii limited liability company

By STANFORD CARR DEVELOPMENT, LLC, a Hawaii  
limited liability company  
Its Member

By \_\_\_\_\_

Name: Stanford S. Carr  
Title: Manager

“Developer”

JUL 02 2002

\_\_\_\_\_  
Date

Distribution:

Department of Finance, City and County of Honolulu  
Planning Department; City and County of Honolulu

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

**EXHIBIT "H"**

**ESTIMATED MAINTENANCE FEES AND PRODUCT FEES**

A description of the maintenance fees and/or Product Fees (as such term is defined in the Declaration) to be charged to each of the Apartments of the Project is set forth in Exhibits "H-1" through "H-4" attached hereto.

**1. Maintenance Fees**

Maintenance fees are intended to cover the Common Expenses of the Project (i.e., the expenses attributable to the maintenance and operation of the "general" Common Elements of the Project). Maintenance fees shall be charged to each Apartment Owner based upon said Owner's Common Interest. The estimated maintenance fees that are attributable to each Apartment of the Project are set forth in Exhibit "H-1" attached hereto.

Although this Final Public Report only covers 67 Apartments of the Project, the maintenance fee calculations set forth in this Exhibit "H" are based upon a 218-apartment project.

TELEVISION CABLE IS NOT INCLUDED IN THE MAINTENANCE FEES FOR EACH APARTMENT AS OF THE EFFECTIVE DATE OF THIS FINAL PUBLIC REPORT. HOWEVER, THE DEVELOPER IS IN THE PROCESS OF NEGOTIATING A WHOLESALE "BULK PURCHASE" OF CABLE AND ROADRUNNER INTERNET ACCESS SERVICES WITH OCEANIC CABLE. IN THE EVENT THAT THIS PURCHASE IS CONSUMMATED, ALL BUYERS WILL BE REQUIRED TO UTILIZE BOTH SERVICES FOR THE THIRTY-SIX MONTH TERM OF THE CONTRACT (OR BE SUBJECT TO A PENALTY FEE FOR EARLY TERMINATION), AND THEREFORE, EACH BUYER'S MONTHLY MAINTENANCE FEES WILL INCREASE BY APPROXIMATELY \$58.38 FOR THESE SERVICES. THE \$58.38 CHARGE IS FOR BASIC ANALOG SERVICE. EACH BUYER WILL HAVE THE OPTION TO UPGRADE TO DIGITAL CABLE SERVICE FOR AN ADDITIONAL \$3.70 PER MONTH.

**2. Product Fees**

The Owners of certain "product types" (i.e., Carriage Ways, Cottages and Villas) shall also be charged, in addition to the above-mentioned maintenance fees, Product Fees (as such term is defined in the Declaration) for expenses attributable only to the Apartments of a particular product type. Accordingly, the expenses attributable to those Limited Common Elements of the Project serving all Carriage Ways Apartments (and only Carriage Ways Apartments) shall be shared equally by all Owners of Carriage Ways Apartments (i.e., each Owner of a Carriage Ways Apartment shall be responsible for a Product Fee equal to one (1) over the total number of Carriage Ways Apartments then-existing). The expenses attributable to those Limited Common Elements of the Project serving all Cottages or all Villas shall be charged to each Owner of a Cottage and Villa in accordance with said Owner's "Product Fee Share," which shall be calculated by dividing the net square footage of the subject Cottage or Villa (as applicable) by the total square footage of all Cottages or Villas, respectively. The Product Fees attributable to each Carriage Ways Apartment, Cottage and Villa are set forth in Exhibits "H-2", "H-3" and "H-4", respectively, all of which are attached hereto.

Based upon the foregoing, the total estimated monthly maintenance fees and Product Fees (if applicable) that will be charged to each Apartment of a particular product type are as follows:

| <b>Product Type</b>  | <b>Total Estimated Maintenance and Product Fees Per Apartment</b> |
|----------------------|---|
| Executive Residences | \$160.00  |
| Carriage Ways        | \$185.00  |

|                                |          |
|--------------------------------|----------|
| Cottages<br>(Type 1 Apartment) | \$285.74 |
| Cottages<br>(Type 2 Apartment) | \$274.07 |
| Cottages<br>(Type 3 Apartment) | \$271.34 |
| Cottages<br>(Type 4 Apartment) | \$295.71 |
| Cottages<br>(Type 5 Apartment) | \$300.76 |
| Cottages<br>(Type 6 Apartment) | \$301.52 |
| Villas<br>(Type 1 Apartment)   | \$310.94 |
| Villas<br>(Type 1A Apartment)  | \$310.94 |
| Villas<br>(Type 2 Apartment)   | \$327.65 |
| Villas<br>(Type 3 Apartment)   | \$330.15 |
| Villas<br>(Type 4 Apartment)   | \$364.68 |
| Villas<br>(Type 5 Apartment)   | \$384.87 |
| Villas<br>(Type 6 Apartment)   | \$403.88 |
| Villas<br>(Type 7 Apartment)   | \$406.23 |

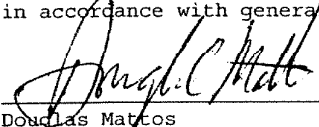
**THE AMOUNTS SET FORTH IN SAID EXHIBITS "H-1" THROUGH "H-4" ARE ESTIMATES ONLY AND MAY CHANGE FOR REASONS BEYOND THE CONTROL OF THE DEVELOPER. SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY THE DEVELOPER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.**

NOTE: AS STATED IN SECTION C.5 ON PAGE 20A OF THE PUBLIC REPORT, THE APARTMENT OWNERS OF THE PROJECT SHALL HAVE NO MAINTENANCE FEE OBLIGATIONS UNTIL THE DEVELOPER FILES A WRITTEN STATEMENT (THE "NOTIFICATION") WITH THE COMMISSION NOTIFYING ALL OWNERS THAT THEIR MAINTENANCE FEE OBLIGATIONS SHALL BEGIN WITHIN THIRTY (30) DAYS FOLLOWING THE DATE OF THE NOTIFICATION. THE DEVELOPER SHALL ALSO PROVIDE EACH OWNER WITH A COPY OF THE NOTIFICATION. PRIOR TO SUCH TIME, THE DEVELOPER WILL BE PAYING ALL ACTUAL COSTS ASSOCIATED WITH THE PROJECT.

EXHIBIT "H-3"  
 THE PENINSULA AT HAWAII KAI - THE COTTAGES  
 Estimated Annual Common Expense

|   | <u>Monthly</u>     | <u>Annual</u>       |
|---|--------------------|---------------------|
| <b>Utilities and Services</b>             |                    |                     |
| Television                                |                    |                     |
| Air Conditioning                          |                    |                     |
| Electricity (common elements only)        | \$245.00           | \$2,940.00          |
| Gas                                       |                    |                     |
| Water                                     | \$1,143.00         | \$13,716.00         |
| Refuse Collection                         |                    |                     |
| Telephone/Communication                   |                    |                     |
| <b>Maintenance, Repairs, and Supplies</b> |                    |                     |
| Building                                  |                    |                     |
| Grounds                                   | \$4,575.00         | \$54,900.00         |
| <b>Management</b>                         |                    |                     |
| Management Fee                            |                    |                     |
| Payroll and Payroll Taxes                 |                    |                     |
| Office Expenses                           | \$975.00           | \$11,700.00         |
| <b>Insurance</b>                          | \$965.00           | \$11,580.00         |
| <b>Reserves*</b>                          | \$24,089.00        | \$289,068.00        |
| <b>Taxes and Government Assessments</b>   | \$48.00            | \$576.00            |
| <b>Professional Services - Audit</b>      | \$100.00           | \$1,200.00          |
| <b>Other - Legal Expenses</b>             | \$100.00           | \$1,200.00          |
| <b>Vehicle Costs</b>                      |                    |                     |
| <b>TOTAL</b>                              | <u>\$32,240.00</u> | <u>\$386,880.00</u> |

I, DOUGLAS MATTOS, as agent and employed by CERTIFIED MANAGEMENT, INC., the condominium managing agent for the developer, for the condominium project THE PENINSULA AT HAWAII KAI - THE COTTAGES, hereby certify that the above estimates of initial product fee and assessments and product fee disbursements were prepared in accordance with generally accepted accounting principles.

  
 \_\_\_\_\_  
 Douglas Mattos  
 Vice President of Project Development

18-Apr-02  
 \_\_\_\_\_  
 Date

Note: The budgeted revenues and expenses are based on accrual-basis accounting.

\* The \$24,089 reserves amount noted above is being funded by Start-Up fees in an amount equivalent to two (2) months of product fees. The "Start-up fees" will be collected from each purchaser, at closing. This is a one-time payment to be made by each purchaser; provided that the Association will collect additional amounts in the future to fund the reserves.

THE PENINSULA AT HAWAII KAI - THE COTTAGES  
ESTIMATE OF INITIAL PRODUCT FEE  
and  
PRODUCT FEE DISTRIBUTION

ESTIMATE OF INITIAL PRODUCT FEE

| <u>APARTMENT TYPE</u> | <u>Monthly Fee</u><br><u>x 12 mos.</u> | <u>Yearly</u> |
|-----------------------|--|---------------|
| 1 = 1.506591          | \$125.74                               | \$1,508.88    |
| 2 = 1.366717          | \$114.07                               | \$1,368.84    |
| 3 = 1.334012          | \$111.34                               | \$1,336.08    |
| 4 = 1.626084          | \$135.71                               | \$1,628.52    |
| 5 = 1.686567          | \$140.76                               | \$1,689.12    |
| 6 = 1.695720          | \$141.52                               | \$1,698.24    |

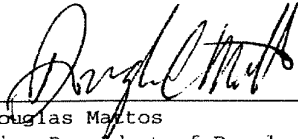
The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

[ ] Revised on \_\_\_\_\_



THE PENINSULA AT HAWAII KAI - THE COTTAGES  
Certification of Reserve Study

I, DOUGLAS MATTOS, as agent and employed by CERTIFIED MANAGEMENT, INC., the condominium managing agent or the developer, for the condominium project, THE PENINSULA AT HAWAII KAI - THE COTTAGES, hereby certify that a reserve study has been conducted in accordance with 514A 83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.



\_\_\_\_\_  
Douglas Mattos  
Vice President of Development

\_\_\_\_\_  
18-Apr-02  
Date