

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

## PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

ON

THE WATERFRONT TOWERS  
461 South Street  
Honolulu, Hawaii

REGISTRATION NO. 1481

### **IMPORTANT — Read This Report Before Buying**

#### **This Report Is Not an Approval or Disapproval of This Condominium Project**

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: February 1, 1982

Expires: March 1, 1983

#### SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON JANUARY 6, 1982 AND INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 26, 1982. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. THE WATERFRONT TOWERS is a proposed leasehold condominium project consisting of two 40-story buildings containing a total of two hundred seventy-six (276) residential apartments and a manager's apartment (for use by the Managing Agent or other employee of the Association of Apartment Owners of the project), together with other improvements, all to be built in accordance with floor plans filed with the Real Estate Commission. The project will also contain a total of four hundred fifty-seven (457) unassigned covered parking stalls.
2. The Developer of the project has submitted to the Commission for examination all documents considered necessary for the registration of this condominium project and the issuance of this Preliminary Public Report. The Developer will be responsible for placing this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all buyers and prospective buyers. The Developer will also be responsible for obtaining a signed copy of the receipt therefor from each buyer and prospective buyer.
3. The basic documents (the Declaration of Horizontal Property Regime, the By-Laws of the Association of Apartment Owners, and the Condominium Map) have not yet been recorded in the Bureau of Conveyances of the State of Hawaii.
4. No advertising or promotional material has been submitted pursuant to the rules and regulations issued by the Commission.
5. The buyer or prospective buyer is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, February 1, 1982, unless a Final Public Report is issued or unless the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: THE WATERFRONT TOWERS

LOCATION: The project is located on 461 South Street, in the City and County of Honolulu, State of Hawaii and consists of about 106,800 square feet of land.

TAX KEY: First Division: 2-1-54-22.

ZONING: Mixed use under the Kakaako Special Design District Ordinance.

DEVELOPER: THE KAKAAKO VENTURE, a registered Hawaii general partnership, whose principal place of business and post office address is 2255 Kuhio Avenue, Suite 2200, Honolulu, Hawaii 96815. The current officers of the corporate partners of THE KAKAAKO VENTURE are:

Stark Kakaako, Ltd.:

Bruce C. Stark	President & Secretary
Carol Y. Stark	Vice President
Kathleen Yoneda	Treasurer

Sheridan Ing Kakaako Corp.:

Sheridan C. F. Ing	President, Secretary & Treasurer
Julia Sia Ing	Vice President
Louise Zwald	Assistant Treasurer & Assistant Secretary

Clipper Development Corporation:

Ronald E. Bailey	President & Secretary
Bruce C. Stark	Vice President
Kathleen Yoneda	Treasurer

ATTORNEY REPRESENTING DEVELOPER: GOODSILL ANDERSON & QUINN (Attention: Carl K. Mirikitani, Robert F. Hirano and Clifford J. Miller), 1600 Castle & Cooke Building, Financial Plaza of the Pacific, Honolulu, Hawaii 96813 (Telephone No. : 547-5600).

DESCRIPTION OF THE PROJECT: The proposed Declaration of Horizontal Property Regime and the plans submitted by the Developer indicate that the project will contain two 40-story buildings containing a total of two hundred seventy-six (276) residential apartments, a manager's apartment (for use by the Managing Agent or other employee of the Association of Apartment Owners of the project), a recreational area (including a swimming pool, a spa, hot tubs, common rooms, a sauna and restrooms), and a total of four hundred fifty-seven (457) unassigned parking stalls. The two buildings are designated as Building Nos. T-1 and T-2. The buildings will be constructed principally of concrete, but will also incorporate wood, glass, steel, aluminum and allied building materials.

1. Building No. T-1.

(a) The first story or floor of Building No. T-1 will include Parking Level No. P-1 (consisting of

parking sub-level Nos. P-1 Lower and P-1 Upper), containing a total of forty-seven (47) parking stalls, an electrical room, a mechanical room, a trash room and a dumpster pick-up area.

(b) The second floor of Building No. T-1 will include Parking Level No. P-2 (consisting of parking sub-level Nos. P-2 Lower and P-2 Upper), containing a total of forty-two (42) parking stalls, a loading area, a lobby area, a maintenance room, two (2) electrical rooms, a trash room, the first level of a 3-story cooling tower, a manager's office and a mailroom.

(c) The third floor of Building No. T-1 will include Parking Level No. P-3 (consisting of parking sub-level Nos. P-3 Lower and P-3 Upper), containing a total of forty-four (44) parking stalls, a lobby area, two (2) mechanical rooms, the second level of a 3-story cooling tower, an electrical room, a trash room and a storage room.

(d) The fourth floor of Building No. T-1 will include Parking Level No. P-4 (consisting of parking sub-level Nos. P-4 Lower and P-4 Upper), containing a total of forty-seven (47) parking stalls and the third level of a 3-story cooling tower.

(e) The fifth floor of Building No. T-1 will include Parking Level No. P-5 (consisting of parking sub-level Nos. P-5 Lower and P-5 Upper), containing a total of forty-seven (47) parking stalls, a lobby area, four (4) storage rooms, an electrical room, a trash room and the lower level of Apartment No. 607.

(f) The sixth floor of Building No. T-1 will contain three (3) residential apartments, a lobby area, an electrical room and a trash room.

(g) The seventh floor of Building No. T-1 will contain three (3) residential apartments, the manager's Apartment No. 703 (which is for use by the Managing Agent or other employee of the Association of Apartment Owners of the project), a lobby area, an electrical room and a trash room.

(h) Each of the next twenty-eight (28) floors (being the eighth through thirty-fifth floors) of Building No. T-1 will contain four (4) residential apartments, a lobby area, an electrical room and a trash room.

(i) Each of the top five (5) penthouse floors (being the thirty-sixth through fortieth floors) of Building No. T-1 will contain four (4) residential apartments, a lobby area, an electrical room and a trash room.

There will be a total of one hundred thirty-eight (138) residential apartments (exclusive of Apartment No. 703, which is the manager's apartment for use by the Managing Agent or other employee of the Association of Apartment Owners of the project) and two hundred twenty-seven (227) unassigned parking stalls in Building No. T-1.

2. Building No. T-2.

(a) The first story or floor of Building No. T-2 will include Parking Level No. P-1 (consisting of parking sub-level Nos. P-1 Lower and P-1 Upper), containing a total of forty-seven (47) parking stalls, an electrical room, a trash room and a dumpster pick-up area.

(b) The second floor of Building No. T-2 will include Parking Level No. P-2 (consisting of parking sub-level Nos. P-2 Lower and P-2 Upper), containing a total of forty-two (42) parking stalls, a loading area, a lobby area, two (2) electrical rooms, a trash room, two (2) storage rooms, a common room and a mailroom.

(c) The third floor of Building No. T-2 will include Parking Level No. P-3 (consisting of parking sub-level Nos. P-3 Lower and P-3 Upper), containing a total of forty-seven (47) parking stalls, a lobby area, a trash room, an electrical room and four (4) storage rooms.

(d) The fourth floor of Building No. T-2 will include Parking Level No. P-4 (consisting of parking sub-level Nos. P-4 Lower and P-4 Upper), containing a total of forty-seven (47) parking stalls, an electrical room, a trash room and three (3) storage rooms.

(e) The fifth floor of Building No. T-2 will include Parking Level No. P-5 (consisting of parking sub-level Nos. P-5 Lower and P-5 Upper), containing a total of forty-seven (47) parking stalls, a lobby area, a trash room, an electrical room, three (3) storage rooms and the lower level of Apartment No. 602.

(f) The sixth floor of Building No. T-2 will contain two (2) residential apartments, a lobby area, a trash room, an electrical room and a recreational area (including, for example, a swimming pool, a spa, two hot tubs, a barbecue area, a sundeck, a sauna, men and women's shower/restrooms and two (2) common rooms).

(g) Each of the next twenty-nine (29) floors (being the seventh through thirty-fifth floors) of Building No. T-2 will contain four (4) residential apartments, a lobby area, a trash room and an electrical room.

(h) Each of the top five (5) penthouse floors (being the thirty-sixth through fortieth floors) of Building No. T-2 will contain four (4) residential apartments, a lobby area, a trash room and an electrical room.

There will be a total of one hundred thirty-eight (138) residential apartments and two hundred thirty (230) unassigned parking stalls in Building No. T-2.

3. Apartments.

(a) Each residential apartment consists of the spaces within the perimeter walls, floors and ceilings of the residential apartments as shown on the Condominium Map.

(b) Each residential apartment has been assigned a three or four digit apartment number from which the location of the apartment may be determined. The last digit indicates the apartment's location on a floor, the preceding digit is in each case a "0", and the first one or two digits indicate the apartment's floor level. The apartments with an odd last digit apartment number (i.e., 1, 3, 5 or 7) are located in Building No. T-1, while the apartments with an even last digit apartment number (i.e., 2, 4, 6 or 8) are located in Building No. T-2. For example, Apartment No. 803 would be located on the eighth floor of Building No. T-1 and Apartment No. 1604 would be located on the sixteenth floor of Building No. T-2.

(c) There are nine (9) different types of residential apartments in the project, identified as types A, B, C, D, E, F, G, H and I, respectively. In addition, there are apartments with floor plans which are the reverse (or mirror image) of the types A, B, C and D apartment floor plans. There are one hundred sixteen (116) type A apartments (58 of which have the reverse type A floor plan), one hundred fifteen (115) type B apartments (58 of which have the reverse type B floor plan), twenty (20) type C apartments (10 of which have the reverse type C floor plan), twenty (20) type D apartments (10 of which have the reverse type D floor plan), one (1) type E apartment, one (1) type F apartment, one (1) type G apartment, one (1) type H apartment, and one (1) type I apartment in the project. The manager's Apartment No. 703 will have a type B floor plan. Each residential apartment is identified by

apartment number and type on the Condominium Map and is located in the project as shown on the Condominium Map.

(d) Each type A apartment will have two (2) bedrooms, two (2) bathrooms, a living room, a dining room, a kitchen, a walk-in closet and a laundry closet.

(e) Each type B apartment will have one (1) bedroom, one (1) bathroom, a living room, a kitchen, a dining room and a laundry closet.

(f) Each type C apartment will have two (2) bedrooms, two (2) bathrooms, a living room, a dining room, a kitchen, a walk-in closet and a laundry closet. The type C apartments located on the 40th floor of each of Building Nos. T-1 and T-2 will have the same floor plans as the other type C apartments, but will have ceilings which are approximately three (3) feet higher than the type C apartments located on the other floors.

(g) Each type D apartment will have one (1) bedroom, one (1) bathroom, a living room, a kitchen, a dining room and a laundry closet. The type D apartments located on the 40th floor of each of Building Nos. T-1 and T-2 will have the same floor plans as the other type D apartments, but will have ceilings which are approximately three (3) feet higher than the type D apartments located on the other floors.

(h) The type E apartment will be located in Building No. T-2 and will have one (1) bedroom, one (1) bathroom, a living room, a dining room, a kitchen, a walk-in closet, a laundry closet and a lanai on the sixth floor of the building, and one (1) bathroom and one (1) bedroom on the lower level (being on the fifth floor level of the building).

(i) The type F apartment will be located in Building No. T-2 and will have one (1) bedroom, one (1) bathroom, a living room, a dining room, a kitchen, a walk-in closet, a laundry closet and a lanai.

(j) The type G apartment will be located in Building No. T-1 and will have two (2) bedrooms, two (2) bathrooms, a living room, a dining room, a kitchen, a walk-in closet, a laundry closet and a lanai (with a swimming pool).

(k) The type H apartment will be located in Building No. T-1 and will have two (2) bedrooms, two (2) bathrooms, a living room, a dining room/breakfast nook, a kitchen, a laundry closet and a lanai (with a swimming pool and a spa).

(1) The type I apartment will be located in Building No. T-1 and will have two (2) bedrooms, two (2) bathrooms, a living room, a dining room, a kitchen, a walk-in closet, a laundry closet and a lanai (with a swimming pool and a spa) on the sixth floor level of the building, and one (1) bathroom and one (1) bedroom on the lower level (being on the fifth floor level of the building).

(m) Each type A, B, C, D, E, F, G, H and I apartment will have the following number of rooms (exclusive of lanai), approximate net living floor area in square feet (exclusive of lanai), and approximate net lanai floor area in square feet:

<u>Apartment Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Total Net Floor Area in Sq. Ft.</u>
A	7	1,799	0	1,799
B	5	944	0	944
C	7	1,905	0	1,905
D	5	1,057	0	1,057
E	7	2,968	308	3,276
F	5	1,484	308	1,792
G	7	1,732	4,946	6,678
H	7	1,906	5,083	6,989
I	9	3,216	3,941	7,157

The approximate net living floor areas set forth above are based on measurements taken from the interior surface of all perimeter walls, except that no reduction has been made to account for interior walls, ducts, vents, shafts, stairways and the like located within the perimeter walls. All approximate net lanai floor areas set forth above are based on measurements taken from the interior surface of all perimeter walls which do not separate the interior of the residential apartments from the lanais, from the exterior surface of all perimeter walls which separate the interior of the residential apartments from the lanais, and from the interior edge of the exterior boundaries of the lanais. All floor areas set forth above are not exact but are approximations based on the floor plans of each type of residential apartment. All floor areas set forth above have also been rounded to the next lowest full square foot where the approximation of such floor areas exceed a square foot by any fraction of a square foot.

The measurements of the floor areas set forth above do not follow the designation of the limits of the residential apartments (the legally designated areas of the

residential apartments) set forth below and the floor areas set forth above are greater than the floor areas of the residential apartments as so designated and described below.

(n) Each type A, B, C, D, E, F, G, H and I apartment will have immediate access to the lobby areas, walkways, corridors, stairways and/or elevators of the building which lead to the porte cochere, main lobby area, parking areas and other common areas of the project.

(o) Notwithstanding the floor areas set forth above and the manner in which such floor areas have been measured, the respective residential apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, supports, roofs, skylights and ceilings located within or at the perimeter of or surrounding such apartment, any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust or air conditioning running through or otherwise located within such apartment which are utilized for or serve more than one apartment, all of which are deemed common elements as hereinafter provided. Each residential apartment shall be deemed to include all of the walls and partitions which are not load-bearing and which are within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, roofs and ceilings (other than skylights); all glass windows (other than skylights), window frames (other than skylight frames), louvres, shutters (if any), panels, doors and door frames along its perimeter; the lanais shown on the Condominium Map to the inner decorated or finished surfaces of the exterior perimeter walls of such lanais and to the exterior edge of the exterior boundaries of such lanais; and all of the fixtures and appliances originally installed therein, including the floor coverings (if any), swimming pool (if any), spa (if any), refrigerator, dishwasher, range, range hood, oven, microwave oven, garbage disposal, washer, dryer, sinks, bathroom fixtures and other fixtures originally installed therein.

(p) The proposed Declaration of Horizontal Property Regime provides that, subject to the provisions contained in the Declaration of Horizontal Property Regime, the owner of any apartment may make any alterations or additions within any apartment and the owner of any two or more apartments separated by a common element which is a wall or floor (including a common element which is a floor of an apartment and a ceiling of the other), may alter or remove all or portions of the intervening wall or floor, if the structural integrity of the building is

not thereby affected and if the finish of the common element then remaining is then restored to a condition substantially comparable to that of the common element prior to such alterations. The owner of such adjacent apartments may install a stairway or doors to such opening or openings in such common element. Such alterations or additions within any apartment or apartments shall require only the written approval thereof, including the apartment owner's plans therefor, by the Owner (as defined hereinbelow), the holders of first mortgage liens affecting such apartments (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, by the Board of Directors of the Association (which approval shall not be unreasonably or arbitrarily withheld or delayed), and by all other apartment owners thereby directly affected (as determined in a reasonable manner by the Board of Directors of the Association), and such alterations or additions may be undertaken without an amendment to the Declaration or filing of a complete set of floor plans of the project as so altered. Prior to the termination of the common ownership of any such adjacent apartments, if the intervening wall or floor shall have been altered or removed pursuant to the foregoing provisions and/or any entry to hallways sealed, the owner of such apartments shall be obligated to restore such intervening wall or floor and/or hallway entries to substantially the same condition in which the same existed prior to such alteration or removal.

COMMON ELEMENTS: The proposed Declaration of Horizontal Property Regime states that the common elements will include all the remaining portions of the project. The common elements will include, for example:

1. The Land in fee simple;
2. All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions, roofs, skylights, porte cochere, lobby areas, stairways, walkways, corridors, ramps, loading areas, fences (if any), entrances, entryways and exits of the project, the manager's apartment (Apartment No. 703) set aside for use by the Managing Agent or other employee of the Association of Apartment Owners of the project, the manager's office and common room located in the main lobby area, all mail rooms, all storage rooms not located within any apartment, the cooling tower, all mechanical and electrical rooms, and all trash rooms;
3. All yards, grounds, planting areas, planters, walkways, walkway railings, landscaping, refuse facilities and gardens;

4. The swimming pool, spa, sauna, hot tubs, sundeck, barbecue area and common rooms located on the sixth floor of Building No. T-2, and all other recreational facilities and appurtenances (but excluding the swimming pools, spas and other recreational facilities and appurtenances located within any apartment);
5. All driveways, driveway ramps, parking stalls and parking areas;
6. All ducts, vents, shafts, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, water, gas (if any), cablevision (if any), air conditioning, sewer, refuse, telephone, and radio and television signal distribution;
7. Any and all apparatus and installations existing for common use, such as elevators, tanks, pumps, motors, fans, compressors and, in general, all other installations and apparatus existing for common use;
8. All mechanical, electrical and air conditioning equipment originally installed and located within any mechanical or electrical room or located elsewhere in the project (whether or not utilized for or serving only one apartment); and
9. Any and all other apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance or safety, or normally in common use.

INTEREST TO BE CONVEYED TO BUYER: The proposed Declaration of Horizontal Property Regime provides that each apartment will have appurtenant to it an undivided percentage common interest (the "common interest") in all common elements of the project and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting. The common interest appurtenant to each apartment (by type of apartment) is as follows:

<u>Type of Apartment</u>	<u>Common Interest</u>	<u>Total No.</u>		
A	.44709%	116	=	51.86244%
B	.23461%	115	=	26.98015%
C	.47344%	20	=	9.46880%
D	.26269%	20	=	5.25380%
E	.81417%	1	=	.81417%
F	.44536%	1	=	.44536%
G	1.65965%	1	=	1.65965%
H	1.73694%	1	=	1.73694%
I	1.77869%	1	=	1.77869%
				100.00000%

Each apartment and its appurtenant common interest will be leased to the buyer by an apartment lease.

EASEMENTS: The proposed Declaration of Horizontal Property Regime provides that the apartments and common elements will have and be subject to a number of easements, including, for example:

1. Each apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support, maintenance and repair of such apartment; in the other common elements for use according to their respective purposes; and in all other apartments and common elements of the building in which it is located for support.
2. If any part of the common elements now or hereafter encroaches upon any apartment, or if any apartment now or hereafter encroaches upon any other apartment or upon any portion of the common elements, a valid easement for such encroachment and the maintenance thereof shall and does exist for so long as such encroachment continues. In the event any building of the project shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of any building of the project, minor encroachments of any parts of the common elements or of any apartment due to the same shall be permitted and a valid easement for any such encroachment and the maintenance thereof shall and does exist for so long as such encroachment exists.
3. The Association of Apartment Owners of the project shall have the right, to be exercised by its Board of Directors or the Managing Agent, to enter such apartment from time to time during reasonable hours as may be necessary for the operation of the project or for making emergency repairs therein necessary to prevent damage to any apartments or common elements or for the installation, repair, maintenance or replacement of any common elements.
4. The Association of Apartment Owners of the project shall have the right, exercisable by its Board of Directors, to grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the common elements of the project for any reasonable purpose, which may include, but shall not be limited to, those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any apartment, the common elements or any easements for utilities or for any public purpose.
5. The Association of Apartment Owners of the project shall have the right, exercisable by its Board of Directors, to transfer, cancel, relocate and otherwise

deal with any easement over, under, across or through any lands adjacent to the project, which may be appurtenant to the land of the project, for any reasonable purpose, which may include, but shall not be limited to, any of the same purposes set forth in paragraph 4 above or for the reason that any owner of any such lands adjacent to the project exercises any right to require the relocation of any such easement.

6. The Developer shall have the right to conduct extensive sales activities on and at the project, including the use of model apartments, sales and management offices, parking stalls and extensive sales displays and activities until the earlier to occur of: (i) thirty-six (36) months from the date of the recording in the Bureau of Conveyances of the State of Hawaii of the first apartment lease covering an apartment in the project; or (ii) the closing of the sale of the last unsold apartment in the project. In the event that the Developer is unable to sell all of the apartments within said thirty-six (36) month period, the Developer shall, nevertheless, continue to have the right to conduct sales activities on and at the project until the closing of the sale of the last unsold apartment in the project, provided that such sales activities are conducted in an unobtrusive manner which will not unreasonably interfere with the use, possession and aesthetic enjoyment of the project by the other apartment owners. Notwithstanding the foregoing, in the event that the Developer's mortgage lender or any successor to or assignee of the Developer's mortgage lender shall acquire any portion of the project in the course of any foreclosure or other legal proceeding or by an assignment or sale in lieu of foreclosure, such mortgage lender and its successors and assigns shall have the right to conduct such extensive sales activities on and at the project until at least ninety-five per cent (95%) of all of the apartments in the project have been sold and such sales have been closed.
7. The Developer, its agents, employees, contractors, licensees, successors and assigns shall have an easement over and upon any portion of the project, including the common elements and any apartment, as may be reasonably necessary for the completion of any improvements to and correction of defects and other punch-list items in the common elements or any apartment. Such easement shall terminate twenty-four (24) months after the later to occur of: (a) the date of recording in said Bureau of Conveyances of the first apartment lease covering an apartment in the project; or (b) the "date of completion" (as said term is used in Chapter 507, Part II, Hawaii Revised Statutes) of the improvement to be completed or corrected.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The proposed Declaration of Horizontal Property Regime provides that:

1. The residential apartments of the project shall be occupied and used only for residential purposes. The residential apartments may not be used for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartment are provided customary hotel services such as room service for food and beverage, maid service, laundry service, linen service or bellboy service. Except for such transient or hotel purposes, the residential apartments may be leased subject to all provisions of the Declaration of Horizontal Property Regime and the By-Laws attached thereto.
2. Notwithstanding the foregoing, the apartments of the project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise.
3. No apartment owner of any apartment shall use his apartment for any purpose which will injure the reputation of the project or suffer anything to be done or kept in his apartment or elsewhere in the project which will (a) jeopardize the soundness of any building in the project, (b) interfere with or unreasonably disturb the rights of other owners and occupants, (c) obstruct any walkway, stairway or corridor of any building, (d) increase the rate of fire and extended coverage insurance on any building or the contents thereof, or (e) reduce the value of any building.
4. Except as otherwise expressly provided in Section 19 of the Declaration of Horizontal Property Regime or in the By-Laws attached thereto, an apartment owner shall not, without the prior written consent of the Board of Directors of the Association of Apartment Owners, make any structural alterations in or additions to the apartment, make any interior alterations in or additions to the apartment visible from the exterior of the apartment, or make any alterations in or additions to the exterior of the apartment or to any other portion or portions of the common elements.

5. Notwithstanding anything contained hereinabove to the contrary, the Developer and the Developer's mortgage lender and its successors and assigns, shall have the right to conduct extensive sales activities at and in the project, including the use of model apartments, sales and management offices, parking stalls and extensive sales displays and activities, as set forth in the Declaration of Horizontal Property Regime.

The proposed Rules and Regulations provide, in part, that: (1) occupancy shall be limited to not more than two (2) persons per bedroom contained in each residential apartment, except that such occupancy may be exceeded by members of the immediate family of the owner, tenant or other occupant, provided that in no event shall the number of occupants be more than four (4) per bedroom; (2) no waterbeds of any nature shall be allowed in any residential apartment without the prior written approval of the Board of Directors of the Association of Apartment Owners; and (3) no livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the project except that dogs, cats and other household pets in reasonable number and size as determined by the Board may be kept by the apartment owners and occupants in their respective apartments, subject to the conditions and restrictions contained in the Rules and Regulations.

OWNERSHIP OF TITLE: The Preliminary Title Report issued by Title Guaranty of Hawaii, Incorporated, dated December 3, 1981, shows that the land is owned in fee simple by The Trustees Under the Will and of the Estate of Bernice P. Bishop, Deceased (the "Owner"), but was leased to Honolulu Iron Works Company by Lease dated February 2, 1959, recorded in the Bureau of Conveyances of the State of Hawaii in Book 4741 at Page 234, which lease by mesne assignments was assigned to the Developer by instrument dated April 27, 1981, recorded in said Bureau of Conveyances in Book 15566 at Page 1. By letter agreement dated August 11, 1981, a copy of which has been submitted to the Real Estate Commission, the Owner has agreed, subject to certain conditions, to accept a surrender of said Lease dated February 2, 1959 and, in place thereof, to issue to the Developer a new 65-year development lease commencing October 1, 1981.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report issued by Title Guaranty of Hawaii, Incorporated, dated December 3, 1981, shows the following encumbrances against the land:

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division.
2. The reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. The terms, agreements, reservations, covenants, conditions and provisions contained in that certain Lease dated February 2, 1959, by and between said Fee Owner and Honolulu Iron Works Company, recorded in said Bureau of Conveyances in Book 4741 at Page 234; which Lease was assigned by mesne assignments to the Developer by instrument dated April 27, 1981 and recorded in said Bureau of Conveyances in Book 15566 at Page 1.
4. That certain Subordinated Mortgage, Security Agreement and Financing Statement dated March 9, 1981, by and between Partnership Pacific Bank N.V., as Mortgagee, and The Kakaako Corporation (the predecessor-in-interest to the Developer), as Mortgagor, recorded in said Bureau of Conveyances in Book 15469 at Page 369.
5. That certain Mortgage, Security Agreement and Financing Statement dated November 6, 1981, by and between the Developer, as Mortgagor, and Bank of Hawaii, as Mortgagee, recorded in said Bureau of Conveyances in Liber 15977 at Page 698.
6. Any and all unrecorded Subleases.

NOTE: The Developer has notified the Commission that said Subordinated Mortgage, Security Agreement and Financing Statement dated March 9, 1981, said Mortgage, Security Agreement and Financing Statement dated November 6, 1981, and said unrecorded Subleases will be removed as blanket encumbrances on the land before issuance of the first apartment lease in the project.

PURCHASE MONEY HANDLING: A specimen Sales Agreement and a copy of the executed Escrow Agreement dated December 28, 1981, between First Hawaiian Bank, a Hawaii corporation, as "Escrow", and the Developer, as "Seller", have been submitted to the Real Estate Commission as part of the registration. Upon examination, the specimen Sales Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly Sections 514A-37, 514A-39, 514A-40, 514A-63 through 67, and 514A-105.

Among other provisions, the Escrow Agreement provides that:

1. Subject to various terms and conditions set forth in detail in the Escrow Agreement, the buyer's funds held in escrow will be paid out by Escrow, at the times and in the amounts requested by Seller, (a) to pay for construction costs of the project in proportion to the valuation of the work completed by the contractor, as certified by a registered architect or professional engineer and as approved by the Seller's Lender; (b)

to pay for architectural, engineering, finance and legal fees as approved by the Seller's Lender; and (c) to pay for all other costs and expenses of the project as approved by the Seller's Lender.

2. All monies received by Escrow under the Escrow Agreement will be deposited by Escrow in a special account or accounts with a federally insured bank or savings and loan association in Honolulu, Hawaii, chosen by Seller and authorized to do business in the State of Hawaii under an escrow arrangement. The accounts must provide for interest at the going rate, and all interest paid on the accounts will belong to Seller.
3. A buyer will have the right to a refund of his funds only if (a) Seller asks Escrow in writing to return the buyer's funds to the buyer; (b) Seller gives Escrow written notice that Seller has rescinded or cancelled the Sales Agreement pursuant to any right of rescission or cancellation stated in the Sales Agreement or which Seller otherwise has; (c) the conditions provided for a refund under Sections 514A-63, 514A-64 or 514A-66 of the Horizontal Property Act (as amended on the date the Sales Agreement becomes binding and effective) have been met and written notice of that fact has been given to the Seller; or (d) Seller gives Escrow written notice of the buyer's cancellation of a reservation for the purchase of an apartment or of the buyer's rescinding or cancelling the Sales Agreement pursuant to any right of rescission or cancellation stated in the Sales Agreement.

Among other provisions, the specimen Sales Agreement provides that:

1. A Sales Agreement signed before a Final Public Report for the project is issued will only be a "reservation" and not a "binding contract" for the purchase of an apartment. The reservation may be cancelled at any time by either party until a Final Public Report is issued on the project, the buyer signs a receipt for the Final Public Report (or is considered to have received for it under the Condominium Laws), and the buyer and Seller sign a separate confirmation letter agreeing to make the Sales Agreement a binding contract. The buyer should be aware that the signing of a Sales Agreement before a Final Public Report is issued does not necessarily mean that the buyer will be able to purchase the reserved apartment for the price or on the other terms stated in the Sales Agreement, or on any terms at all.
2. SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, ABOUT THE APARTMENT, THE PROJECT (INCLUDING THE COMMON ELEMENTS), OR ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE APARTMENT OR THE PROJECT (INCLUDING THE COMMON ELEMENTS),

INCLUDING ANY WARRANTIES OR PROMISES OF "MERCHANTABILITY", "HABITABILITY", "WORKMANLIKE CONSTRUCTION" OR "FITNESS FOR A PARTICULAR PURPOSE". In other words, Seller makes no warranties or promises at all. The Seller does, however, agree to attempt to pass on to the buyer the benefit of the contractors' warranty or warranties, if any, and also any transferable manufacturer's or dealer's warranties covering any furnishings, fixtures, appliances and consumer products in the apartment.

3. Seller may (but doesn't have to) cancel the Sales Agreement and treat the buyer as being in default if the buyer's financial condition changes materially for the worse before closing. Seller may also cancel (but doesn't have to) if the buyer's application for a mortgage loan is rejected or not approved within thirty (30) days after application. If the buyer plans to pay the purchase price in cash and if Seller is not satisfied for any reason with the buyer's ability to make the cash payments, then Seller may (but doesn't have to) cancel the Sales Agreement. Seller may also cancel (but doesn't have to) the Sales Agreement if the buyer should die.
  
4. If because of governmental restrictions or regulations or other conditions beyond Seller's control (such as lawsuits filed by other persons) Seller is not able to start or complete the construction of the project in the time and under the conditions mentioned in the Sales Agreement, Seller may cancel the Sales Agreement upon written notice to the buyer and refund all sums paid by the buyer. If construction of the project is delayed because of (a) governmental restrictions or regulations, (b) fire, (c) tsunami, (d) earthquake, (e) acts of God or the elements, (f) war or civil disturbance, (g) strike or other labor disturbances, (h) any other event beyond the control of Seller (such as any lawsuit filed by any other person), or (i) any extensions of time given by the project architect to the general contractor; and if the total cost of completing the project (as set forth in Seller's verified statement of all costs in completing the project, filed or to be filed with the Real Estate Commission prior to issuance of the Final Public Report) has been or will be increased as a result of any such delay, then Seller may cancel the Sales Agreement by giving written notice to the buyer. But if the buyer, within fifteen (15) days after receiving written notice from Seller, agrees in writing to pay an increased purchase price which Seller decides is enough to make the project economically feasible, Seller won't be able to cancel the Sales Agreement just because the total cost of the project goes up. The amount of the increase in the purchase price will be set by Seller, but Seller may not increase the purchase price by more than the amount you get by multiplying the total increase in the cost of completing the project by the undivided percentage common interest appurtenant to the apartment.

5. Seller has entered or will enter into one or more loan agreements with one or more lenders to cover the construction and other costs of the project. Seller has given or will give the lender or lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment and covering Seller's ownership rights in the project, including the individual apartments. All of the rights and interests which Seller gives to the lender or lenders will have priority over the buyers' rights and interests under the Sales Agreements. This applies to any changes in the loan or loans or the mortgage or mortgages, security agreement or agreements or other instruments (including among other things extensions, renewals and other changes). The buyers give up and subordinate the priority of their rights and interests under the Sales Agreements in favor of the rights and interests of Seller's lenders until the final closing and delivery of signed apartment leases to the buyers. The buyers give up and subordinate such priority even if the buyers' money is spent at any time for the construction of the project or for other project costs. If Seller's lender or lenders ask the buyers to do so, the buyers will sign other documents to confirm the promises and agreements mentioned above.
  
6. The buyer agrees that no one (including the Seller or any sales person) has talked to the buyer at all about any rental income or rental services for the buyer's apartment. If the buyer wants to rent his apartment, how the buyer does it will be up to the buyer. The buyer also agrees that no one has talked to the buyer at all about the tax effects of buying his apartment except that the buyer may be entitled to income tax deductions for mortgage interest payments and real estate taxes. The buyer agrees that Seller may, as a requirement for closing, require buyer, any sales person or anyone else connected with the offer to sell and the sale of the apartment, to sign additional documents to satisfy Seller that the offer to sell and the sale of the apartment is not in violation of any securities laws. The buyer agrees that if Seller determines that there has been a violation of any securities laws, Seller's injury caused by such violation will be uncertain as to nature and amount and will be difficult and expensive to determine. Because of this, buyer agrees that Seller may obtain an injunction (in other words, a court order) from a court prohibiting any acts by the buyer which give rise to such violation. Seller may also pursue any other remedy against the buyer, including seeking money damages. All of Seller's costs, including reasonable lawyers' fees, incurred because of the buyer's actions in violation of any securities laws, will be paid by the buyer. The buyer also agrees that if the buyer claims that there has been any violation of any federal or state disclosure laws (including the Hori-

zontal Property Act) connected with the offer or sale of the apartment, the injury caused by such violation will be difficult to determine. Because of this, buyer agrees that buyer's only remedy will be to sue for a refund of the purchase price and closing costs actually paid, plus interest at the rate of 12% per year from the final Closing Date until the date of repayment. The buyer also agrees that (a) the refund will be considered as liquidated damages and not a penalty, and (b) any additional amounts paid by the buyer for the apartment (such as lease rents, maintenance charges and other common expenses, real property taxes, mortgage loan fees and interest, and the start-up fee) will be paid by the buyer as the reasonable use value of the apartment from the final Closing Date until the date of repayment.

7. The buyer will pay all closing costs. This will include, for example, the entire escrow fee, all conveyance taxes, all notary fees, all appraisal fees, all recording costs, all charges for buyer's credit report, all costs of preparing the apartment lease and any mortgages and promissory notes, all title insurance costs, and all mailing, air courier and other delivery charges. The buyer will also pay all mortgage costs and closing fees. The buyer will also pay the non-refundable start-up fee which will be held and used by Seller and the Managing Agent as a working capital fund for the benefit of all the apartment owners. Lease rents, real property taxes, maintenance charges and other common expenses and other prorations will be made, and risk of loss will transfer from Seller to buyer on the scheduled Closing Date as defined in the specimen Sales Agreements. The buyer will sign all documents and do everything else required for closing within five (5) days after receiving written notice to pre-close. Pre-closing may take place at any time after thirty (30) days from the date Seller signs the Sales Agreement.
8. The buyer agrees that buyer will not have any right to transfer the Sales Agreement or his rights under the Sales Agreement without first getting the written consent of Seller. Seller will consent to any transfer if (and only if) certain conditions set forth in the Sales Agreement are satisfied. Seller will not have to consent to any transfer by buyer, and no transfer will be made by buyer, of the Sales Agreement or any of buyer's rights or interests under the Sales Agreement at any time after 120 days before the scheduled Closing Date (as defined in the Sales Agreement) originally set by Seller (whether or not the scheduled Closing Date is later postponed by Seller as provided in the Sales Agreement), and any such transfer will be void. No transfer by buyer of the Sales Agreement or any of buyer's rights or interests under the Sales Agreement (even if Seller consents to the transfer) will release buyer from any obligation under the Sales Agreement and buyer will remain obligated to Seller under the Sales Agreement after any transfer, even if Seller consents to the transfer.

It is important that the buyers and prospective buyers read with care the specimen Sales Agreement and the executed Escrow Agreement. The Escrow Agreement describes how the proceeds from the sale of the apartments and any sums received from any source are placed in trust and how the funds will be held, paid out and/or refunded.

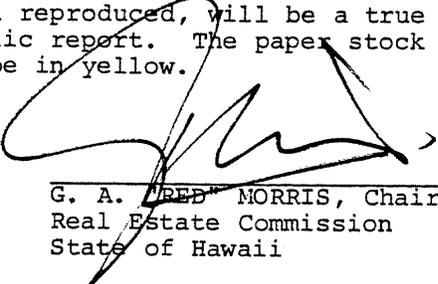
MANAGEMENT AND OPERATION: The proposed By-Laws of the Association of Apartment Owners provide that the operation of the project will be conducted for the Association of Apartment Owners by a responsible corporate Managing Agent. The Managing Agent will be appointed by the Board of Directors (on behalf of the Association) in accordance with the By-Laws, except that the Managing Agent for the initial period following the date of the organization of the Association of Apartment Owners may be appointed by the Developer without the approval of the Association. The Developer anticipates selecting Hawaiiana Management Company, Ltd., a Hawaii corporation, as the initial Managing Agent.

STATUS OF THE PROJECT: The Developer is currently in the process of choosing a contractor to construct the project and is also currently in the process of obtaining an interim construction loan to finance the construction.

-----  
The buyer or prospective buyer should be aware of the fact that this published report represents information disclosed by the Developer in the Notice of Intention filed on January 6, 1982 and information subsequently filed as of January 26, 1982.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1481 filed with the Commission on January 6, 1982.

This report, when reproduced, will be a true copy of the Commission's public report. The paper stock used in making facsimiles must be in yellow.



G. A. MORRIS, Chairman  
Real Estate Commission  
State of Hawaii

DISTRIBUTION:

Department of Taxation  
Bureau of Conveyances  
Planning Department,  
County of Honolulu  
Federal Housing Administration  
Escrow Agent

Registration No. 1481

Date: February 1, 1982

THE WATERFRONT TOWERS

DISCLOSURE ABSTRACT

1. (a) PROJECT: The Waterfront Towers  
Honolulu, Hawaii
- (b) DEVELOPER: The Kakaako Venture  
Suite 2200  
2255 Kuhio Avenue  
Honolulu, Hawaii 96815  
Telephone: 946-1144
- (c) PROJECT MANAGER: Bruce C. Stark, President  
The Kakaako Venture  
Suite 2200  
2255 Kuhio Avenue  
Honolulu, Hawaii 96815  
Telephone: 946-1144

2. USE OF APARTMENTS:

The Project contains or will contain two hundred seventy-six (276) residential apartments (exclusive of the manager's apartment for use by the Managing Agent or other employee of the Association of Apartment Owners of the Project). The residential apartments will be occupied and used only for residential purposes. The apartments may not be used for transient or hotel purposes or for use as time share or sharing units pursuant to any time sharing plan, arrangement or program.

3. WARRANTIES:

DEVELOPER MAKES NO WARRANTIES OR PROMISES OF ANY KIND, EXPRESS OR IMPLIED, ABOUT THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT), OR ABOUT ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT), INCLUDING ANY WARRANTIES OR PROMISES OF "MERCHANTABILITY", "HABITABILITY", "WORKMANLIKE CONSTRUCTION" OR "FITNESS FOR A PARTICULAR USE OR PURPOSE". In other words, Developer makes no warranties or promises at all.

Developer expects (BUT DOES NOT WARRANT OR PROMISE) that Developer's construction contracts with the contractors for the Project will contain a warranty section something like Section 13.2.2 of AIA Document A201 which states:

If, within one year after the date of substantial completion of the work or designated portion thereof or within one year after acceptance by the Developer of designated equipment, any of the work is found to be defective or not in accordance with the contract documents, the contractor shall correct it promptly after receipt of a written notice from the Developer to do so unless the Developer has previously given the contractor a written acceptance of such condition. The Developer shall give such notice promptly after discovery of the condition.

Developer agrees that if Buyer gives Developer written notice of any problem covered by any contractor's warranty, Developer will pass the Buyer's notice on to the contractor, together with a written notice asking the contractor to correct the problem. The recording of Buyer's Apartment Lease will mean that any manufacturer's or dealer's warranties which can be transferred, covering any furnishings, fixtures, appliances or consumer products in the apartment, have been transferred to Buyer. DEVELOPER IS NOT ADOPTING ANY SUCH CONTRACTOR'S, MANUFACTURER'S OR DEALER'S WARRANTIES, OR ACTING AS CO-WARRANTOR, BUT IS ONLY ATTEMPTING TO PASS ON TO BUYER THE BENEFIT OF ANY SUCH WARRANTIES. BUYER MAY LOOK AT THE TERMS OF THE MANUFACTURER'S OR DEALER'S WRITTEN WARRANTIES AT DEVELOPER'S SALES OFFICE.

\*\*\*\*\*  
\* THE ATTENTION OF THE BUYER IS DIRECTED TO ARTICLE V, \*  
\* SECTION D, OF THE SALES AGREEMENT (INCORPORATED HEREIN \*  
\* BY THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS AND WARRANTIES CONCERNING THE APARTMENT, THE \*  
\* PROPERTY, THE PROJECT (INCLUDING THE COMMON ELEMENTS), \*  
\* ESTIMATED MAINTENANCE CHARGES AND RENTAL OF THE APARTMENT, AND CONTAINING A PROMISE NOT TO SUE IN CERTAIN \*  
\* CASES. \*  
\*\*\*\*\*

4. BREAKDOWN OF ANNUAL MAINTENANCE CHARGES AND MONTHLY ESTIMATED COSTS FOR EACH APARTMENT:

Attached to this Disclosure Abstract as Exhibit A is a breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project by apartment type, prepared by Hawaiiana Management Company, Ltd., a Hawaii corporation, as of December 1, 1981, and certified to have been based on generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each apartment are subject to change based on actual cost for the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation,

uninsured casualty loss or damage, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors may cause the maintenance assessments to be greater or lesser than the estimated maintenance assessments. The breakdown of the estimated cost for each apartment contained in this Disclosure Statement does not include the Buyer's obligation for the payment of lease rents or real property taxes, and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

\*\*\*\*\*  
\* NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF \*  
\* MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE \*  
\* VERY DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF SUCH \*  
\* MAINTENANCE CHARGES HAVE BEEN ACCURATELY ESTIMATED, \*  
\* SUCH CHARGES WILL TEND TO INCREASE IN AN INFLATIONARY \*  
\* ECONOMY AND AS THE IMPROVEMENTS AGE. MAINTENANCE \*  
\* CHARGES CAN VARY DEPENDING ON SERVICES DESIRED BY \*  
\* APARTMENT OWNERS. THE BUYER SHOULD EXAMINE THE MAINTENANCE \*  
\* CHARGE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED \*  
\* IN THE SCHEDULE. \*  
\*\*\*\*\*

CERTIFICATE

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

1. That I am the Vice President of Hawaiiana Management Company, Ltd., a Hawaii corporation, designated by the Developer of The Waterfront Towers condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. That I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project by apartment type, as set forth in Exhibit A attached hereto and hereby incorporated herein by reference, are reasonable estimates as of December, 1981, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 14<sup>th</sup> day of December, 1981.

L. W. Poland  
L. W. POLAND

Subscribed and sworn to before me this 14<sup>th</sup> day of December, 1981.

Kay Dickinson  
Notary Public  
State of Hawaii

My Commission Expires: 1-30-85

EXHIBIT A

THE WATERFRONT TOWERS

Estimated Common Expenses  
as of December 1, 1981

	<u>Monthly</u>	<u>Annually</u>
<u>RECEIPTS</u>		
Maintenance Fees	<u>\$98,632</u>	<u>\$1,183,584</u>
Total Receipts	<u>\$98,632</u>	<u>\$1,183,584</u>
<u>DISBURSEMENTS</u>		
<u>Utilities</u>		
Electricity	\$48,000	\$ 576,000
Television Cable	2,668	32,016
Water	1,365	16,380
Sewer Services	1,759	21,108
Gas	6,690	80,280
Telephone	<u>105</u>	<u>1,260</u>
	<u>\$60,587</u>	<u>\$ 727,044</u>
<u>Building Maintenance</u>		
Air Conditioning	\$ 2,500	\$ 30,000
Cleaning Services	300	3,600
Cleaning Supplies	100	1,200
Communications	645	7,740
Elevator	5,565	66,780
Grounds	75	900
Misc. Repairs & Purchases	1,000	12,000
Pest Control	75	900
Pool	175	2,100
Pump & Ventilation	500	6,000
Refuse	400	4,800
Rent Equipment	450	5,400
Security	<u>75</u>	<u>900</u>
	<u>\$11,860</u>	<u>\$ 142,320</u>

<u>Administration</u>		
Management Services	\$ 2,760	\$ 33,120
Payroll Manager	1,500	18,000
Payroll Other	1,650	19,800
Payroll Maintenance	900	10,800
Payroll Cleaning	3,150	37,800
Payroll Security	4,580	54,960
Payroll Taxes	1,330	15,960
Payroll Insurance	995	11,940
	<u>\$16,865</u>	<u>\$ 202,380</u>
 <u>Other</u>		
Insurance	\$ 2,500	\$ 30,000
Legal & Audit	270	3,240
Miscellaneous	200	2,400
Office Supplies	200	2,400
Uninsured Expenses	75	900
Taxes Gross Income	25	300
Taxes Other	50	600
	<u>\$ 3,320</u>	<u>\$ 39,840</u>
Total Disbursements	\$92,632	\$1,111,584
 <u>RESERVES</u>		
General Operating	\$ 1,500	\$ 18,000
Painting	3,000	36,000
Carpet	1,500	18,000
Total Reserves	<u>\$ 6,000</u>	<u>\$ 72,000</u>
 NET INCOME	 -0-	 -0-

MAINTENANCE CHARGES OR FEES FOR  
EACH APARTMENT BY APARTMENT TYPE:

<u>Apartment</u> <u>Type</u>	<u>Monthly</u>	<u>Annually</u>
A	\$ 440.98	\$ 5,291.76
B	\$ 231.40	\$ 2,776.80
C	\$ 466.96	\$ 5,603.52
D	\$ 259.10	\$ 3,109.20
E	\$ 803.03	\$ 9,636.36
F	\$ 439.27	\$ 5,271.24
G	\$1,636.95	\$19,643.40
H	\$1,713.18	\$20,558.16
I	\$1,754.36	\$21,052.32