

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Ocean Villas Development, L.L.C.
Address 57-091 Kamehameha Highway, Kahuku, Hawaii 96731

Project Name (*): Ocean Villas at Turtle Bay Resort
Address: Turtle Bay Resort, Kahuku, Hawaii 96731

Registration No. 5316

Effective date: November 29, 2004

Expiration date: December 29, 2005

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. A Final Public Report will be issued by the developer when complete information is filed.

x FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.

- No prior reports have been issued.
This report supersedes all prior public reports.
This report must be read together with

SUPPLEMENTARY: (pink) This report updates information contained in the:
Preliminary Public Report dated:
Final Public Report dated:
Supplementary Public Report dated:

And

- Supersedes all prior public reports.
Must be read together with
This report reactivates the
public report(s) which expired on

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

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: See Exhibit M

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

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

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Ocean Villas Development, L.L.C. Phone: (808) 232-2285
Name* (Business)
57-091 Kamehameha Highway
Kahuku, Hawaii 96731
Business Address

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):
See Exhibit A

Real Estate Broker*: Landmark Real Estate, L.L.C. Phone: (808) 973-1302
Name* (Business)
1888 Kalakaua Avenue, Suite C-105
Business Address
Honolulu, Hawaii 96815

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

General Contractor*: Armstrong Builders, Ltd. Phone: (808) 848 2484
Name* (Business)
80 Sand Island Access Road # 209
Business Address
Honolulu Hawaii 96819

Condominium Managing Agent*: Villa Management, L.L.C., RB-18410 Phone: (808) 232-2285
Name* (Business)
57-091 Kamehameha Highway
Business Address
Kahuku, Hawaii 96731

Attorney for Developer: D. Scott MacKinnon, Esq. Phone: (808) 529-7300
Joel D. Kam, Esq. (Business)
Name*
McCorriston Miller Mukai MacKinnon LLP
Business Address
P.O. Box 2800, Honolulu, Hawaii 96803

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

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

<input type="checkbox"/>	Proposed		
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. <u>2004-200492</u>
			Book _____ Page _____
<input checked="" type="checkbox"/>	Filed -	Land Court:	Document No. <u>3172940</u>

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

B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

<input type="checkbox"/>	Proposed		
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances Condo Map No. <u>1665</u>	
<input checked="" type="checkbox"/>	Filed -	Land Court Condo Map No. <u>3844</u>	

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: N/A

C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

<input type="checkbox"/>	Proposed		
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. <u>2004-200493</u>
			Book _____ Page _____
<input checked="" type="checkbox"/>	Filed -	Land Court:	Document No. <u>3172941</u>

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

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed* Adopted Developer does not plan to adopt House Rules

*Note: The Association has the power to adopt House Rules but not have yet been adopted.

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

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	---	N/A

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

2. **Developer:**

- No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.
- Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules: See Exhibit B

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: Month Year

For Sub-leaseholds:

Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is: Canceled Foreclosed

As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

- Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: Month Year

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: Turtle Bay Resort Tax Map Key (TMK): (1) 5-7-1-13
Kahuku, Hawaii 96731

Address TMK is expected to change because CPR numbers will be added to the current TMK number.

Land Area: 60.724 square feet acre(s) Zoning: Resort

Fee Owner: Kuilima Resort Company, a Hawaii general partnership
 Name
57-091 Kamehameha Highway
 Address
Kahuku, Hawaii 96731

Lessor: N/A
 Name
 Address

C. **Buildings and Other Improvements:**

1. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion

2. Number of Buildings: 17 Floors Per Building: See Exhibit C

Exhibit C contains further explanations.

3. **Principal Construction Material:**

Concrete Hollow Tile Wood

Other See Exhibit C

4. **Uses Permitted by Zoning:**

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other*	<u>57</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

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

Yes No

* Resort use

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

- Pets: See Exhibit D
- Number of Occupants: See Exhibit D
- Other: See Exhibit D
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 2 Stairways: 6 Trash Chutes: 0

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

Total Number of Apartments: 57

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

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

Boundaries of Each Apartment: Each Apartment consists of the spaces within the perimeter and party walls, windows, doors, floors, ceiling(s) and lanai(s) of the respective apartments.

Permitted Alterations to Apartments: See Exhibit F

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has N/A elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 67

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)		<u>44</u>		<u>11</u>			<u>55</u>
Guest		<u>2</u>		<u>10</u>			<u>12</u>
Unassigned							
Extra for Purchase							
Other: _____							
Total Covered & Open:	<u>46</u>		<u>21</u>		<u>0</u>		<u>67</u>

Each apartment will have the exclusive use of at least 1 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: See Exhibit G

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

There are no violations. Violations will not be cured.

Violations and cost to cure are listed below: Violations will be cured by _____
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

N/A

11. Conformance to Present Zoning Code

- a. No variances to zoning code have been granted.
 Variance(s) to zoning code was/were granted as follows:

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

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

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

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

* Building E is non-conforming with respect to flood zone requirements. All other structures are conforming.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

- described in Exhibit G .
 as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

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

described in Exhibit G*.

as follows:

*NOTE: Land areas referenced herein are not legally subdivided lots.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit E.

as follows:

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

Exhibit H describes the encumbrances against the title contained in the title report dated September 29, 2004 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

- There are no blanket liens affecting title to the individual apartments.
- There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	If the Developer defaults before the Apartment is conveyed to the Buyer, the Mortgagee will have the right to decide whether to sell the Apartment to the Buyer under the Sales Contract. If the Buyer's interest is terminated by the Mortgagee, then the Buyer's deposit will be refunded to the Buyer, less the escrow cancellation fee.

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: None

2. Appliances: The closing of the sale of any Apartment in the Project shall also constitute the assignment by the Developer to the Purchaser, for the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the apartment. The Developer is merely attempting to pass through to the Purchaser any such manufacturer's or dealer's warranties; the Developer is not adopting any such warranties or acting as co-warrantor with respect to any furnishings, fixtures or appliances. The terms of the manufacturer's or dealer's written warranties will be available for the Purchaser's examination at the Developer's sales office.

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

Construction commenced on January 5, 2004, and is scheduled to be completed in March 2005.

H. **Project Phases:**

The developer has has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing): At the present time, the Developer has no plans for future additions, mergers or phases of the Project. However, the Developer reserves the right to construct new improvements and additions to the Project, to subdivide the Land of the Project or to consolidate the Land Project with an Adjacent Parcel, and to annex any Adjacent Parcel and the Improvements located on an Adjacent Parcel to the Project. See Sections 19, 20 and 22 of the Declaration for more details about these rights.

IV. CONDOMINIUM MANAGEMENT

- A. **Management of the Common Elements:** The Association of Apartment 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.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

- not affiliated with the Developer the Developer or Developer's affiliate
 self-managed by the Association of Apartment Owners Other: _____

- B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment 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 apartment and the apartment 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 schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

- C. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- None Electricity (X Common Elements only _____ Common Elements & Apartments)
 Gas (X Common Elements only _____ Common Elements & Apartments)
 Water* Sewer* Television Cable
 Other Telephone (common elements only)

*common elements only

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit J contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated January 29, 2004
Exhibit K contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

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

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

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

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

This Public Report is a part of Registration No. 5316 filed with the Real Estate Commission on March 9, 2004.

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**

See Exhibit L

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6]. (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Ocean Villas Development, L.L.C.

Printed Name of Developer


By: Oaktree Capital Management, LLC,
Its Manager

By: 
Duly Authorized Signatory*

9/29/04
Date

Russel S. Bernard, Principal

Printed Name & Title of Person Signing Above

By: 
Duly Authorized Signatory*

9/29/04
Date

Marc Porosoff, Senior Vice President, Legal

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; 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 A

Manager and Members of Developer

Manager: Oaktree Capital Management, LLC, a California limited liability company

Sole Member: Kuilima Resort Company, a Hawaii general partnership

EXHIBIT B

Developer's Rights to Change the Declaration, Condominium Map, Bylaws or House Rules

Note: Unless otherwise specified, capitalized terms used herein have the same meanings as in the Condominium Declaration.

1. The Developer has the right to change the Condominium Documents:
 - A. In any way and for any purpose before the date when the Developer first records a deed transferring an Apartment to someone other than the Developer or its Lenders.
 - B. To file the "as-built" statement (with plans, if necessary or convenient) required by Section 514A-12 of the Condominium Property Act. The Developer may do this each time any New Improvement is completed. It may also do this at any other time required by law or permitted by this Declaration. The Developer does not need the consent of the Board or anyone else who owns an Apartment or any other Interested Person.
 - C. To comply with the real estate laws of any place (for example, the State of Hawaii) or the requirements of any government agency (such as the Hawaii Real Estate Commission or the California Department of Real Estate) in connection with the registration of the Project to permit the sale of Apartments.
 - D. To satisfy requests for changes made by any institutional lender loaning money to the Developer or by any title company licensed to do business in the State of Hawaii.
 - E. To correct any misstatements of fact in the Condominium Documents. For example, the Developer can correct a mistake in the legal description of the Land.

The Developer may use these rights at any time and it may use them more than once.

2. The Developer has the right to amend the Declaration and/or the Condominium Map to reflect any of the following changes if the change materially changes the depiction of a particular Apartment or Apartments on the Condominium Map or the description of it in the Declaration:
 - A. Change or remove all or part of an intervening Common Element wall separating two (2) apartments owned by the Developer; installation of doors and other Improvements in such opening or openings in the intervening Common Element; and other reasonable changes or additions in accordance with Section 18.2.3 of the Declaration.
 - B. Change of the designation of the Limited Common Elements appurtenant to any two (2) adjacent Apartments owned by the Developer so that one or more Limited Common Elements appurtenant to one Apartment now will be appurtenant to the other Apartment or to both of the Apartments in accordance with Section 18.2.4 of the Declaration.
3. The Developer has the right to amend the Declaration and the Condominium Map as necessary or convenient to describe any New Improvements constructed on the Land in accordance with Section 19 of the Declaration.
4. In connection with the Developer's right under Section 20 of the Declaration to subdivide the Land of the Project and/or to consolidate the Land of the Project with any Adjacent Parcel, the Developer has the right to amend the Declaration to change the description of the Land and the right to amend the

Condominium Map if the Developer deems it necessary or useful to reflect the subdivision and/or consolidation.

5. In connection with the Developer's reserved right under Section 21 to withdraw and delete from the Project, and from the condominium property regime, all or any part of the areas designated on the Condominium Map as "Possible Deletion Areas", together with any improvements thereon, the Developer has the right to amend the Declaration to change the description of the Land to delete the areas withdrawn from the Project, and the right to amend the Condominium Map if the Developer deems it necessary or useful to reflect the deletion and withdrawal of the deleted areas or any Improvements on such areas.

6. In connection with the Developer's right under Section 22 of the Declaration to annex into the Project and the condominium property regime any Adjacent Parcel and any Improvements located on the Adjacent Parcel, the Developer has the right to amend the Declaration to change the description of the Land to include the Adjacent Parcel annexed and to describe any improvements on the Adjacent Parcel, and the right to amend the Condominium Map if the Developer deems it necessary or useful to reflect the annexation of the Adjacent Parcel or any Improvements on it.

7. The Developer has the right to amend the Condominium Documents as required to comply with any laws that apply to the Project or to the Association, or the Developer.

8. The Developer has the right to amend the Condominium Documents as necessary or convenient to satisfy the requirements of the SMA Permits as set forth in Section 24 of the Declaration.

9. The Developer has the right to amend the Condominium Documents as necessary or convenient to subject the Land and the Project to the Joint Development Agreement, and to satisfy the requirements of the Joint Development Agreement, as set forth in Section 25 of the Declaration.

10. The Developer has the right to amend the Condominium Documents as necessary or convenient to satisfy the requirements of the Design Guidelines as set forth in Section 26 of the Declaration.

EXHIBIT C

Description of Buildings

Note: Unless otherwise specified, capitalized terms used herein have the same meanings as in the Condominium Declaration.

The project consists of seven apartment buildings, a pool, a pool equipment room, a trash enclosure, a six-story hotel containing 403 guest rooms, seven (7) single story, slab on grade, concrete block buildings with wood framed roofs, and related buildings, structures, grounds and facilities as shown on the Condominium Map. The project is a renovation and addition to the original 5 apartment buildings (Buildings A-E are original). The original apartment buildings have been stripped of all roofs, interior partitions and exterior finishes (including asbestos). Concrete block walls have been retained and will receive grout infill as part of the renovation process. New construction on the first and second level will consist principally of concrete floors, concrete block walls, gypsum board, metal stud partitions, and glass. New construction on the third floor will consist principally of concrete floors, metal stud partitions, gypsum board, plywood, and glass. Pitched roofs are asphalt shingles, and flat roofs are built up roofing.

No construction to the hotel structure has occurred in connection with the Project.

1. Building A. This building is a three-story building. The first floor is original construction. The second and third floors are new construction. The building has nine resort apartments, an elevator, a storage locker room, an electrical meter room, an electrical room, an elevator machine room, linen rooms, and miscellaneous storage areas.
2. Building B. This building is a three-story building. The first and second floors are original construction. The third floor is new construction. The building has nine resort apartments, a mailbox area, a storage locker room, an electrical meter room, an electrical room, and miscellaneous storage areas.
3. Building C. This building is a three-story building. The first and second floors are original construction. The third floor is new construction. The building has nine resort apartments, a storage locker room, an electrical meter room, an electrical room, and miscellaneous storage areas.
4. Building D. This building is a three-story building. The first and second floors are original construction. The third floor is new construction. The building has nine resort apartments, a storage locker room, an electrical meter room, an electrical room, and miscellaneous storage areas.
5. Building E. This building is a one-story building. The first floor is original construction. The building has three resort apartments, a storage locker room, and an electrical meter room.
6. Building F. This building is a three story building, all new construction. The building has nine resort apartments, a storage locker room, an electrical meter room, an electrical room and miscellaneous storage areas.
7. Building G. This building is a three-story building, all new construction. The building has nine resort apartments, a storage locker room, an elevator, an elevator machine room, an office, a bathroom, an electrical meter room, an electrical room, and miscellaneous storage areas.
8. Other buildings. The project also includes
 - a. Trash enclosure. This building is constructed of concrete block walls, concrete slab on grade and has no roof.

b. Pool pump house. This building is constructed of concrete block and a concrete slab on grade. It is partially covered by an earth berm.

c. Hotel. The Hotel is comprised of a six story building containing 403 guest rooms, seven (7) single story, slab on grade, concrete block buildings with wood framed roofs, and related buildings, structures, grounds and facilities located on the Land and as shown on the Condominium Map. The Hotel does not contain any apartments and is designated as a limited common element of the Hotel Related Apartment.

EXHIBIT D

Special Use Restrictions

Note: Unless otherwise specified, capitalized terms used herein have the same meanings as in the Condominium Declaration.

1. Pets.

A. No livestock, poultry, pets or other animals of any kind are allowed on or may be kept in any part of the Project.

B. Notwithstanding the restriction against pets, animals that must be permitted on the Project pursuant to the Americans with Disabilities Act are allowed on the Project and may be kept by occupants in their respective Apartments.

C. In addition, specially trained animals are permitted on the Project pursuant to Chapter 515, Hawaii Revised Statutes, provided that:

(1) Specially trained animals may not be kept, bred, or used at the Project for any commercial purpose.

(2) Specially trained animals must be kept on a leash when they are on the Common Elements, including, but not limited to, any recreation areas.

(3) Any specially trained animal causing a nuisance or an unreasonable disturbance to any other occupant of the Project must be permanently removed from the Project promptly after the Board or the Managing Agent gives notice to the person using the specially trained animal. The notice must give the person a reasonable period within which to obtain a replacement specially trained animal. The animal causing a nuisance or disturbance need not be removed before the time stated in the notice unless the Board believes that the animal poses an imminent and serious threat of physical harm to other occupants of the Project.

(4) The Board may from time to time include in the House Rules reasonable restrictions or prohibitions relating to specially trained animals. Any such restrictions or prohibitions must be consistent with any laws protecting the civil rights of persons using specially trained animals.

D. A tenant of an Owner must obtain the written consent of the Owner to keep an animal allowed under paragraphs B and C above in the Apartment and provide a copy of such written consent to the Managing Agent.

2. Occupancy Limitation. No more than ten (10) persons at any time shall be permitted to occupy or reside in any Apartment. This occupancy limitation shall not apply to or restrict the Owner of any such Apartment from hosting a larger group of invited guests or visitors in such Apartment.

3. Other Use Restrictions.

A. Apartments. The Apartments may be occupied and used as follows:

(1) Generally. The Apartments may be occupied and used for resort, hotel or transient vacation rental purposes, and for no other purpose; subject however, to the limitations set forth in the Declaration and applicable law. Except for (a) home office use by the Apartment Owner that is allowed or permitted under the applicable zoning ordinance, or (b) where the Declaration allows the

Developer to do otherwise, or (c) the Hotel Related Apartment and its appurtenant Limited Common Elements: (i) the Apartments and their Limited Common Elements may not be used to carry on any business, trade or profession; (ii) the Apartments and their Limited Common Elements must not be used for sales of any articles or goods; and (iii) no Apartment Owner, lessee, tenant or other occupant of an Apartment may bring clients, customers or other business invitees onto the premises on a regular basis for business purposes.

(2) Time Share Use. Notwithstanding any other provision of the Declaration or the Bylaws, the Apartments may be used in or devoted to a time share, interval ownership, fractional use or joint ownership plan or program only if the Developer creates such plan or program or if the Developer authorizes or consents to such use in a recorded instrument.

(3) Right to Sell, Lease or Rent. The Apartment Owners have the absolute right to sell, lease, rent or otherwise transfer their own Apartments, subject to these restrictions and also subject to all other provisions of the Declaration and the Bylaws.

(4) Association's Use. Except for any rights to use expressly reserved to the benefit of the Fee Owner and/or the Developer, nothing limits or restricts the Association's right to use the Common Elements or any Apartment owned or leased by the Association for the benefit of the members of the Association to the full extent permitted by the applicable zoning ordinance, including without limitation, for a concierge desk and services, or activities desk.

B. Use of The Common Elements. Subject to the rights reserved by the Fee Owner and/or the Developer elsewhere in the Declaration or in the Bylaws, each Apartment Owner may use the Common Elements for the purposes for which they were intended without hindering or encroaching upon the lawful rights of the other Apartment Owners, subject to:

(1) The exclusive or other permitted use of the Limited Common Elements as provided in the Declaration;

(2) The right of the Board to change the use of the Common Elements or to lease or otherwise use the Common Elements for the benefit of the Association. The Board may only do so upon the terms and subject to the limits contained in the Condominium Property Act. See, for example, Section 514A-13(d) of the Condominium Property Act. However, no such lease, use or change in use may be made (i) before the Development Period ends unless the Developer consents to it in writing, or (ii) with respect to or affecting the Hotel, unless the owner of the Hotel Related Apartment consents to it in writing; and

(3) The right of the Developer and/or the Fee Owner to change the use of or otherwise deal with the Common Elements and Limited Common Elements in the exercise of the Developer's Reserved Rights.

(4) Except for the owner of the Hotel Related Apartment, no Apartment Owner, lessee, tenant, occupant, or other Interested Person may use the Common Elements or any part of it for any business purpose including the operation of a rental program, or a registration or check-in desk for guests of Apartment Owners. The owner of the Hotel Related Apartment shall be entitled to use the Common Elements or any part of it for any legitimate business purpose including but not limited to the operation of the Hotel and related services, functions, and activities.

C. Other Limitations on Use of the Apartments and Common Elements. No Apartment Owner, lessee, tenant, occupant, or other Interested Person can use the Project or any part of it (a) for the promotion or sale of time share interests or interests in any other interval ownership, fractional use or joint ownership plan or program, directly or indirectly; (b) for the operation of a tour or activity desk or any other business that directly or indirectly promotes the sale of time share interests, or interests in any other

interval ownership, fractional use or joint ownership plan or program; (c) for the operation of a flea market, dance hall, discotheque, funeral parlor, off-track betting parlor, carnival, amusement park, circus, gas station, auto repair shop, or bar or tavern where the primary business involves the sale of liquor for on-premises consumption; (d) for the operation of any business seeking a cabaret license; (e) for the promotion or sale of paraphernalia for use with illicit drugs; or (f) for the promotion or sale of pornography. Provided, however, that clauses (a), (b) and (c) of this paragraph do not apply to the Developer, the owner of the Hotel Related Apartment, or any Interested Person approved by the Developer in a recorded instrument.

D. Changes to Building Appearance.

(1) Changes by Owners or the Developer. Even though some of the Common Elements are Limited Common Elements appurtenant to certain Apartments, Owners are not allowed to change or cause a change to the exterior appearance of the Project unless they have the prior written consent of either the Board or the Managing Agent. This rule does not apply to the owner of the Hotel Related Apartment or to the Developer when exercising the Developer's Reserved Rights.

(2) Changes by the Board. Except for the Hotel, the Board has the right to change the exterior appearance of the Project. During the Development Period, however, the Board cannot do so without the Developer's written consent.

(3) Design Guidelines. Nobody is allowed to change the appearance of the Project in a way that does not strictly adhere to all principles, requirements and goals set forth in that certain instrument dated August 24, 2004, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2004-195080, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3169232 (the "Design Guidelines"). A copy of the Design Guidelines is attached as Exhibit E to the Declaration.

E. Maintenance and Repair of Apartments and Limited Common Elements. Each Owner must keep the interior of the Owner's Apartment, and its appurtenant Limited Common Elements, in good order and repair. This includes not just the walls and windows, but also includes all plumbing, electrical and other fixtures and equipment that are part of the Apartment or its Limited Common Elements. The Board, however, will provide for periodic resurfacing and other routine maintenance of parking stalls. This does not relieve an Owner from the obligation to pay for damages beyond normal wear and tear to his or her parking stall.

F. Developer's Rights of Use. Regardless of anything else stated in the Condominium Documents, the Developer has the right to use any Apartment that it owns or leases for promotional purposes or in connection with the initial sale and any resale of Apartments. This includes, for example, the right to have guests stay in those Apartments for any length of time. Of course, guests must comply with the Condominium Documents. It also includes the right to use its Apartments and their appurtenant Limited Common Elements as model Apartments or as sales, management or administrative offices or to provide services to the Owners or other occupants of the Project. These rights are subject to any requirements of the zoning code and any other laws that may apply to the Property.

4. Bylaws. See Section 9 of the Bylaws for more detailed examples of use restrictions applicable to the Project.

EXHIBIT E
Ocean Villas at Turtle Bay Resort
Apartment Areas and Common Interest

Unit	Building	Unit Size	Unit Type	Approx. Net Interior Floor Area (sf)	Approx. Net Lanai Floor Area (sf)	Approx. Net Living Area (sf)	Common Interest %
101	F	4 BED	TYPE B	2391	158	2549.0	2.71
102	F	1 BED	STUDIO	673	134	807.0	.86
103	F	3 BED	TYPE B	1538	160	1698.0	1.81
104	A	4 BED	TYPE A	2275	158	2433.0	2.59
105	A	1 BED	STUDIO	673	134	807.0	.86
106	A	3 BED	TYPE B	1538	160	1698.0	1.81
107	B	3 BED	TYPE B	1538	160	1698.0	1.81
108	B	3 BED	TYPE A	1411	135	1546.0	1.64
109	B	3 BED	TYPE A	1411	135	1546.0	1.64
110	C	3 BED	TYPE B	1538	160	1698.0	1.81
111	C	3 BED	TYPE A	1411	135	1546.0	1.64
112	C	3 BED	TYPE B	1538	160	1698.0	1.81
113	D	3 BED	TYPE A	1411	135	1546.0	1.64
114	D	3 BED	TYPE A	1411	135	1546.0	1.64
115	D	3 BED	TYPE B	1538	160	1698.0	1.81
116	G	3 BED	TYPE B	1538	160	1698.0	1.81
117	G	1 BED	STUDIO	673	134	807.0	.86
118	G	4 BED	TYPE B	2391	158	2549.0	2.71
119	E	3 BED	TYPE B	1538	160	1698.0	1.81
120	E	1 BED	STUDIO	673	134	807.0	.86
121	E	4 BED	TYPE B	2391	158	2549.0	2.71
201	F	4 BED	TYPE B	2391	158	2549.0	2.71
202	F	1 BED	STUDIO	673	134	807.0	.86
203	F	3 BED	TYPE B	1538	160	1689.0	1.81
204	A	4 BED	TYPE A	2275	158	2443.0	2.59
205	A	1 BED	STUDIO	673	134	807.0	.86
206	A	3 BED	TYPE B	1538	160	1698.0	1.81
207	B	3 BED	TYPE B	1538	160	1698.0	1.81
208	B	3 BED	TYPE A	1411	135	1546.0	1.64
209	B	3 BED	TYPE A	1411	135	1546.0	1.64
210	C	3 BED	TYPE B	1538	160	1698.0	1.81
211	C	3 BED	TYPE A	1411	135	1546.0	1.64
212	C	3 BED	TYPE B	1538	160	1698.0	1.81
213	D	3 BED	TYPE A	1411	135	1546.0	1.64
214	D	3 BED	TYPE A	1411	135	1546.0	1.64
215	D	3 BED	TYPE C	1684	164	1848.0	1.93
216	G	3 BED	TYPE B	1538	160	1698.0	1.81
217	G	1 BED	STUDIO	673	134	807.0	.86
218	G	4 BED	TYPE B	2391	158	2549.0	2.71
301	F	4 BED	TYPE B	2391	158	2549.0	2.71
302	F	1 BED	STUDIO	673	134	807.0	.86
303	F	3 BED	TYPE B	1538	160	1698.0	1.81
304	A	4 BED	TYPE A	2275	158	2433.0	2.59
305	A	1 BED	STUDIO	673	134	807.0	.86
306	A	3 BED	TYPE B	1538	160	1698.0	1.81
307	B	3 BED	TYPE B	1538	160	1698.0	1.81
308	B	3 BED	TYPE A	1411	135	1546.0	1.64

EXHIBIT E
Ocean Villas at Turtle Bay Resort
Apartment Areas and Common Interest

Unit	Building	Unit Size	Unit Type	Approx. Net Interior Floor Area (sf)	Approx. Net Lanai Floor Area (sf)	Approx. Net Living Area (sf)	Common Interest %
309	B	3 BED	TYPE A	1411	135	1546.0	1.64
310	C	3 BED	TYPE B	1538	160	1698.0	1.81
311	C	3 BED	TYPE A	1411	135	1546.0	1.64
312	C	3 BED	TYPE B	1538	160	1698.0	1.81
313	D	3 BED	TYPE A	1411	135	1546.0	1.64
314	D	3 BED	TYPE A	1411	135	1546.0	1.64
315	D	3 BED	TYPE C	1684	164	1848.0	1.93
316	G	3 BED	TYPE B	1538	160	1698.0	1.81
317	G	1 BED	STUDIO	673	134	807.0	.86
318	G	4 BED	TYPE B	2391	158	2549.0	2.71
					Total	94058	100%

The Common Interest for each Apartment is computed by the following formula:

$$\text{Common Interest \%} = (\text{Net Living Area} \div \text{Total Net Living Area}) \times 100$$

EXHIBIT F

Permitted Alterations to Apartments

Note: Unless otherwise specified, capitalized terms used herein have the same meanings as in the Condominium Declaration.

1. Each Owner has the right, subject only to the terms and conditions set forth in the Condominium Documents and to Board approval (which will not be unreasonably withheld or delayed, and which does not apply to the owner of the Hotel Related Apartment), to make any of the following changes, additions and Improvements solely within the Owner's Apartment or solely within any Limited Common Element that such Owner controls:

A. To install, maintain, remove and rearrange partitions and other walls from time to time within the Apartment or Limited Common Element; provided that the Owner shall not have the right to enclose any exterior lanai; and provided, further, that the number of Apartments shall not be increased as a result of the exercise of such rights;

B. To finish, change or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors or walls as appropriate for the use of the Apartment or Limited Common Element;

C. To decorate, paint, repaint, wallpaper or otherwise change the appearance of any walls, floors and ceilings of the Apartment or Limited Common Element which are not readily visible from outside the Apartment or Limited Common Element;

D. To tile, finish, carpet, re-carpet, and install, change, or remove other flooring in the Apartment or Limited Common Element which is not readily visible from outside the Apartment or Limited Common Element provided that any hard flooring materials and/or systems shall meet a Sound Transmission Coefficient (STC) acoustic standard of 50 or better and an Impact Insulation Criteria (IIC) acoustic standard of 50 or better; or

E. To make such changes, additions and improvements to the Apartment or Limited Common Elements to facilitate handicapped accessibility within the Apartment or Limited Common Element.

2. An Owner may make "nonmaterial structural additions to the Common Elements" as that term is used in §514A-89 of the Condominium Property Act.

3. The Owner of two Apartments which are separated by a Common Element that is a wall, or whose Limited Common Elements are separated from each other by a Common Element that is a wall, has the right and an easement to do these things, subject only to Board approval (which will not be unreasonably withheld or delayed), to:

A. Change or remove all or part of the intervening wall.

B. Install doors and other improvements in such opening or openings in the intervening Common Element.

C. Make other reasonable changes or additions.

Before terminating its common ownership of any of the adjacent Apartments, the Owner or Developer must restore the Common Element wall and/or other openings to substantially the same condition as before the change or removal unless the new Owners each agree otherwise in writing.

The rights of an Owner and the Developer to make the foregoing changes may be exercised only if:

(1) The structural integrity of the Apartment, or Limited Common Element or the building in which the Apartment is situated will not be adversely affected;

(2) The finish of the remaining Common Element improvements are restored to substantially the same condition they were in before the change or removal; and

(3) All construction activity is completed within a reasonable time after it begins. If there is a delay for reasons beyond the control of the Owner or Developer or their contractors, the construction activity must be completed in the additional time reasonably needed to finish it by working on it diligently.

4. The Owners of any two (2) adjacent Apartments have the right to change the designation of the Limited Common Elements appurtenant to their Apartments so that one or more Limited Common Elements appurtenant to one Apartment now will be appurtenant to the other Apartment or to both of the Apartments. The Owners cannot do this without the written consent of each Lender who has a Mortgage on either Apartment.

EXHIBIT G

Common Elements

Note: Unless otherwise specified, capitalized terms used herein have the same meanings as in the Condominium Declaration.

1. Common Elements. One freehold estate is hereby designated in all remaining portions of the Project, herein called the "Common Elements", including specifically, but not limited to:

- A. The Land in fee simple;
- B. All yards, grounds, trees, gardens, walkways, walkway railings, gates, landscaping and refuse facilities not located within an Apartment;
- C. All roads, driveways, access lanes, paved areas, ramps and loading areas;
- D. All parking stalls and parking areas;
- E. All mailboxes and storage lockers;
- F. The Hotel;
- G. The swimming pool and deck, barbeque areas and facilities, pool pump room, outdoor shower, and rubbish yard;
- H. All foundations, floor slabs, columns, girders, beams, supports, perimeter, party and load-bearing walls and partitions (excluding the finishes thereon), roofs, stairways, elevators, walkways, corridors, ramps, loading areas, entrances, entry ways and exits of the Project, all storage rooms not located within an apartment, all maintenance rooms, all mechanical rooms, all telephone rooms, and all electrical rooms.
- I. All vents, shafts, sewer lines, water lines, pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations on, above, over, under and across the Project to the point of their respective connections to Improvements comprising a part of the Apartments or the Limited Common Elements appurtenant thereto, which serve more than one Apartment, including, without limitation, those providing electricity, light, gas (if any), water, air conditioning, sewer, refuse, drainage, irrigation, telephone, and radio and television signal distribution (if any); and
- J. Any and all other equipment, apparatus and installations existing for common use by more than one (1) Apartment, and any and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

2. Limited Common Elements. Certain parts of the Common Elements, herein called the "Limited Common Elements", are hereby designated and set aside for the exclusive use of certain Apartments, and such Apartments shall have appurtenant thereto exclusive easements for the use of such Limited Common Elements as follows:

- A. Each Apartment shall have for its exclusive use one (1) mailbox bearing the same number as such Apartment and located in the mailbox area located on the first level of Building B as shown on the Condominium Map.

B. Each Apartment shall have for its exclusive use one (1) storage locker as noted on Exhibit D attached to the Declaration and as shown on the Condominium Map.

C. Each Apartment shall have for its exclusive use one (1) parking stall as noted on Exhibit D attached to the Declaration and as shown on the Condominium Map.

D. Apartment 120 (the "Hotel Related Apartment") shall have for its exclusive use the Hotel and surrounding grounds as shown on the Condominium Map.

EXHIBIT H

Encumbrances Against Title

1. Real Property Taxes that may be due and owing; reference is made to the Department of Finance, City and County of Honolulu.
2. The following:
 - (A) Easement "75" (72 feet wide) for drainage purposes, as shown on Map 68, as set forth by Land Court Order No. 35003, filed April 28, 1972.
 - (B) Easement "79" (56 feet wide) for utility purposes, as shown on Map 68, as set forth by Land Court Order No. 35003, filed April 28, 1972.
 - (C) Grant in favor of the City and County of Honolulu, dated May 3, 1978, filed as Land Court Document No. 875601, recorded in Liber 12898, Page 459; granting the right in the nature of an easement to be exercised and enjoyed by the Board of Water Supply to construct, install, maintain, operate, replace and remove an underground water pipeline or pipelines, etc., through said Easement "79".
 - (D) Perpetual easement appurtenant to Exclusion 17 for right of way purposes from Exclusion to the nearest public highway over such ways as now exist or may hereafter be lawfully substituted therefor, as set forth in Original Certificate of Title No. 17,854.
 - (E) Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and the effect, if any, upon the area of the land described herein.
 - (F) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT: DECLARATION CONCERNING LOCATION OF PEDESTRIAN EASEMENT

DATED: August 8, 1990
FILED: Land Court Document No. 1754787
RECORDED: Document No. 90-123616

3. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT: DECLARATION CONCERNING LOCATION OF PARKS AND EASEMENTS

DATED: October 11, 1989
FILED: Land Court Document No. 1675414
RECORDED: Liber 23764 Page 692

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

INSTRUMENT: DEED
DATED: December 30, 1988

FILED: Land Court Document No. 1603995
RECORDED: Liber 22730 Page 142

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

INSTRUMENT: UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING
DATED: September 23, 1986
FILED: Land Court Document No. 1402662
DATED: August 12, 1986
RECORDED: Liber 19756 Page 709
PARTIES: Kuilima Development Company, and the Trustees under the Will and of the Estate of James Campbell, Deceased, acting in their fiduciary and not in their individual corporate capacities.

AMENDMENT TO UNILATERAL AGREEMENT dated December --, 1988, filed as Land Court Document No. 1603989, recorded in Liber 22730 at Page 23.

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

INSTRUMENT: UNRECORDED KUILIMA ACQUISITION AGREEMENT
DATED: June 3, 1988, but effective as of January 1, 1988
PARTIES: F. E. TROTTER, INC., W. H. McVAY, INC., P. R. CASSIDAY, INC. and H. C. CORNUELLE, INC., all Hawaii professional corporations, the duly appointed qualified and acting Trustees under the Will and of the Estate of James Campbell, deceased, and KUILIMA DEVELOPMENT COMPANY, a Hawaii registered general partnership

Said Kuilima Acquisition Agreement was assigned to and assumed by KUILIMA RESORT COMPANY, a Hawaii general partnership, by unrecorded ASSIGNMENT AND ASSUMPTION AGREEMENT dated as of June 3, 1988.

A SHORT FORM KUILIMA ACQUISITION AGREEMENT incorporating all of the foregoing is dated as of June 3, 1988, filed as Land Court Document No. 1555263.

Said Short Form Kuilima Acquisition Agreement was corrected by CORRECTION TO SHORT FORM KUILIMA ACQUISITION AGREEMENT dated December 30, 1988, filed as Land Court Document No 1603988.

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

INSTRUMENT: DECLARATION OF RESTRICTIVE COVENANTS
DATED: December 30, 1988
FILED: Land Court Document No. 1603990
RECORDED: Liber 22730 at Page 33

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

INSTRUMENT: DECLARATION OF RESTRICTIVE COVENANTS
DATED: August 8, 1990

FILED: Land Court Document No. 1767661
RECORDED: Document No. 90-149978

10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in GRANT OF NON-EXCLUSIVE EASEMENT (ACCESS) dated December 30, 1988, filed as Land Court Document No. 1603996, recorded in Liber 22730 at Page 170.

11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in GRANT OF NON-EXCLUSIVE EASEMENT (NON-POTABLE WATER) dated December --, 1988, (acknowledged December 29, 1988 and December 28, 1988), filed as Land Court Document No. 1603997, recorded in Liber 22730 at Page 212.

12. UNRECORDED LEASE

LESSOR: KUILIMA RESORT COMPANY, a Hawaii general partnership
LESSEE: TBR PROPERTY, L.L.C., a Delaware limited liability company
DATED: August 31, 2001
TERM: expiring July 1, 2004 and will renew automatically for one year periods at the end of the initial term, provided Tenant is not in default

A MEMORANDUM OF LEASE is dated as of December 28, 2001, filed as Land Court Document No. 2768281, recorded as Document No. 2002-004015.

ABOVE LEASE AMENDED BY INSTRUMENT

DATED : June 30, 2004
FILED : Land Court Document No. 3140458
RECORDED : Document No. 2004-147535
RE : removal of the Ocean Villas parcel from the real property demised by the Lease

13. MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FINANCING STATEMENT

MORTGAGOR : KUILIMA RESORT COMPANY, a Hawaii general partnership, and TBR PROPERTY, L.L.C. and OCEAN VILLAS DEVELOPMENT, L.L.C., both Delaware limited liability companies
MORTGAGEE : SOCIETE GENERALE, a French banking corporation, as Administrative Agent for the Lenders and the Lender IRA Providers
DATED : June 30, 2004
FILED : Land Court Document No. 3131142
RECORDED : Document No. 2004-134844
AMOUNT : \$100,000,000.00

14. ASSIGNMENT OF LEASES, RENTS AND SECURITY DEPOSITS dated June 30, 2004, recorded as Document No. 2004-134845, by and between KUILIMA RESORT COMPANY, a Hawaii general partnership; and TBR PROPERTY, L.L.C.; and OCEAN VILLAS DEVELOPMENT, L.L.C., both Delaware limited liability companies as Assignor, and SOCIETE GENERALE, a French banking corporation, as Administrative Agent for the Lenders and the Lender IRA Providers as Assignee.

15. ASSIGNMENT OF SALES CONTRACTS AND DEPOSITS dated June 30, 2004, recorded as Document No. 2004-134846, by and between KUILIMA RESORT COMPANY, a Hawaii general partnership; and OCEAN VILLAS DEVELOPMENT, L.L.C., a Delaware limited liability company as

Assignor, and SOCIETE GENERALE, a French banking corporation, as Administrative Agent for the Lenders and the Lender IRA Providers as Assignee.

16. FINANCING STATEMENT

DEBTOR : KUILIMA RESORT COMPANY
SECURED
PARTY : SOCIETE GENERALE
RECORDED : Document No. 2004-134847
RECORDED ON : July 1, 2004

17. FINANCING STATEMENT

DEBTOR : TBR PROPERTY, L.L.C.
SECURED
PARTY : SOCIETE GENERALE
RECORDED : Document No. 2004-134848
RECORDED ON : July 1, 2004

18. FINANCING STATEMENT

DEBTOR : TBR PROPERTY, L.L.C.
SECURED
PARTY : SOCIETE GENERALE
RECORDED : Document No. 2004-134851
RECORDED ON : July 1, 2004

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

INSTRUMENT : DECLARATION OF RESTRICTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS
DATED : August 24, 2004
FILED : Land Court Document No. 3169232
RECORDED : Document No. 2004-195080

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

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME
FOR "OCEAN VILLAS AT TURTLE BAY RESORT"
CONDOMINIUM PROJECT
DATED : August 31, 2004
FILED : Land Court Document No. 3172940
RECORDED : Document No. 2004-200492
MAPS : 1665 filed in the Office of the Assistant Registrar of the Land
Court, and 3844 recorded in the Bureau of Conveyances, and
any amendments thereto

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

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS
DATED : August 24, 2004

FILED : Land Court Document No. 3172941
RECORDED : Document No. 2004-200493

22. Any unrecorded leases and matters arising from or affecting the same.
23. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.
24. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described in Schedule C herein.

Items 12 through 18 will be released as to each Apartment prior to closing of the sale of such Apartment.

Exhibit I
Ocean Villas at Turtle Bay Resort
Estimated Initial Maintenance Fees and Operating Expenses
For the Initial Twelve Months

(October 19, 2004)

	Annual			Monthly		
	Operating	Reserve	Total	Operating	Reserve	Total
	Fund	Fund		Fund	Fund	
REVENUE						
Maintenance fees	850,350.00	35,431.00	885,781.00	70,862.50	2,952.58	73,815.08
EXPENSES						
Utilities						
Water	40,000.00		40,000.00	3,333.33		3,333.33
Television	35,040.00		35,040.00	2,920.00		2,920.00
Gas	20,040.00		20,040.00	1,670.00		1,670.00
Electricity	16,020.00		16,020.00	1,335.00		1,335.00
Sewer	12,000.00		12,000.00	1,000.00		1,000.00
Telephone	3,000.00		3,000.00	250.00		250.00
Total	126,100.00	0.00	126,100.00	10,508.33	0.00	10,508.33
Contract services						
Landscaping	100,000.00		100,000.00	8,333.33		8,333.33
Trash removal	15,000.00		15,000.00	1,250.00		1,250.00
Air conditioning	13,020.00		13,020.00	1,085.00		1,085.00
Elevator	6,000.00		6,000.00	500.00		500.00
Tree trimming	4,020.00		4,020.00	335.00		335.00
Mechanical systems	3,000.00		3,000.00	250.00		250.00
Fire/alarm systems	3,000.00		3,000.00	250.00		250.00
Pest control	1,020.00		1,020.00	85.00		85.00
Backflow/sewer testing	510.00		510.00	42.50		42.50
Total	145,570.00	0.00	145,570.00	12,130.83	0.00	12,130.83
Maintenance						
Paint and paint supplies	36,020.00		36,020.00	3,001.67		3,001.67
Landscaping supplies	7,020.00		7,020.00	585.00		585.00
Building repairs	5,040.00		5,040.00	420.00		420.00
AC System repairs	4,020.00		4,020.00	335.00		335.00
Light bulbs / electrical	3,000.00		3,000.00	250.00		250.00
Security equip R&R	2,040.00		2,040.00	170.00		170.00
Misc repair and maint/supplies	2,040.00		2,040.00	170.00		170.00
Tools and equipment	2,040.00		2,040.00	170.00		170.00
Amenities / flowers	1,500.00		1,500.00	125.00		125.00
Custodial supplies/equipment	1,020.00		1,020.00	85.00		85.00
Plumbing repairs	1,020.00		1,020.00	85.00		85.00
Pool / Jacuzzi	1,020.00		1,020.00	85.00		85.00
Fire system repairs	1,020.00		1,020.00	85.00		85.00
Miscellaneous expense	1,500.00		1,500.00	125.00		125.00
Total	68,300.00	0.00	68,300.00	5,691.67	0.00	5,691.67
Professional services						
Management services	30,000.00		30,000.00	2,500.00		2,500.00
Admin supplies and services	10,020.00		10,020.00	835.00		835.00
AOAO admin expenses	10,020.00		10,020.00	835.00		835.00
Legal	4,020.00		4,020.00	335.00		335.00
Newsletter / Web publication	2,520.00		2,520.00	210.00		210.00
Education	2,040.00		2,040.00	170.00		170.00
Consulting services	2,040.00		2,040.00	170.00		170.00
Audit	5,000.00		5,000.00	416.67		416.67
Office furniture and equipment		15,000.00	15,000.00	0.00	1,250.00	1,250.00
Total	65,660.00	15,000.00	80,660.00	5,471.67	1,250.00	6,721.67
Payroll and benefits						
Security	55,000.00		55,000.00	4,583.33		4,583.33
Manager	50,040.00		50,040.00	4,170.00		4,170.00
Health care insurance	50,040.00		50,040.00	4,170.00		4,170.00
Maintenance	37,520.00		37,520.00	3,126.67		3,126.67
Payroll taxes	37,520.00		37,520.00	3,126.67		3,126.67
Office administration	26,040.00		26,040.00	2,170.00		2,170.00
Workers' compensation prem	12,000.00		12,000.00	1,000.00		1,000.00
Manager's apartment	12,000.00		12,000.00	1,000.00		1,000.00
401(k) matching	4,020.00		4,020.00	335.00		335.00
Payroll preparation	3,000.00		3,000.00	250.00		250.00
Temporary disability insurance	2,040.00		2,040.00	170.00		170.00
Total	289,220.00		289,220.00	24,101.67	0.00	24,101.67
Other						
Insurance - Property + Terrorism	63,660.00		63,660.00	5,305.00		5,305.00

Exhibit I

Ocean Villas at Turtle Bay Resort
 Estimated Initial Maintenance Fees and Operating Expenses
 For the Initial Twelve Months

(October 19, 2004)	Annual			Monthly		
	Operating Fund	Reserve Fund	Total	Operating Fund	Reserve Fund	Total
Insurance - Liability + Terrorism	1,830.00		1,830.00	152.50		152.50
Insurance - Excess Liability + Terrorism	4,590.00		4,590.00	382.50		382.50
Insurance - Fidelity Bond / Crime	635.00		635.00	52.92		52.92
Insurance - Flood	58,000.00		58,000.00	4,833.33		4,833.33
Insurance - D & O	1,705.00		1,705.00	142.08		142.08
Uninsured expenses	5,040.00		5,040.00	420.00		420.00
Hawaii general excises taxes	1,020.00		1,020.00	85.00		85.00
Miscellaneous expense	4,020.00		4,020.00	335.00		335.00
Total	140,500.00	0.00	140,500.00	11,708.33	0.00	11,708.33
Total expenses	835,350.00	15,000.00	850,350.00	69,612.50	1,250.00	70,862.50
REVENUE LESS EXPENSES	15,000.00	20,431.00	35,431.00	1,250.00	1,702.58	2,952.58
FUND BALANCES - Beginning of year	0.00	0.00	0.00			
FUND BALANCES - End of year	15,000.00	20,431.00	35,431.00			

EXHIBIT I
Estimate of Initial Maintenance Fees

2005 Operating Budget for Ocean Villas at Turtle Bay Resort

Unit No.	Common Interest	Common Expense
101	2.71%	\$ 2,000.39
102	0.86%	\$ 634.81
103	1.81%	\$ 1,336.05
104	2.59%	\$ 1,911.81
105	0.86%	\$ 634.81
106	1.81%	\$ 1,336.05
107	1.81%	\$ 1,336.05
108	1.64%	\$ 1,210.57
109	1.64%	\$ 1,210.57
110	1.81%	\$ 1,336.05
111	1.64%	\$ 1,210.57
112	1.81%	\$ 1,336.05
113	1.64%	\$ 1,210.57
114	1.64%	\$ 1,210.57
115	1.81%	\$ 1,336.05
116	1.81%	\$ 1,336.05
117	0.86%	\$ 634.81
118	2.71%	\$ 2,000.39
119	1.81%	\$ 1,336.05
120	0.86%	\$ 634.81
121	2.71%	\$ 2,000.39
201	2.71%	\$ 2,000.39
202	0.86%	\$ 634.81
203	1.81%	\$ 1,336.05
204	2.59%	\$ 1,911.81
205	0.86%	\$ 634.81
206	1.81%	\$ 1,336.05
207	1.81%	\$ 1,336.05
208	1.64%	\$ 1,210.57
209	1.64%	\$ 1,210.57
210	1.81%	\$ 1,336.05
211	1.64%	\$ 1,210.57
212	1.81%	\$ 1,336.05
213	1.64%	\$ 1,210.57
214	1.64%	\$ 1,210.57
215	1.93%	\$ 1,424.63
216	1.81%	\$ 1,336.05
217	0.86%	\$ 634.81
218	2.71%	\$ 2,000.39
301	2.71%	\$ 2,000.39
302	0.86%	\$ 634.81
303	1.81%	\$ 1,336.05
304	2.59%	\$ 1,911.81
305	0.86%	\$ 634.81

EXHIBIT I
Estimate of Initial Maintenance Fees


2005 Operating Budget for Ocean Villas at Turtle Bay Resort

Unit No.	Common Interest	Common Expense
306	1.81%	\$ 1,336.05
307	1.81%	\$ 1,336.05
308	1.64%	\$ 1,210.57
309	1.64%	\$ 1,210.57
310	1.81%	\$ 1,336.05
311	1.64%	\$ 1,210.57
312	1.81%	\$ 1,336.05
313	1.64%	\$ 1,210.57
314	1.64%	\$ 1,210.57
315	1.93%	\$ 1,424.63
316	1.81%	\$ 1,336.05
317	0.86%	\$ 634.81
318	2.71%	\$ 2,000.39
Total	100.00%	\$ 73,815.07

Villa Management, L.L.C., a Delaware limited liability company, as the condominium managing agent for the Ocean Villas at Turtle Bay Resort ("Project") hereby certifies that the attached estimate of the initial maintenance fee assessments and maintenance fee disbursements is based on the reasonably anticipated costs of operation, maintenance and upkeep of the Project and as such is fairly and accurately presented.

VILLA MANAGEMENT, L.L.C.,
a Delaware limited liability company

By Oaktree Capital Management, LLC
a California limited liability company
Its Manager

By 
Name: Marc Porosoff
Title: Senior Vice President, Legal

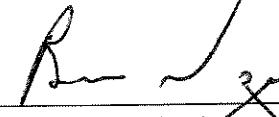
By 
Name: Bruce Nuzie
Title: Senior Vice President

EXHIBIT J

Summary of Sales Contract

The specimen Condominium Purchase Agreement, Deposit Receipt and Contract ("Purchase Agreement") contains, among others, the following terms and provisions (which may be modified or otherwise limited by provisions not summarized):

1. The Purchase Price shall be paid in three (3) payments, the last of which shall be paid to the escrow agent, subject to other terms, on the earlier of (a) the Date of Pre-closing, or (b) three (3) days prior to the Date of Closing, except that mortgage proceeds from Buyer's Permanent Loan may be paid one (1) day prior to the Date of Closing.
2. The Purchase Price does not include the Project start-up fee, any maintenance fees for the Apartment, closing costs, prorations, and additional costs payable by Buyer under the Purchase Agreement.
3. The Purchase Agreement will become a binding sales contract upon the last to occur of (i) Buyer's actual or deemed execution and return of the receipt for a Contingent Final Public Report (or, if a Contingent Final Public Report is not issued, the Final Public Report), and (ii) Buyer's actual or deemed waiver, or the expiration, of Buyer's right to cancel as more particularly provided in Hawaii Revised Statutes ("H.R.S.") §514A-62. Prior to the time the Purchase Agreement becomes a binding sales contract, it may be terminated by either Buyer or Seller, with or without cause, at the option of either party by written notice of such termination delivered to the other party.
4. Buyer has received a copy of the public report(s) for the Project, and Buyer acknowledges that Buyer has had a reasonable opportunity to read the Declaration, By-Laws, House Rules, form of Apartment Deed and Escrow Agreement, and to examine the Project plans, and Buyer accepts such documents and plans with such changes and modifications as the Project architect may deem necessary.
5. Within thirty (30) days after the date Seller accepts the Purchase Agreement, Buyer must submit to Seller a Qualification Letter, in form and content acceptable to Seller, issued by the Qualification Agent identified in the Purchase Agreement confirming Buyer's ability to pay the Purchase Price.
6. If Buyer applied for and diligently pursued a Qualification Letter, and Buyer does not obtain a Qualification Letter in form and content acceptable to Seller within thirty (30) calendar days of Seller's acceptance of this Agreement, then Seller or Buyer can terminate this Agreement, and in such event, Escrow shall refund to Buyer all monies previously paid by Buyer, with interest to the extent provided under the Purchase Agreement, less Escrow's cancellation fee and other actual expenses incurred by reason of Buyer having signed the Purchase Agreement.
7. If the Qualification Letter for Buyer's Permanent Loan is issued more than one hundred twenty (120) days prior to the Date of Closing, then Buyer must promptly submit all documents that may be required by Buyer's Permanent Lender to reconfirm the written commitment for Buyer's Permanent Loan.
8. If Buyer does not act in good faith under the Purchase Agreement or otherwise comply with the requirements with respect to mortgage financing set forth in the Purchase Agreement strictly within the time frames set forth in the Purchase Agreement, Buyer shall be in default under the Purchase Agreement, and Seller may then cancel Escrow, terminate the Purchase Agreement and proceed in accordance with Paragraph 33 hereinbelow
9. If Buyer will be paying the entire Purchase Price in cash and Seller so requires, then no later than thirty (30) days, and no earlier than sixty (60) days prior to the estimated Date of Closing, Buyer must

submit to Seller written evidence from Buyer's bankers or accountants or other persons reconfirming Buyer's ability to pay the Purchase Price in cash on the Date of Closing. If Seller, in its sole discretion, is not satisfied as to Buyer's continued ability to make such cash payments and Seller determines that Buyer has not acted in good faith hereunder or otherwise complied with the requirements of Paragraph 1 of the Purchase Agreement, then Seller may cancel Escrow, terminate the Purchase Agreement and proceed in accordance with Paragraph 33 hereinbelow.

10. All payments made by Borrower under the Purchase Agreement will be deposited with Escrow under the terms of the Escrow Agreement.

11. Buyer agrees that after the Commission's issuance of an effective date for a Contingent Final Public Report (or, if a Contingent Final Public Report is not issued, the Final Public Report), Payments A, B and C under the Purchase Agreement may be disbursed by Escrow subject to the terms of the Escrow Agreement prior to the date of completion of the Project as permitted by §514A 40(a)(6) and §514A-67, Hawaii Revised Statutes, as amended, to pay for the costs of constructing the Project.

12. Seller has reserved the right to make certain modifications to the Declaration, By Laws, House Rules, Condominium Map, form of Apartment Deed, and other documents as may be required by law, any title insurance company, any institutional mortgagee, or any governmental agency, or as Seller otherwise deems appropriate.

13. The Purchase Agreement shall not be construed as a present transfer of any interest in the Apartment, but is an agreement to transfer in the future.

14. Buyer waives, relinquishes, and subordinates the priority or superiority of any lien or any other legal or equitable interest arising under the Purchase Agreement in favor of the lien or charge on the Project or the security interests of Seller's lender ("Lender"), including but not limited to any lien, mortgage, or other charge securing a loan made to finance the acquisition of the land and the costs of construction and other costs during such construction and any and all advances therefor, whether contractual or voluntary, until the final closing and delivery by Seller of an apartment deed to Buyer.

15. Buyer consents to Seller's assignment to Lender, as security, of Seller's interests in the Purchase Agreement and Buyer's deposits with Escrow. In the event Lender acquires Seller's interest in the Purchase Agreement pursuant to said assignment, Buyer will, at Lender's option, perform to, attorn to, and recognize Lender as the Seller under the Purchase Agreement.

16. Seller unconditionally covenants and agrees that construction of the Apartment shall be completed within two (2) years of the date that the Purchase Agreement becomes a binding contract between Buyer and Seller; provided, however that said two (2) year period shall be extended for any period of time during which Seller is actually and necessarily delayed in completing construction of the Apartment if said delay is due to fire, earthquake, acts of God, the elements, war or civil disturbance, strikes or other disturbances, government legislation or controls, or economic controls making it impossible to obtain the necessary labor or materials, or other matters or conditions legally supportable under Hawaii law as being beyond the control of Seller and which cause completion of construction of the Apartment within said two (2) year period to be impossible.

17. Any model shown to Buyer is displayed only for illustration, and Seller is not required to deliver the Apartment in exact accordance with any model. None of the appurtenances and furnishings shown in any model is included in the Purchase Agreement unless Seller agrees in writing to deliver the same for part of the Purchase Price. The usable or living area, location and configuration of the Apartment and all improvements located on the Project may fluctuate from that shown or displayed to Buyer in any drawings, plans, topographic maps or models when Seller finally places final improvements. The location, size, height and composition of all walls, fences and other improvements to be constructed on the Project or adjacent thereto shall be determined by Seller in its sole and absolute discretion. Despite

models or drawings displayed to Buyer, Seller has made no representations, warranties or assurances to Buyer regarding the size, height, location or composition of any improvement to be constructed on or adjacent to the Project. Seller may substitute the materials, appliances and other items in the Apartment and on the Project with materials, appliances and other items of substantially equal quality and utility, without adjustment to the Purchase Price. If Seller is unable to complete or install in the Apartment any optional item, decorator item, fixture, furnishing or other improvement, and such failure is caused by circumstances beyond Seller's reasonable control, the Close of Escrow shall not be delayed so long as occupancy of the Apartment is approved by the applicable governmental authority.

18. So long as Seller owns an interest in any apartment in the Project, and until the election of the Board of Directors and officers of the Association of Apartment Owners, Seller may exercise all of the powers of the Board of Directors and officers.

19. The estimates of monthly maintenance charges and assessments for the Apartments set forth in the public reports for the Project are not intended to be and do not constitute any representation or warranty by Seller.

20. After the Purchase Agreement has become a binding contract, Buyer may terminate the Purchase Agreement only if there is a material change in the Project (other than a change made pursuant to the Declaration) which directly, substantially, and adversely affects the use or value of the Apartment or appurtenant limited common elements or the amenities of the Project available for Buyer's use.

21. Seller may cancel the Purchase Agreement if (i) Buyer fails to make any payment when due under the Purchase Agreement, or (ii) Buyer fails to furnish to Seller satisfactory evidence of Buyer's ability to pay the Purchase Price, or (iii) Buyer fails to furnish to Seller the qualification letter within the time period specified in the Purchase Agreement, or (iv) if Buyer is paying the entire Purchase Price in cash, Buyer fails to reconfirm to Seller satisfaction Buyer's ability to pay the Purchase Price as required by the Purchase Agreement, or (v) if Buyer is not a natural person, Buyer fails to have its obligations under the Purchase Agreement guaranteed by a person acceptable to Seller, or (vi) Buyer fails to execute and return the receipt and notice of right to cancel in connection with Buyer's receipt of a copy of a Contingent Final Public Report or the Final Public Report within the time period specified in the Purchase Agreement, or (vii) Buyer fails to perform any other obligation required under the Purchase Agreement and such failure continues for fifteen (15) days after Seller gives written notice to Buyer of such failure, or (viii) any Buyer under the Purchase Agreement dies prior to the performance of all of Buyer's obligations under the Purchase Agreement.

22. Neither Seller nor any of Seller's representatives has made any representations or references as to rental of the Apartment, or the income, or any other economic benefit to be derived from the rental of the Apartment. Buyer will not enter into any rental pool or similar arrangement until Seller has closed the sale of all the apartments in the Project or until December 31, 2008, whichever shall first occur.

23. Seller makes only those warranties regarding construction and appliances which are set forth in the Purchase Agreement.

24. Seller may preclose on or about thirty (30) days prior to the estimated Date of Closing by having all documents necessary for closing executed and deposited with Escrow. Upon preclosing, Buyer must deposit into Escrow all sums due at closing, except Buyer's Permanent Loan proceeds, if applicable.

25. If the Purchase Agreement is accepted by Seller more than forty-five (45) days prior to the Date of Occupancy, the Date of Closing shall be the date, selected by Seller, within forty-five (45) days after the Date of Occupancy; otherwise, the Date of Closing shall be a date mutually acceptable to Buyer and Seller, but in no event more than sixty (60) days after Seller has accepted the Purchase Agreement.

26. Buyer will not take possession of the Apartment prior to the Date of Closing and full satisfaction by Buyer of all terms and conditions of the Purchase Agreement.

27. Buyer or its agent will inspect the Apartment and will sign an inspection sheet to be furnished by Seller or the contractor, or Buyer will appoint the inspecting architect or engineer for the Project, or Seller or any agent of Seller to inspect the Apartment and execute the inspection sheet on behalf of Buyer. Buyer agrees to accept possession of the Apartment despite the existence of defects and damages as long as Seller agrees to repair such defects or damages within a reasonable time. Buyer agrees to indemnify Seller for any damages or losses resulting from any wrongful refusal to accept possession of the Apartment.

28. If Seller chooses to offer color selections for the standard appliances or any other standard items in the Apartment, then Buyer must make such selections within five (5) business days after receipt of notice from Seller or Seller's agent requiring Buyer to make such selections. If Buyer fails to make such selections within the required time period, Seller shall be authorized to make the color selections on behalf of Buyer. If any of the color selections become unavailable for any reason, Buyer must make another color selection from the alternative choices offered by Seller within five (5) business days after receipt of written notice of the unavailability of the original color selection, or Seller shall be authorized to make such selection on behalf of Buyer. The unavailability of any original color selection shall have no effect on Buyer's obligations under the Purchase Agreement and shall not in any way constitute grounds for any claim whatsoever against Seller.

29. Risk of loss to the Apartment shall be borne by Seller until the Date of Closing.

30. Time is of the essence of the obligations of Buyer under the Purchase Agreement.

31. In the event of any default under the Purchase Agreement by Buyer which occurs before the Purchase Agreement becomes a binding contract, Seller may terminate the Purchase Agreement by written notice to Buyer, and (a) all moneys paid under the Purchase Agreement shall be refunded or the check returned to Buyer, with interest to the extent provided in the Purchase Agreement, less any cancellation fee imposed by Escrow and any other actual expenses incurred by reason of Buyer having signed the Purchase Agreement; and (b) all costs, including reasonable attorneys' fees, incurred by reason of the default by Buyer shall be paid by Buyer promptly upon Seller's demand therefor. In the event of any default under the Purchase Agreement by Buyer which occurs after the Purchase Agreement becomes a binding contract, (i) Seller may terminate the Purchase Agreement and thereupon, at Seller's option, all sums previously paid by Buyer, together with all accrued interest thereon, shall belong to Seller as liquidated damages, or (ii) Seller may pursue any other remedies permitted at law or in equity, including, but not limited to, specific performance.

32. Seller shall be in default under this Agreement if (i) Seller fails to complete or cause completion of construction of the Apartment within two (2) years of the date the Purchase Agreement becomes a binding contract, or (ii) Seller fails to perform any other obligation required under the Purchase Agreement and such failure continues for fifteen (15) days after Buyer gives written notice to Seller of such failure.

33. In the event of any default by Seller which occurs before the Purchase Agreement becomes a binding contract, Buyer may terminate the Purchase Agreement by written notice to Seller, and (i) all moneys paid under the Purchase Agreement by Buyer shall be refunded or the check returned to Buyer, with interest to the extent provided in the Purchase Agreement, less any cancellation fee imposed by Escrow and any other actual expenses incurred by reason of Buyer having signed this Agreement; and (ii) upon Buyer's demand therefor, Seller shall promptly pay all costs, including reasonable attorneys' fees, incurred by reason of the default by Seller. In the event of any default by Seller which occurs after the Agreement becomes a binding contract, Buyer may (i) cancel and terminate the Purchase Agreement by written notice to Seller, and receive (x) from Escrow a full refund of all moneys paid by Buyer under the Purchase Agreement, together with interest to the extent provided in the Purchase Agreement (less any

cancellation fee imposed by Escrow), and (y) all costs, including reasonable attorneys' fees, incurred by Buyer by reason of Seller's default, or (ii) file suit against Seller for the actual damages suffered by Buyer as a result of Seller's default under the Purchase Agreement, or (iii) pursue any other remedies permitted at law or in equity, including, but not limited to, seeking specific performance of the Purchase Agreement.

34. Buyer may not at any time assign its rights or obligations under the Purchase Agreement.

Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings given them under the Purchase Agreement.

35. Portions of the Project are located within a flood zone (zone VE). However, upon completion of construction, all buildings of the Project will either conform with applicable flood zone requirements and regulations then in effect, or qualify as legal non-conforming structures with respect to flood zone requirements and regulations then in effect. Buyer will be assuming the risk of any property damage, personal injury, loss in property value, costs, expenses or other consequences that may result from (i) the location of portions of the Project within a flood zone, such as the cost of obtaining flood insurance as may be required by the Declaration or other applicable law; or (ii) future changes to the flood zone requirements applicable to the Project or portions thereof, such as the additional cost of rebuilding any non-conforming structure that may be destroyed in conformity with the flood zone requirements then applicable to the Project.

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

EXHIBIT K

Summary of Escrow Agreement

The Condominium Escrow Agreement ("Escrow Agreement") dated as of January 29, 2004, was made by and between Title Guaranty Escrow Services, Inc. ("Escrow Agent") and Ocean Villas Development, L.L.C. The Escrow Agreement contains among other provisions the following (which may be modified or otherwise limited by provisions not summarized herein):

1. Sales Contracts Deposited in Escrow. Whenever Developer enters into a sales contract with a purchaser for the sale of an apartment in the Ocean Villas at Turtle Bay condominium project (the "Project"), Developer shall deliver an executed copy of said contract to Escrow Agent. The sales contract shall require that all payments due thereunder be made directly to Escrow Agent to be held and disbursed in accordance with the Escrow Agreement. If the purchaser intends to purchase the apartment as an "owner-occupant" pursuant to Chapter 514A, Part VI, Hawaii Revised Statutes ("H.R.S."), said purchaser shall deliver an owner-occupant affidavit to Escrow Agent in the form and content required by H.R.S. §514A-104.5.
2. Receipt of Funds by Escrow Agent. Escrow Agent will receive payments under the sales contracts and from any other source relating to the Project. Escrow Agent will deposit all funds within a reasonable time after receipt in an interest-bearing account or accounts at a federally insured bank, savings and loan association, or other financial institution. Any interest earned on such deposits shall accrue to the credit of Developer unless Escrow Agent is asked to establish a separate account for a purchaser, in which case interest on such account shall accrue to the credit of said purchaser.
3. Conditions to be Met Prior to Disbursement of Purchasers' Funds Held In Escrow to Pay Certain Project Expenses Prior to Completion of Construction. Escrow Agent shall make no disbursement of funds deposited with it unless: (a) the Real Estate Commission has issued a Final Public Report on the Project; (b) Developer or Developer's attorney has notified Escrow Agent that the requirements of H.R.S. §514A-62 and §514A-63 have been met; and (c) Developer has given Escrow Agent a written waiver of any reserved option to cancel the sales contract. Prior to completion of construction, provided that the requirements set forth in clauses (a) through (c) of the preceding sentence have been satisfied, Escrow Agent shall disburse funds deposited with it to pay for (i) construction costs of the buildings and other improvements and fixtures of the Project, and (ii) architectural, engineering, finance and legal fees and other incidental expense of the Project to the extent approved by Developer's mortgagee.
4. Return of Funds and Documents. Escrow Agent will return deposited sums, without interest and less Escrow Agent's cancellation fee and other costs up to a maximum of \$250.00, to a purchaser if:
 - (a) Developer and such purchaser shall instruct Escrow Agent in writing to return such funds to such purchaser; or
 - (b) Developer shall notify Escrow Agent of Developer's exercise of the option to cancel or rescind the Sales Contract entered into by such purchaser pursuant to any right of cancellation or rescission provided for therein or otherwise available to Developer with respect to which, in accordance with the sales contract, Purchaser is entitled to a return of funds deposited by it with Escrow Agent; or
 - (c) With respect to any purchaser whose funds were obtained prior to the issuance of the Final Public Report, such purchaser has exercised such purchaser's right to cancel the sales contract entered into by such purchaser pursuant to HRS Section 514A-62; or
 - (d) Such purchaser has exercised such purchaser's right to rescind the sales contract pursuant to HRS Section 514A-63.

5. Unclaimed Funds. Escrow Agent shall notify each purchaser entitled to a return of funds by registered or certified mail. If any purchaser does not claim the refund within sixty (60) days, Escrow Agent shall deposit the funds with a bank or depository selected by Escrow Agent in the name of Developer as trustee for the purchaser. Thereafter, Escrow Agent shall have no further obligation or liability with respect to such funds or purchaser.

6. Closing. Except for the sales contract and any note and mortgage, Escrow Agent shall arrange for and supervise the execution, recording, and delivery of all documents, as necessary, related to the Project.

7. Partial Closings. In the event Developer desires partial closings (i.e. closings for some but not all of the apartments), Escrow Agent agrees to cooperate and facilitate such partial closings.

8. Defects in Documents. Escrow Agent shall record all documents within three (3) business days of the date of closing, provided said documents are not defective in any way. If any documents are defective, Escrow Agent will notify Developer thereof and correct such defects if they are within Escrow Agent's capacity to correct.

9. Purchaser's Default. Developer shall notify Escrow Agent when payments are due from a purchaser, who shall then be notified by Escrow Agent. Escrow Agent shall notify Developer of any defaults by a purchaser. If Developer certifies to Escrow Agent in writing that Developer has terminated the sales contract, Escrow Agent shall thereafter treat all funds of the purchaser paid on account of said sales contract as funds of Developer. Upon the written request of Developer, Escrow Agent shall pay such funds to Developer, less any cancellation fee, and shall return any partially executed conveyance documents. Escrow Agent shall retain all other documents for the statutory period. Thereafter, Escrow Agent shall have no further obligation or liability with respect to such funds or purchaser.

10. Protection of Escrow Agent. Escrow Agent shall have no liability for acting in accordance with the terms of the Escrow Agreement, notwithstanding a notice to the contrary from Developer, any purchaser, or any third person. Escrow Agent shall not be responsible for the validity or sufficiency of any documents received by it, shall assume that said documents have been properly executed, and shall assume that any written certification or instrument from Developer is true and accurate. In the event of any dispute, difference, or conflicting demand upon Escrow Agent, Escrow Agent shall not be required to determine the same or take any action in the premises, but may await settlement of the controversy by appropriate legal proceedings or otherwise, including the resolution of an interpleader action initiated by Escrow Agent. Developer and each purchaser agree to pay Escrow Agent on demand and to indemnify and hold harmless Escrow Agent against all costs and damages arising out of this Agreement, except for any act or omission of Escrow Agent that is not generally accepted as a reasonable business practice. Escrow Agent shall not be required to mail any notice or keep any records required under H.R.S. Chapter 514A.

11. Miscellaneous. The Escrow Agreement is binding upon and inures to the benefit of the parties hereto and their successors and assigns. The Escrow Agreement may be terminated on thirty (30) days written notice to either party. In the event of any conflict between the Escrow Agreement and H.R.S. Chapter 514A, the statutory provisions shall control. Escrow Agent shall furnish Developer with semi-monthly reports that cover the status of each sales contract in escrow.

12. Compensation. For each Apartment sale closed by Escrow Agent, Escrow Agent shall be paid an escrow fee. The escrow fee shall be \$800.00 plus the applicable Hawaii general excise tax thereon with respect to Apartments having a purchase price of less than \$750,000.00. The escrow fee shall be \$1,000.00 plus the applicable Hawaii general excise tax thereon with respect to Apartments having a purchase price of from \$750,000.01 to \$1,000,000.00. The escrow fee shall be \$1,500.00 plus the applicable Hawaii general excise tax thereon with respect to Apartments having a purchase price of more than \$1,000,000.00. The premium for the standard owner's title insurance policy with respect to each

Apartment shall be \$900.00 with respect to Apartments having a purchase price of less than \$750,000.00; \$1,200.00 with respect to Apartments having a purchase price of from \$750,000.01 to \$1,000,000.00; and \$1,700.00 with respect to Apartments having a purchase price of more than \$1,000,000.00. Premiums for an ALTA Homeowner's policy or ALTA Owner's policy are slightly more and are set forth in the Escrow Agreement. An ALTA lender's title insurance policy (if necessary) issued concurrently with the title insurance policy is free of charge. The title insurance premiums may be subject to change if reinsurance rates change, or if special endorsements or additional title services are requested.

The compensation to Escrow Agent with respect to the closing of the sale of any apartment shall be due and payable upon the earlier of: (i) transfer to a purchaser of legal title to such apartment; and (ii) final disbursement of the purchase price of such apartment and other sums held by Escrow Agent with respect hereto. Developer agrees to pay an additional charge for any changes to any closing statement or other document that are necessary after the commencement of preclosing or closing proceedings, unless said changes are necessary due to the fault of Escrow Agent.

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

EXHIBIT L

Additional Information

Note: Unless otherwise specified, capitalized terms used herein have the same meanings as in the Condominium Declaration.

1. As of the date of this Report, the Developer does not own the Land of the Project. The Developer and the current owner, Kuilima Resort Company (the "Fee Owner"), have entered into a Development Agreement whereby the Fee Owner has granted the Developer the right to develop the Project and to construct the Improvements on the Land. Under the Development Agreement, the Fee Owner has agreed, at the closing of the sale of any Apartment in the Project, to sign the Apartment Deed conveying the Apartment to the purchaser for purposes of conveying a fee simple interest in the Land to the purchaser at closing.

2. The Hotel at Turtle Bay Resort (the "Hotel"), an operating hotel containing 403 guest rooms, seven (7) single story, slab on grade, concrete block buildings with wood framed roofs, and other related structures, facilities, and grounds, is included in the Project as a limited common element appurtenant to and for the exclusive use and enjoyment of the Hotel Related Apartment. The Developer and the Fee Owner are obligated and intend to withdraw the Hotel and its related structures, facilities and grounds from the Project subject to the conditions provided for in the Declaration. Upon withdrawal from the Project, which is expected by December 31, 2005, the Hotel and its related structures, facilities and grounds would no longer be part of the common elements of the Project.

3. In order to effectuate the withdrawal of the Hotel and its related structures, facilities and grounds from the Project, the Fee Owner must first subdivide such areas from the Land of the Project. The Fee Owner has prepared and filed an application with the Department of Planning and Permitting of the City and County of Honolulu ("DPP") to approve such subdivision which, as of the effective date of this report, is pending. As a condition to approval of such subdivision, the DPP has indicated that it may require the Fee Owner and/or the Developer to subject the Land and the subdivided parcel to a Joint Development Agreement primarily for the purpose of ensuring access to the Project across the subdivided parcel.

4. Under the Bylaws, anyone who purchases an Apartment after the initial sale of such Apartment by the Developer, must pay three (3) months of maintenance fees to the Association.

5. The Project, including each of the Apartments in the Project, will be encumbered by restrictive covenants, conditions and restrictions (the "Design Guidelines") to be recorded in the Bureau of Conveyances and/or filed in the Land Court of the State of Hawaii, as appropriate. The Design Guidelines will impose restrictions on alterations to existing improvements and landscaping, and the construction of any new improvements or landscaping on the Project, including but not limited to obtaining the approval of Kuilima Resort Company, the owner of the Hotel at Turtle Bay Resort, or its successors and assigns.

6. The Project is located adjacent to the ocean, and the prevailing winds come off the ocean much of the time. As a result, frequent, ongoing, and routine maintenance will be required to mitigate the corrosive effect of the salt particles in the air carried by the wind on hardware and other materials and items in the Project which are susceptible to corrosion, including any items stored or placed in the individual apartments such as furniture, appliances, fixtures, and personal belongings. Even with such maintenance, prospective purchasers should expect that hardware and such other susceptible materials and items will have to be replaced on a much more frequent basis than in other environments as a result of the corrosive effects of the ocean-front locale of the Project.

7. Portions of the Project are located within a flood zone (zone VE). However, upon completion of construction, all buildings of the Project will either conform with applicable flood zone requirements and

regulations then in effect, or qualify as legal non-conforming structures with respect to flood zone requirements and regulations then in effect. Buyer will be assuming the risk of any property damage, personal injury, loss in property value, costs, expenses or other consequences that may result from (i) the location of portions of the Project within a flood zone, such as the cost of obtaining flood insurance as may be required by the Declaration or other applicable law; or (ii) future changes to the flood zone requirements applicable to the Project or portions thereof, such as the additional cost of rebuilding any non-conforming structure that may be destroyed in conformity with the flood zone requirements then applicable to the Project.

EXHIBIT M

Summary of Changes Since Issuance of Preliminary Public Report

Note: Unless otherwise specified, capitalized terms used herein have the same meanings as in the Condominium Declaration.

1. Inclusion of the Hotel in the Project. As originally planned, the Project did not include the Hotel at Turtle Bay Resort (the "Hotel"), an operating hotel containing 403 guest rooms, seven (7) single story, slab on grade, concrete block buildings with wood framed roofs, and other related structures, facilities, and grounds. The Hotel and related structures, facilities and grounds are now included in the Project and collectively are defined as Limited Common Elements appurtenant to Apartment 120 (the "Hotel Related Apartment"). The Developer has reserved the right, however, to withdraw the Hotel and its related structures, facilities and grounds from the Project subject to the conditions provided for in the Declaration. Withdrawal is expected to occur by December 31, 2005.
2. Amendment of Declaration Relating to the Hotel and the Hotel Related Apartment. The Declaration has been amended to give the owner of the Hotel Related Apartment special rights and privileges to facilitate the continued operation of the Hotel. For example, (i) the restriction in the Declaration against using any part of the Common Elements of the Project for a business purpose does not apply to the owner of the Hotel Related Apartment; (ii) the restriction in the Declaration against changing the exterior appearance of the Project without first obtaining the consent of the Board or the Managing Agent does not apply to the owner of the Hotel Related Apartment; and (iii) the owner of the Hotel Related Apartment alone has the right to make all decisions relating to the repair and maintenance of the Hotel.
3. Amendment of Declaration Relating to Developer's Reserved Rights. The Declaration has been amended to give the Developer and/or the Fee Owner additional reserved rights as follows: (i) to delete from the Project all or any portion of the Land and Improvements designated on the Condominium Map as "Possible Deletion Areas"; (ii) to do all things necessary or convenient to satisfy the requirements of the SMA Permits referred to in the Declaration and to which the Land and the Project are subject; (iii) to do all things necessary or convenient to satisfy the requirements of the Design Guidelines referred to in the Declaration and to which the Land and the Project are subject.
4. Amendment of Declaration Relating to Joint Development Agreement. In the event that that the Developer and the Fee Owner decide to withdraw the Possible Deletion Areas from the Project using their reserved rights, it may be necessary to subject the withdrawn areas and the remaining Land of the Project to the terms of the Joint Development Agreement referred to in the Declaration in order to satisfy certain requirements of the City and County of Honolulu that ensure access to the Project. Accordingly, the Declaration has been amended to give the Developer and the Fee Owner the reserved right to do all things necessary or convenient to subject the Land and the Project to, and to satisfy the requirements of, the Joint Development Agreement.
5. Amendment of Condominium Purchase Agreement, Deposit Receipt & Contract. The Condominium Purchase Agreement, Deposit Receipt & Contract (the "Sales Contract") has been amended to include a notice required under the Contractor Repair Act (Act 119, 2004 Hawaii Session Laws) recently passed by the 2004 Hawaii Legislature. The Notice informs purchasers that before a lawsuit alleging construction defects can be filed against a contractor, notice of the construction defect must be provided to the contractor and the contractor must be given an opportunity to repair the alleged defect. In addition, the Sales Contract has been amended to modify Paragraph 3(f) of the General Terms and Conditions relating to subordination of the purchaser's rights under the Sales Contract to the lien of the mortgage securing the construction loan, and to include a disclosure concerning the location of portions of the Project within a flood zone.