

**AMENDMENT 2 TO
SECOND AMENDED DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME:	PLANTATION TOWN APARTMENTS
PROJECT ADDRESS:	94-979 Kau'olu Place and 94-302 Paiwa Street, Waipahu, HI 96797
REGISTRATION NUMBER:	6103
EFFECTIVE DATE OF REPORT:	February 25, 2010
THIS AMENDMENT:	<input checked="" type="checkbox"/> Must be read together with <input checked="" type="checkbox"/> Developer's Public Report dated <u>October 10, 2008</u> <input checked="" type="checkbox"/> Amended Report dated <u>November 10, 2008</u> <input type="checkbox"/> Supersedes all prior amendments: Includes all prior amendment(s) and <u>must</u> be read together with <input type="checkbox"/> Developer's Public Report dated _____ <input type="checkbox"/> Amended Report dated _____
DEVELOPER(S):	Plantation Town Apartments LLC, a Hawaii limited liability company

Preparation of this Amendment

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

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

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

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

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.

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

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

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

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

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

Summary of Changes from Earlier Developer's Public Report:

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

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

This Amendment 2 is an amendment of the Second Amended Developer's Public Report for Plantation Town Apartments (Reg. No. 6103), effective date October 10, 2008, as amended by Amendment 1 dated November 10, 2008, and must be read in conjunction therewith.

1. Amendments to Development Agreements.

a. Amendment No. 2 to HHFDC Development Agreement. Pursuant to the HHFDC Board of Directors' approval dated July 9, 2009, HHFDC and the Developer have entered into that certain unrecorded Amendment No. 2 to Development Agreement dated and effective as of January 26, 2010 ("HHFDC Amendment No. 2"). HHFDC Amendment No. 2 amends the original Development Agreement made by and between HHFDC and the Developer dated June 27, 2006, as amended by Amendment No. 1 dated April 28, 2008. Under HHFDC Amendment No. 2, the Developer may sell the remaining unsold units in the Project to the general public as market-priced units, rather than affordable units. As of the date of HHFDC Amendment No. 2, there are 138 remaining units in the Project that may now be sold at market prices (the "Market Units"). The Market Units are listed on Schedule 1 attached hereto.

b. Second Amendment to City Development Agreement. The City Council of the City and County of Honolulu adopted Resolution No. 09-342, CD1, FD1 on December 16, 2009, also approving the sale of the balance of unsold units in the Project as market-priced units. Pursuant to Resolution No. 09-342, the City and the Developer have entered into an Amendment dated December 16, 2009 and recorded in the Land Court as Document No. 3932237 and noted on Transfer Certificate of Title No. 905,924 ("City Amendment"). The City Amendment amends that certain Development Agreement dated July 25, 2006, recorded in the Land Court as Document No. 3472820, as amended by instrument dated March 19, 2008, recorded as Document No. 3741968.

2. HHFDC Restrictions Lifted; Qualified Residents.

a. Buyback and Shared Appreciation Equity Restrictions Do Not Apply to Market Units. In accordance with HHFDC Amendment No. 2, the Market Units shall not be subject to HHFDC's 10-year buy-back restriction or the Shared Appreciation Equity program currently imposed on the affordable units in the Project pursuant to Chapter 201H of the Hawaii Revised Statutes (collectively, the "HHFDC Special Use Restrictions").

b. "Qualified Resident" Requirement. Notwithstanding the above, the Market Units are subject to an initial 30-day chronological preference period for "Qualified Residents" as defined in Section 201H-32 of Chapter 201H, Hawaii Revised Statutes as amended, and Hawaii Administrative Rules 15-174-84 and as required by HHFDC. This preferential period ends March 1, 2010. As a condition to purchasing the Unit, Buyers shall sign an affidavit confirming that: (a) Buyer is a citizen of the United States or a resident alien; (b) Buyer is domiciled in the State of Hawaii and shall physically reside in the Unit; (c) Buyer is at least eighteen years of age; and (d) meets all other qualifications as determined by Seller (the "Qualified Resident Requirement").

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Changes continued:

3. Revised Project Documents. In accordance with the foregoing, the following Project documents have been or will be revised to incorporate the changes adopted by HHFDC and the Developer pursuant to HHFDC Amendment No. 2 and the City Amendment:

a. Fourth Amendment to Declaration of Condominium Property Regime. A Fourth Amendment to the Declaration of Condominium Property Regime of Plantation Town Apartments ("Fourth Amendment") was recorded on February 17, 2010 as Land Court Document No. 3940739. The Fourth Amendment defines the terms "Affordable Units" and "Market Units," amends Section 25 of the Project's Declaration to provide that the Market Units shall not be subject to the HHFDC Special Use Restrictions, and sets forth the Affordable Units and Market Units in Schedules 1 and 2 attached thereto, respectively.

b. Specimen Sales Contract Form. An alternate sales contract form has been created specifically for the Market Units to delete all reference to the HHFDC Special Use Restrictions, and to make other related changes. A summary of the Sales Contract form for the Market Units is attached as Exhibit L to this report.

c. Specimen Unit Deed Forms. Two new unit deed forms have been created for the Market Units to delete all reference to the HHFDC Special Use Restrictions. The unit deed form to be used for qualified residents shall specifically include the Qualified Resident Requirement described in Item 2.b. above, and the unit deed form for all other purchasers will not contain any HHFDC Restrictions or the Qualified Resident Requirement.

4. Amendment to Escrow Agreement. An amendment to the Condominium Escrow Agreement dated May 25, 2006, as supplemented by that certain Supplemental Condominium Escrow Agreement dated August 2, 2006 (collectively, the "Escrow Agreement") has been or will be entered into by and between the Developer and Escrow (the "Escrow Amendment"). The Escrow Amendment provides that the Developer will provide Escrow with a list of the Market Units, together with (a) the prices for such Market Units as of November 30, 2009, and (b) the current sales prices for the Market Units provided to HHFDC as of January 25, 2010. At each Unit closing, Escrow will also provide HHFDC with the following: (i) after deduction by Escrow of the Developer's share of the closing costs and any other sums in accordance with the Escrow Agreement, pursuant to the City Amendment Escrow will disburse a sum equal to fifty percent (50%) of the proceeds of any price increase over and above the original affordable sales price for the Market Unit to the Association of Unit Owners for the Project; and (ii) a certified copy of each of the Developer's and buyer's final closing statement, which shall be itemized to reflect the amount of the price increase and disbursement amount to the Association of Unit Owners.

5. Pages attached. The pages following page 5, the signature page, have been added to or replace the same numbered pages in the earlier Public Reports. They reflect changes required or disclosed in the paragraphs above in this Amendment 2.

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

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

The Developer hereby certifies that all the information contained in this report as amended and the exhibits attached to this report (if any) as amended and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report as amended to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report as amended at least 30 days prior to the anniversary date of the effective date of this report.

Plantation Town Apartments LLC, a Hawaii limited liability company
Printed Name of Developer

By: M & M Investments, Inc., a Hawaii corporation
Its Managing Member

By: Michael Kimura 2/17/10
Duly Authorized Signatory* Date

By: Michael Kimura, President, M & M Investments, Inc.
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

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SCHEDULE 1
MARKET UNITS

	Building	Unit No.	CPR No.
1.	94-979 Kau'olu	102	0002
2.	94-979 Kau'olu	105	0005
3.	94-979 Kau'olu	107	0006
4.	94-979 Kau'olu	112	0009
5.	94-979 Kau'olu	113	0010
6.	94-979 Kau'olu	202	0013
7.	94-979 Kau'olu	205	0016
8.	94-979 Kau'olu	207	0018
9.	94-979 Kau'olu	208	0019
10.	94-979 Kau'olu	210	0021
11.	94-979 Kau'olu	213	0024
12.	94-979 Kau'olu	214	0025
13.	94-979 Kau'olu	301	0026
14.	94-979 Kau'olu	302	0027
15.	94-979 Kau'olu	305	0030
16.	94-979 Kau'olu	307	0032
17.	94-979 Kau'olu	308	0033
18.	94-979 Kau'olu	312	0037
19.	94-979 Kau'olu	313	0038
20.	94-979 Kau'olu	314	0039
21.	94-979 Kau'olu	402	0041
22.	94-979 Kau'olu	403	0042
23.	94-979 Kau'olu	405	0044
24.	94-979 Kau'olu	407	0046
25.	94-979 Kau'olu	408	0047
26.	94-979 Kau'olu	410	0049
27.	94-979 Kau'olu	414	0053
28.	94-979 Kau'olu	501	0054
29.	94-979 Kau'olu	502	0055
30.	94-979 Kau'olu	505	0058
31.	94-979 Kau'olu	507	0060
32.	94-979 Kau'olu	508	0061
33.	94-979 Kau'olu	509	0062
34.	94-979 Kau'olu	513	0066
35.	94-979 Kau'olu	601	0068
36.	94-979 Kau'olu	605	0072
37.	94-979 Kau'olu	607	0074
38.	94-979 Kau'olu	608	0075
39.	94-979 Kau'olu	609	0076
40.	94-979 Kau'olu	610	0077
41.	94-979 Kau'olu	612	0079
42.	94-979 Kau'olu	613	0080
43.	94-979 Kau'olu	701	0082
44.	94-979 Kau'olu	704	0085
45.	94-979 Kau'olu	705	0086

	Building	Unit No.	CPR No.
46.	94-979 Kau'olu	709	0090
47.	94-979 Kau'olu	713	0094
48.	94-979 Kau'olu	714	0095
49.	94-979 Kau'olu	804	0099
50.	94-979 Kau'olu	807	0102
51.	94-979 Kau'olu	808	0103
52.	94-979 Kau'olu	812	0107
53.	94-979 Kau'olu	813	0108
54.	94-979 Kau'olu	905	0114
55.	94-979 Kau'olu	907	0116
56.	94-979 Kau'olu	908	0117
57.	94-979 Kau'olu	909	0118
58.	94-979 Kau'olu	913	0122
59.	94-979 Kau'olu	914	0123
60.	94-979 Kau'olu	1002	0125
61.	94-979 Kau'olu	1004	0127
62.	94-979 Kau'olu	1005	0128
63.	94-979 Kau'olu	1006	0129
64.	94-979 Kau'olu	1007	0130
65.	94-979 Kau'olu	1008	0131
66.	94-979 Kau'olu	1010	0133
67.	94-979 Kau'olu	1012	0135
68.	94-979 Kau'olu	1013	0136
69.	94-979 Kau'olu	1014	0137
70.	94-979 Kau'olu	1102	0139
71.	94-979 Kau'olu	1104	0141
72.	94-979 Kau'olu	1108	0145
73.	94-979 Kau'olu	1112	0149
74.	94-979 Kau'olu	1114	0151
75.	94-979 Kau'olu	1201	0152
76.	94-979 Kau'olu	1213	0164
77.	94-302 Paiwa	102	0167
78.	94-302 Paiwa	104	0169
79.	94-302 Paiwa	107	0171
80.	94-302 Paiwa	109	0172
81.	94-302 Paiwa	113	0175
82.	94-302 Paiwa	202	0178
83.	94-302 Paiwa	207	0183
84.	94-302 Paiwa	213	0189
85.	94-302 Paiwa	305	0195
86.	94-302 Paiwa	309	0199
87.	94-302 Paiwa	313	0203
88.	94-302 Paiwa	402	0206
89.	94-302 Paiwa	407	0211
90.	94-302 Paiwa	408	0212
91.	94-302 Paiwa	413	0217
92.	94-302 Paiwa	414	0218
93.	94-302 Paiwa	501	0219

	Building	Unit No.	CPR No.
94.	94-302 Paiwa	505	0223
95.	94-302 Paiwa	507	0225
96.	94-302 Paiwa	508	0226
97.	94-302 Paiwa	513	0231
98.	94-302 Paiwa	514	0232
99.	94-302 Paiwa	602	0234
100.	94-302 Paiwa	605	0237
101.	94-302 Paiwa	607	0239
102.	94-302 Paiwa	609	0241
103.	94-302 Paiwa	613	0245
104.	94-302 Paiwa	614	0246
105.	94-302 Paiwa	701	0247
106.	94-302 Paiwa	702	0248
107.	94-302 Paiwa	707	0253
108.	94-302 Paiwa	708	0254
109.	94-302 Paiwa	710	0256
110.	94-302 Paiwa	713	0259
111.	94-302 Paiwa	801	0261
112.	94-302 Paiwa	806	0266
113.	94-302 Paiwa	807	0267
114.	94-302 Paiwa	808	0268
115.	94-302 Paiwa	810	0270
116.	94-302 Paiwa	813	0273
117.	94-302 Paiwa	814	0274
118.	94-302 Paiwa	901	0275
119.	94-302 Paiwa	904	0278
120.	94-302 Paiwa	907	0281
121.	94-302 Paiwa	908	0282
122.	94-302 Paiwa	914	0288
123.	94-302 Paiwa	1001	0289
124.	94-302 Paiwa	1006	0294
125.	94-302 Paiwa	1007	0295
126.	94-302 Paiwa	1008	0296
127.	94-302 Paiwa	1009	0297
128.	94-302 Paiwa	1010	0298
129.	94-302 Paiwa	1013	0301
130.	94-302 Paiwa	1014	0302
131.	94-302 Paiwa	1102	0304
132.	94-302 Paiwa	1104	0306
133.	94-302 Paiwa	1105	0307
134.	94-302 Paiwa	1112	0314
135.	94-302 Paiwa	1113	0315
136.	94-302 Paiwa	1114	0316
137.	94-302 Paiwa	1206	0322
138.	94-302 Paiwa	1212	0328

END OF SCHEDULE 1

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1.9 Common Elements

<p>Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.</p>	
<p>Described in Exhibit <u>D</u>.</p>	
<p>Described as follows:</p>	
Common Element	Number
Elevators	4 (2 per apartment building)
Stairways	4 (2 per apartment building)
Trash Chutes	2 (1 per apartment building)

1.10 Limited Common Elements

<p>Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.</p>
<p>Described in Exhibit <u>D*</u>.</p>
<p>Described as follows:</p>
<p>*Note: Land areas referenced herein are <u>not</u> legally subdivided Lots.</p>

1.11 Special Use Restrictions

<p>The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.</p>	
<input checked="" type="checkbox"/>	Pets: Pets allowed subject to restrictions set forth in the Amended and Restated House Rules
<input checked="" type="checkbox"/>	Number of Occupants: In accordance with HHFDC Eligibility Requirements
<input checked="" type="checkbox"/>	Other: With respect to the Affordable Units, the HHFDC Ten-Year Use, Sale and Transfer Restriction and Shared Appreciation Equity Program (pursuant to Chapter 201H, HRS, as amended). With respect to the Market Units, a "Qualified Resident" requirement shall apply for the initial 30-day offering period, which expires on March 1, 2010. See <u>Exhibit E</u> for more details.
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

<p>An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).</p>
<p>Exhibit <u>F</u> describes the encumbrances against title contained in the title report described below.</p>
<p>Date of the title report: June 5, 2008. There have been no additional encumbrances since.</p>
<p>Company that issued the title report: Title Guaranty of Hawaii, Incorporated.</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	August 4, 2006	3464554

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	April 4, 2008	3732200
Land Court	May 29, 2008	3753487
Land Court	September 5, 2008	3789269
Land Court	February 16, 2010 (acknowledged)	3940739

3.2 Bylaws of the Association of Unit Owners

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	August 4, 2006	3464555

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	January 30, 2007	3552240

3.3 Condominium Map

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

Land Court Map Number	1841
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map: April 8, 2008 and September 5, 2008	

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>I</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: May 25, 2006 and Supplemental Condominium Escrow Agreement dated August 2, 2006; Amendment to Condominium Escrow Agreement. Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u>J</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other:

5.2 Sales to Owner-Occupants

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

<input checked="" type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B. (Note: Sales of all Affordable Units, except Kau'olu Unit No. 107, will be subject to HHFDC Owner-Occupant requirements. Sales of all Market Units shall be subject to a Qualified Resident restriction for the HHFDC initial 30-day offering period only)
<input checked="" type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report.* See Exhibit <u>A</u> . *Except for the resident manager's unit (Kau'olu Unit No. 107), all of the Affordable Units have been designated for sale to Owner-Occupants, pursuant to HHFDC requirements. All of the Market Units shall be subject to a Qualified Resident restriction for the HHFDC initial 30-day offering period only. See p.18, Item 6.a.
<input type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

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

<u>Type of Lien</u>	<u>Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage Lien(s) of Developer's Lender	Buyer's interest is specifically made subject and subordinate to such lien(s). Buyer's contract may be canceled and Buyer may lose all rights to acquire the unit. Buyer's deposit, less escrow cancellation fee, will be returned if default and foreclosure occur before conveyance. However, should Buyer's deposit be disbursed by Escrow and the lien foreclosed prior to conveyance to Buyer, Buyer may not be able to recover any deposits. Note: At the time of the first conveyance of each unit, each of Developer's lender(s)' lien(s) will be paid and satisfied of record, and the unit being conveyed and its common interest shall be released therefrom.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:
Building and Other Improvements: Developer's sole warranty will be provided in the form attached to this Public Report as Exhibit K.
Appliances: The original warranties, if any, on appliances and consumer products in the Market Units have expired. Developer will offer a limited six-month warranty on appliances and other consumer products installed in the Market Units only, as described in the sales contract for the Market Units. See Exhibit K.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1. **Developer's Public Report**
2. **Declaration of Condominium Property Regime (and any amendments)**
3. **Bylaws of the Association of Unit Owners (and any amendments)**
4. **Condominium Map (and any amendments)**
5. House Rules, if any
6. Escrow Agreement
7. Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted
8. Other: (Affordable Units only) HHFDC Ten Year Use, Sale and Transfer Restrictions and HHFDC Shared Appreciation Equity Program; (Market Units only) Qualified Resident Affidavit

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

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access rules: www.hawaii.gov/dcca/har

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

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

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

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

(1) The purchaser has signed the sales contract.

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

a. As of the date of this Amendment 2 to the Developer's Public Report, there are 192 Affordable Units and 138 Market Units in the Project, pursuant to HHFDC Amendment 2 and the City Amendment.

b. HHFDC Restrictions on Units. The Affordable Units are subject to certain restrictions imposed by the Hawaii Housing Finance and Development Corporation ("HHFDC") requiring, among other things, that each unit owner also be the occupant of such owner's unit. These restrictions grant HHFDC the right to repurchase the unit in the event the owner-occupancy requirement is violated or in the event a unit owner desires to sell or transfer the unit. With respect to any Market Units that are sold during the initial 30-day offering period, HHFDC is requiring that such purchasers be "qualified residents" as that term is defined in Section 201H-32 of Chapter 201H, Hawaii Revised Statutes as amended, and Hawaii Administrative Rules 15-174-84. All of the HHFDC restrictions are more particularly set forth in Exhibit E attached hereto.

c. Developer's Buy-Back Reservations. Developer has reserved certain buy-back rights. With respect to the Affordable Units, such rights shall be subject to HHFDC's waiver of its right of first refusal and HHFDC approval. Paragraph 26 of the Declaration provides that Developer shall have the right to repurchase a unit from a unit owner for a period of ten (10) years from the date of recordation of the unit deed conveying the unit to the unit owner, provided, however, that Developer may exercise this right if and only if a unit owner shall have made a complaint to Developer about a material defect in the physical condition and/or design of such unit owner's unit or a material defect in the Project or any matter in connection with the unit or the Project and Developer, after a good faith and diligent effort, is unable to rectify the complaint to such unit owner's satisfaction within a reasonable period of time, as determined by Developer in the exercise of its sole discretion.

d. Market Units. As provided in HHFDC Amendment 2 and the City Amendment, the Developer may sell the remaining unsold Market Units in the Project to the general public as market-priced units. The Market Units are not subject to HHFDC's 10-year buy-back restriction or the Shared Appreciation Equity program currently imposed on the Affordable Units. Notwithstanding the above, the Market Units are subject to an initial 30-day chronological preference period for "Qualified Residents" as required by HHFDC. This preferential period ends March 1, 2010. As a condition to purchasing the Unit, Buyers shall sign an affidavit confirming that: (a) Buyer is a citizen of the United States or a resident alien; (b) Buyer is domiciled in the State of Hawaii and shall physically reside in the Unit; (c) Buyer is at least eighteen years of age; and (d) meets all other qualifications as determined by Seller (the "Qualified Resident Requirement"). In addition, the Developer shall disburse fifty percent (50%) of the proceeds of any price increase over and above the original affordable sales price for the Market Unit to the Association of Unit Owners for the Project, which will be administered at each Market Unit closing by Escrow.

HHFDC SPECIAL USE RESTRICTIONS

1. HRS Chapter 201H Buy-Back Restrictions. There are 192 “Affordable Units” in the Project (except for Kau’olu Unit No. 107, which is designated as the resident manager’s unit), and the remaining 138 units are designated as “Market Units.” The Affordable Units shall be subject to the provisions of Chapter 201H, HRS, as amended (the “HHFDC Buy-Back Restrictions”). The HHFDC Buy-Back Restrictions provide, among other things, for a first option in favor of HHFDC to purchase any Affordable Unit in the Project for a period of ten (10) years from the date of purchase in the event an Affordable Unit owner desires to sell or transfer the owner’s Affordable Unit or in the event the Affordable Unit owner violates a covenant which requires the unit owner to occupy the Affordable Unit. After the first conveyance of an Affordable Unit in the Project by Developer to a qualified purchaser (pursuant to the HHFDC Buy-Back Restrictions) (“Developer’s Conveyance”), and continuing thereafter until (i) such HHFDC Buy-Back Restrictions are released by HHFDC, or (ii) until the tenth (10th) year from the date of purchase (i.e., the date of recordation of the deed of Developer’s Conveyance), whichever shall first occur, all conveyances of the Affordable Units shall be subject to the HHFDC Buy-Back Restrictions, and each such subsequent conveyance of the Affordable Units shall incorporate the HHFDC Buy-Back Restrictions and shall contain the covenant of the grantee thereunder to observe and perform the HHFDC Buy-Back Restrictions. The HHFDC Buy-Back Restrictions are attached as Exhibit D to the Declaration and will also be incorporated into the unit deed for the Affordable Units as an exhibit thereto. By acceptance of a unit deed, all Affordable Unit owners will be deemed to have acknowledged and agreed that they have read and reviewed, and approved and accepted all of the terms and conditions of the HHFDC Buy-Back Restrictions, and shall further agree to accept title to their respective Affordable Unit subject to the HHFDC Buy-Back Restrictions.

2. Shared Appreciation Equity Program. After Developer’s Conveyance and continuing thereafter until HHFDC’s Shared Appreciation Equity Program restrictions (“SAE Program”) are released by HHFDC or until such restrictions expire by the terms of the SAE Program, conveyances of certain Affordable Units in the Project shall be subject to the restrictions of the SAE Program, and upon such subsequent conveyance of such Affordable Units by the Affordable Unit owner, HHFDC shall be entitled to its share of appreciation in value of said Affordable Units. The terms and conditions of the SAE Program, pursuant to Chapter 201H, HRS, as amended, and Hawaii Administrative Rules, Title 15, Subtitle 14, Chapter 174, Subchapter 9, are described in Exhibit E attached to the Declaration, and will be incorporated into the unit deed for such Affordable Units as an exhibit thereto. A Memorandum Agreement of the SAE Program will also be recorded at the Bureau of Conveyances of the State of Hawaii against title to each affected Affordable Unit. By acceptance of a unit deed, all Affordable Unit owners will be deemed to have acknowledged and agreed that they have read and reviewed, and approved and accepted all of the terms and conditions of the SAE Program and that they accept title to their respective Affordable Unit subject to the SAE Program.

With respect to certain Affordable Units in the Project, however, HHFDC has determined, based on the appraisal reports for such units, that the restrictions of the SAE Program do not apply to such units. Accordingly, notwithstanding anything to the contrary contained in the Project documents, (i) the restrictions of the SAE Program will not be imposed

on such Affordable Units, (ii) the unit deeds for such Affordable Units will be amended to remove any references to the SAE Program, (iii) the owners of such Affordable Units will not be required to execute an agreement in the form as Exhibit C attached to the Sales Contract as a condition of Final Closing, and (iv) a Memorandum Agreement of the SAE Program will not be recorded at the Bureau of Conveyances of the State of Hawaii. This means that following Developer's Conveyance, the SAE Program shall not apply to any conveyances of such Affordable Units, and the owners of such units will not be obligated, nor will HHFDC be entitled, to share in any appreciation in value of the Affordable Units.

3. Liability for HHFDC Buy-Back Restrictions and SAE Program. By acceptance of an Affordable Unit deed, each Affordable Unit owner acknowledges and agrees that such owner is obligated to comply with the terms and conditions of the HHFDC Buy-Back Restrictions and the SAE Program, as the case may be. Developer shall not be responsible or liable for the administration of the HHFDC Buy-Back Restrictions and the SAE Program, or for any representations or promises made by HHFDC in connection with the HHFDC Buy-Back Restrictions or the SAE Program, or for the observance or performance by HHFDC of its obligations or for the enforcement by HHFDC of its rights under the HHFDC Buy-Back Restrictions and the SAE Program, or for any actions taken or failure to take action by HHFDC in connection with the HHFDC Buy-Back Restrictions and the SAE Program, or for obligations or to otherwise comply with the provisions of the HHFDC Buy-Back Restrictions or the SAE Program.

4. HHFDC Qualified Resident Requirement for Certain Market Units. Notwithstanding the above, the Market Units are subject to an initial 30-day chronological preference period for "Qualified Residents" as defined in Section 201H-32 of Chapter 201H, Hawaii Revised Statutes as amended, and Hawaii Administrative Rules 15-174-84 and as required by HHFDC. This preferential period ends March 1, 2010. As a condition to purchasing the Market Unit, Buyers shall sign an affidavit confirming that: (a) Buyer is a citizen of the United States or a resident alien; (b) Buyer is domiciled in the State of Hawaii and shall physically reside in the Unit; (c) Buyer is at least eighteen years of age; and (d) meets all other qualifications as determined by Developer. The Market Units shall not otherwise be subject to HHFDC's 10-year buy-back restriction or the Shared Appreciation Equity program.

SUMMARY OF SALES CONTRACT FOR MARKET UNITS

In addition to the specimen Sales Contract for the Affordable Units, a specimen Sales Contract and Deposit Receipt for the Market Units ("Market Unit Sales Contract") has been submitted to the Real Estate Commission. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE MARKET UNIT SALES CONTRACT IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of its provisions. The Market Unit Sales Contract, among other things, covers in more detail the following items:

1. The Contract will not become binding upon Seller and Buyer unless and until: (i) Buyer has receipted for or is deemed to have receipted for the Public Report for the Project for which an effective date has been issued by the Real Estate Commission, which shall include the Public Report itself, the recorded Declaration and Bylaws, House Rules, Condominium Map, and all amendments (collectively, "the Public Report"), and a Notice of Right to Cancel Sales Contract; and (ii) Buyer has waived or is deemed to have waived Buyer's right to cancel the Contract as more particularly provided in Section 514B-86 of the Act. Buyer may cancel the Contract at any time up to midnight of the thirtieth (30th) day after the Public Report is delivered to Buyer. Buyer may waive Buyer's right to cancel, or shall be deemed to have waived Buyer's right to cancel, by (A) checking the waiver box on the Notice of Right to Cancel Sales Contract and delivering it to Seller, (B) letting the 30-day period expire without taking any action to cancel, or (C) closing the purchase of the Unit before the cancellation period expires.

2. The Unit is being sold as a Market Unit and, unlike the Affordable Units in the Project, is not subject to affordable housing requirements set forth by the Hawaii Housing Finance and Development Corporation of the State of Hawaii ("HHFDC"). The Market Unit may, however, be subject to a "qualified resident" requirement if the Market Unit Sales Contract is entered into during the initial 30-day offering period imposed by HHFDC. The qualified resident requirement requires that Buyer meet certain qualifications as a prerequisite to purchase the Market Unit. BUYER SHOULD CAREFULLY READ THE MARKET UNIT SALES CONTRACT BEFORE ENTERING INTO THE CONTRACT. BY ENTERING INTO THE CONTRACT BUYER AGREES TO ACCEPT AND ABIDE BY THIS RESTRICTION.

3. Buyer agrees to deliver to Seller certain certified financial statements, a completed loan application to one or more lending institutions, evidence of Buyer's ability to pay the purchase price, and any other information required by Seller.

4. Any breach of the covenants and warranties contained therein shall constitute a default hereunder by Buyer entitling Seller to retain all sums paid hereunder as liquidated damages as provided therein.

5. In addition to such other remedies which may be available to Seller by law or pursuant to the Contract, Seller may impose a late charge as specified in the Market Unit Sales Contract.

6. Buyer shall, prior to or within five (5) business days from the date of execution of the Market Unit Sales Contract, apply for mortgage financing.

7. Seller, in its sole discretion, may elect to cancel the Market Unit Sales Contract if (a) Buyer's application or eligibility for a mortgage loan is rejected or not approved within thirty (30) business days after application; (b) Buyer fails to supply any proposed mortgage lender with full financial information; or (c) Seller is not satisfied as to Buyer's ability to make the cash deposit payments.

8. Buyer shall pay for all closing costs, including, without limitation, the cost of drafting the Unit Deed and the cost of the acknowledgments thereof; recording fees; the State of Hawaii conveyance tax; the escrow fees; the cost of obtaining financing or a financing commitment for any portion of the purchase price and all expenses incident thereto; the expense of credit reports; preparation of all of Buyer's mortgage documents (which costs shall be paid directly to Buyer's mortgagee and shall in no event be reimbursed by Seller); any costs incurred for Buyer's title insurance; any costs and fees otherwise required to be paid by Buyer in the Market Unit Sales Contract, including maintenance fees and start-up fees; and any cost incurred by Buyer or Seller as a result of Buyer's requesting changes in a document after Buyer has been given notice by the Escrow Agent that such document will be prepared. Buyer shall also pay for any attorneys' fees and costs incurred by Seller in connection with any failure by Buyer to timely pre-close and close as set forth herein and otherwise perform all obligations of Buyer as set forth herein.

9. The closing dates are as described in the Market Unit Sales Contract.

10. Buyer may be required to prepay maintenance fees, real property taxes, and a Project start-up fee as more particularly described in the Market Unit Sales Contract.

11. Buyer's rights to inspect the Project documents, inspect the Unit and have delivery of possession are as more particularly described in the Market Unit Sales Contract.

12. Buyer specifically acknowledges and accepts certain enumerated conditions regarding on-going development and marketing of the Project stated in the Market Unit Sales Contract as well as any inconvenience or annoyance which Buyer may experience as a result of such conditions, and expressly waives any rights, claims or action which Buyer might otherwise have against Seller or third parties as a result of such circumstances.

13. After the Effective Date of the Market Unit Sales Contract, Buyer shall have the right to rescind the Contract only if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) Buyer's Unit or appurtenant limited common elements, or (2) amenities of the Project available for Buyer's use; provided that such material changes shall not include any additions, deletions, modifications or reservations allowed pursuant to the terms of the Market Unit Sales Contract, the Declaration or the Bylaws. Waiver of such right is governed more specifically by the terms of the Market Unit Sales Contract.

14. Buyer specifically acknowledges and agrees that the Declaration of Condominium Property Regime for Plantation Town Apartments contains reservations of certain rights and

certain other provisions under which Buyer consents to certain actions by Seller and others, as more particularly described in the Market Unit Sales Contract and the Declaration.

15. The execution, delivery and recordation of Buyer's Unit Deed shall constitute the assignment by Seller to Buyer of any and all warranties given to Seller by the contractors for the Project, if any, including, without limitation, any warranty of materials and workmanship against faulty or deficient materials and installation. The benefit of such warranties, if any, shall accrue to Buyer on closing without further instruments or documents. EXCEPT FOR A LIMITED SIX-MONTH WARRANTY ON APPLIANCES AND OTHER CONSUMER PRODUCTS BEING SOLD WITH THE MARKET UNIT BEING PROVIDED BY SELLER, BUYER ACKNOWLEDGES THAT SELLER HAS OTHERWISE MADE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION WITH RESPECT TO THE MARKET UNIT, THE PROPERTY, ANY COMMON ELEMENT, LIMITED COMMON ELEMENT, OR ANYTHING INSTALLED THEREIN.

16. Buyer hereby intentionally waives, relinquishes and subordinates the priority or superiority of any interest under the Market Unit Sales Contract in favor of the liens or charges upon the Project of the construction lender's mortgage loan.

17. Buyer may not assign Buyer's rights hereunder without Seller's prior written consent, which consent may be withheld by any reason whatsoever in its sole discretion.

ALL BUYERS SHOULD READ THE MARKET UNIT SALES CONTRACT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE MARKET UNIT SALES CONTRACT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE MARKET UNIT SALES CONTRACT, AND DOES NOT ALTER OR AMEND THE MARKET UNIT SALES CONTRACT IN ANY MANNER. IF ANY PROVISIONS OF THIS SUMMARY CONTRADICT THE PROVISIONS CONTAINED IN THE MARKET UNIT SALES CONTRACT IN ANY WAY, THE PROVISION OF THE MARKET UNIT SALES CONTRACT SHALL OVERRIDE THE PROVISIONS OF THIS SUMMARY.