

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Hawaiian Island Development Co., Inc.
Address 931 University Avenue, Suite 207, Honolulu, Hawaii 96826

Project Name (*): WAIKIKI MARINA CONDOMINIUM
(formerly known as "The Westbury")
Address: 1700 Ala Moana Boulevard, Honolulu, Hawaii 96815

Registration No. 1482 Effective date: January 24, 2002
Expiration date: February 24, 2003

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
XX SUPPLEMENTARY: (pink) This report updates information contained in the:
And [X] Supersedes all prior public reports

(*) Exactly as named in the Declaration
FORM: RECO-30 286/986/189/1190/892/0197/1098/0800

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

1. By FOURTH AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF WAIKIKI MARINA CONDOMINIUM (FORMERLY KNOWN AS "THE WESTBURY") AND AMENDMENT OF CONDOMINIUM MAP NO. 484 (the "Fourth Amendment"), the name of the project was changed from "THE WESTBURY" to "WAIKIKI MARINA CONDOMINIUM".
2. The original Bylaws of the Association of Apartment Owners of the Westbury have been amended to reflect the change of the Project's name to "WAIKIKI MARINA CONDOMINIUM".
3. The current developer is HAWAIIAN ISLAND DEVELOPMENT CO., INC., a Hawaii corporation, the "Buyer" of the entire Project under that certain Agreement of Sale dated August 8, 2001, a short form of which is recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2760734.
4. The escrow company, management company, real estate broker and attorney for the developer have changed and new escrow, management and broker listing agreements have been executed.
5. By the Fourth Amendment, twelve of the original parking stalls were converted to Parking Apartments and some parking stalls were converted to common element access aisles to provide better access to handicap stalls.
6. By the Fourth Amendment, 1,603 square feet of enclosed space in the partial basement of the building were converted to a Management Apartment.
7. By the Fourth Amendment, the common interests for all apartments were changed.
8. By the Fourth Amendment, some of the original parking stall assignments were changed.
9. By the Fourth Amendment, the Condominium Map was amended in its entirety.

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Hawaiian Island Development Co., Inc. Phone: (808) 946-3222
Name* (Business)
931 University Ave., Suite 207
Business Address
Honolulu, Hawaii 96826

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

Peter Savio (President, Secretary, Treasurer and Director)
Phyllis D. Savio (Vice President, Director)

Real Estate Broker*: Hawaiian Island Homes Ltd. Phone: (808) 951-8979
Name (Business)
931 University Avenue, Suite 207
Business Address
Honolulu, Hawaii 96826

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

General Contractor*: N/A Phone: _____
Name (Business)

Business Address

Condominium Managing Agent*: Cadmus Properties Corporation Phone: (808) 531-6847
Name (Business)
332 N. School Street
Business Address
Honolulu, Hawaii 96817

Attorney for Developer: Brooks Tom Porter & Quitiquit, LLP Phone: (808) 526-3011
Name (Business)
841 Bishop Street, Suite 2125
Business Address
Honolulu, Hawaii 96813
Attn: Jeffrey D. Watts, Esq.

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

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

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

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 1150624

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: (1) First Amendment to Declaration of Horizontal Property Regime of the Westbury, dated Jan. 9, 1984, filed as Land Court Doc. No. 1212765; (2) Second Amendment to Declaration of Horizontal Property Regime of the Westbury, dated Jan. 23, 1984, filed as Land Court Doc. No. 1215909; (3) Third Amendment to Declaration of Horizontal Property Regime of the Westbury, dated April 18, 1984, filed as Land Court Doc. No. 1231092; (4) Fourth Amendment to Declaration of Condominium Property Regime of Waikiki Marina Condominium (formerly known as the "Westbury") and Amendment of Condominium Map No. 484, dated January 17, 2002, filed as Land Court Doc. No. 2771271.

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

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. 484

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: Fourth Amendment to Declaration of Condominium Property Regime of Waikiki Marina Condominium (formerly known as the "Westbury") and Amendment of Condominium Map No. 484, dated January 17, 2002, filed as Land Court Doc. No. 2771271.

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

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 1150625

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to Bylaws of the Association of Apartment Owners of Waikiki Marina Condominium (Formerly Known As "The Westbury"), dated January 17, 2001, filed as Land Court Doc. No. 2771272.

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	_____	Majority of Board

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

2. Developer:

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

The Sales Contract provides that Developer has the right to change the Declaration, Bylaws, Condominium Map, House Rules, the form of Apartment Lease and other documents. Buyer accepts and approves all changes that are required by law, any title insurance company, any lender, the Fee Owner or any governmental agency as a condition to selling apartments in the Project. Buyer also accepts and approves all changes that the Developer determines to be necessary, made at any time before the filing of an Apartment Lease to Buyer, but only if the changes don't:

- (a) substantially change any of Developer's obligations under the Sales Contract;
- (b) require a substantial change in the design, location or size of the Apartment or of the building in which the Apartment is located;
- (c) increase Buyer's undivided percentage common interest in the common elements of the Project; or
- (d) reduce the Developer's obligation for common expenses on any unsold apartments in the Project.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

Lease Term Expires: March 31, 2048 Rent Renegotiation Date(s) April 1, 2013, April 1, 2023 and April 1, 2033

Lease Rent Payable: [X] Monthly [] Quarterly [] Semi-Annually [] Annually

Exhibit "A" contains a schedule of the lease rent for each apartment per: [X] Month [] Year

For Subleaseholds:

- [] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is: [] Canceled [] Foreclosed
[] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.
[] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

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

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

Lease Term Expires: Rent Renegotiation Date(s)

Lease Rent Payable: [] Monthly [] Quarterly [] Semi-Annually [] Annually

Exhibit __ contains a schedule of the lease rent for each apartment per: [] Month [] Year

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 1700 Ala Moana Boulevard Tax Map Key (TMK): (1) 2-6-011-008
Honolulu, Hawaii 96815

Address TMK is expected to change because _____

Land Area: approx. 38,773 [X] square feet acre(s) Zoning: Waikiki Special District
(Apartment Precinct)

Fee Owner: BANK OF HAWAII, a Hawaii corporation, by its division, PACIFIC CENTURY TRUST, as Trustee under that certain Trust Agreement filed in the Office of the Assistant Registrar of the Land Court as Land Court Document No. 1097665

Name
Financial Plaza of the Pacific, 111 S. King Street
 Address
Honolulu, Hawaii 96813

Lessor: [SAME AS FEE OWNER]

Name
[SAME AS FEE OWNER]
 Address

C. Buildings and Other Improvements:

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

*The building was new when the project was submitted to a condominium property regime in 1983.

2. Number of Buildings: 1 Floors Per Building 39

Exhibit contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Steel, glass and aluminum

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>136**</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other (Management)	<u>1</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other (Parking)	<u>12</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

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

Yes No

**120 of the 136 Residential Apartments have current Nonconforming Use Certificates that permit the apartments to be used as Transient Vacation Units. Please see page 20.

5. Special Use Restrictions:

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

Pets: No pets permitted without Board approval except as provided in House Rules

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 2 Stairways: 1 Trash Chutes: 1

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>SEE EXHIBIT "B"</u>					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Apartments: 149 SEE EXHIBIT "B"

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

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

Boundaries of Each Apartment:

SEE EXHIBIT "C"

Permitted Alterations to Apartments:

SEE EXHIBIT "C"

7. Parking Stalls:

Total Parking Stalls: 153

	<u>Regular</u>		<u>Compact</u>		<u>Handicap</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)	<u>103</u>	<u> </u>	<u>33</u>	<u> </u>	<u> </u>	<u> </u>	<u>136</u>
Guest	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>5</u>	<u> </u>	<u>5</u>
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra for Purchase	<u>12</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>12</u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>115</u>	<u> </u>	<u>33</u>	<u> </u>	<u>5</u>	<u> </u>	<u>153</u>

Eighty-six (86) Residential Apartments each have the right to the exclusive use of one (1) parking stall. At the time of the first sale of the remaining fifty (50) Residential Apartments, the buyer will have the right to purchase one (1) parking stall to be assigned to the buyer's apartment as a limited common element for the exclusive use of that apartment. Those fifty (50) stalls are currently assigned to one of the twelve (12) Parking Apartments that are also available for purchase. Buyers are encouraged to find out which stall(s) will be available for their use or for their purchase.

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: _____

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

There are no violations. Violations will not be cured.

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

See page 20, paragraph 1.

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

(For conversions of residential apartments in existence for at least five years):

See Exhibit "H" re: the project's condition. The Developer has corrected deficiencies noted in a letter from the City and County of Honolulu (included in Exhibit "H"). As to other matters disclosed in Exhibit "H", the Project is being sold "AS IS".

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	_____	X (see pg. 20)	_____
Structures	<u> X </u>	_____	_____
Lot	<u> X </u>	_____	_____

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

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

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

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

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

described in Exhibit "D".

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit "D".

as follows:

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

described in Exhibit "B".

as follows:

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

Exhibit "E" describes the encumbrances against the title contained in the title report dated November 29, 2001 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

There are no blanket liens affecting title to the individual apartments.

There are blanket liens which may affect title to the individual apartments.

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
N/A	N/A

F. Construction Warranties:

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

1. Building and Other Improvements:

NONE.

2. Appliances:

NONE.

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

The buildings and other improvements comprising the Project were completed in 1983.

H. Project Phases:

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

A. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

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

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

- | | |
|--|---|
| <input checked="" type="checkbox"/> not affiliated with the Developer | <input type="checkbox"/> the Developer or the Developer's affiliate |
| <input type="checkbox"/> self-managed by the Association of Apartment Owners | <input type="checkbox"/> other _____ |

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit "F" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. Utility Charges for Apartments:

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

- | | |
|---|---|
| <input type="checkbox"/> None | <input checked="" type="checkbox"/> Electricity (<input type="checkbox"/> Common Elements only <input checked="" type="checkbox"/> Common Elements & Apartments) |
| <input checked="" type="checkbox"/> Gas | (<input checked="" type="checkbox"/> Common Elements only <input type="checkbox"/> Common Elements & Apartments) |
| <input checked="" type="checkbox"/> Water | <input checked="" type="checkbox"/> Sewer <input checked="" type="checkbox"/> Television Cable |
| <input checked="" type="checkbox"/> Other | <u>Refuse collection; telephone (common elements only)</u> |

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

Exhibit "G" contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated November 2, 2001

Exhibit "G" contains a summary of the pertinent provisions of the escrow agreement.

Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

A) The Developer delivers to the buyer a copy of:

- 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
- 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); **AND**

C) One of the following has occurred:

- 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
- 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
- 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

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

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

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

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other _____

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

This Public Report is part of Registration No. 1482 filed with the Real Estate Commission on March 29, 1984.

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

YELLOW paper stock WHITE paper stock PINK paper stock

C. Additional Information Not Covered Above:

1. Zoning and Code Compliance. A letter from the Department of Planning and Permitting of the City and County of Honolulu, dated November 13, 2001 (the "City and County Letter"), discloses that the Project's building "met all applicable code requirements when it was constructed in 1983." However, the City and County Letter indicates that at the time the Project was inspected, there were fewer off-street parking stalls than required by the original building permit for the Project. The Developer discloses that parking stalls have recently been reconfigured so that there are now more stalls than required. The City and County Letter also notes that storage areas located in the parking garage were not constructed according to plans approved in connection with issuance of a building permit for the storage areas. The Developer discloses that the storage areas have since been removed. The City and County Letter also discloses that 16 of the 136 Residential Apartments do not have nonconforming use certificates and, therefore, may not be used under current zoning as transient vacation rentals (see paragraph 2 below). A copy of the City and County Letter is included in Exhibit "H" attached hereto and made a part hereof.

2. Residential Apartments; Nonconforming Use Certificates. The Declaration provides that the Residential Apartments shall be occupied and used for residential dwelling purposes or for such other purposes as are not expressly prohibited in the Declaration or in the Bylaws, provided that such uses are permitted by applicable zoning and other applicable ordinances and laws. As of the date of this Supplementary Public Report, the Project is located in the Waikiki Special District "Apartment Precinct." Principal uses permitted for the Residential Apartments under current zoning are multifamily dwellings and boarding facilities. However, one hundred twenty (120) of the Residential Apartments are currently covered by Nonconforming Use Certificates issued by the Department of Planning and Permitting of the City and County of Honolulu. (The 16 Residential Apartments that **do not have** Nonconforming Use Certificates are 601, 602, 603, 604, 701, 702, 703, 704, 2801, 2802, 2901, 2902, 3201, 3202, 3901 and 3902.) Each Nonconforming Use Certificate allows the apartment covered by the Certificate to be used for short-term rentals of less than 30 days until the Certificate expires, on September 30, 2002. Provided that certain conditions are met, the Nonconforming Use Certificates may be renewed before September 30 of each even-numbered year. If the Buyer's apartment has a Nonconforming Use Certificate, Buyer should review (or have Buyer's attorney review) section 21-4.110-1 of the Land Use Ordinance of the City and County of Honolulu. That section explains the conditions that must be met in order to renew a Nonconforming Use Certificate.

3. Hazardous Materials. Muranaka Environmental Consultants, Inc., prepared a Phase I Environmental Site Assessment dated March 8, 2000 (the "Phase I Assessment"). The Phase I Assessment covers the Project and two adjacent properties and is available at the Developer's sales office for Buyer's review. The Developer neither prepared nor commissioned the Phase I Assessment and makes no representations or warranties whatsoever as to the accuracy or completeness of the Phase I Assessment. The Developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the apartments or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The Developer will not correct any defects in the apartments or in the Project or anything installed or contained therein and Buyer expressly releases the Developer from any liability to Buyer if any hazardous materials are discovered.

4. Lead-Based or Lead-Containing Paint. Buyer is hereby notified that the Project may present exposure to lead from lead-based or lead-containing paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Developer is required by law to provide Buyer with any information on lead-based or lead-containing paint hazards from risk assessments or inspections in the Developer's possession and notify Buyer of any known lead-based or lead-containing paint hazards. The Developer hereby discloses that the Developer has no knowledge of lead-based or lead-containing paint and/or lead-based or lead-containing paint hazards at the Project. The Phase I Assessment (described above) discloses that the Project's building

(identified in the Phase I Assessment as “the Ala Wai Tower building”) would have a low potential for lead-containing paint because of the date of its construction (1983). However, the Phase I Assessment also discloses that lead-containing paint has been found in many recently constructed building structures. A risk assessment or inspection for possible lead-based or lead-containing paint hazards is recommended prior to purchase.

5. General Condition of the Project. A letter from Ernest M. Umemoto AIA Architect, Inc., dated November 28, 2001 (the “Architect’s Letter”), discloses that “[t]he building has held up to wear and tear very well and a strict maintenance effort has kept the complex clean and functionally able to provide for the needs of the intended use.” The Architect’s Letter, however, also identifies several possible areas of noncompliance with current codes and conditions that may require remedial action. A copy of the Architect’s Letter is included in Exhibit “H” attached to this Supplementary Public Report. Also included in Exhibit “H” are letters addressing the condition of the Project’s (a) electrical components (dated September 26, 2001, from RS Engineering), (b) structural components (dated October 26, 2001, from Hawaii Engineering Group, Inc.), and (c) plumbing components (dated October 26, 2001, from Lange Motonaga, Inc.). The Developer makes no warranties or representations regarding the completeness or accuracy of the foregoing reports. The Developer further discloses that the Project may be subject to exterior spalling and weathering, rust, earthquake, fire, floods, erosion, high water table, dangerous underground soil conditions and similar occurrences or conditions which may alter the Project’s condition or affect its suitability for any proposed use. The Developer shall have no responsibility or liability for or with respect to any such occurrence or condition or any conditions disclosed in any of the reports included in Exhibit “H” to this Supplementary Public Report or otherwise made available to the Buyer.

6. Disclosure of Consolidation and Boundary Discrepancy. Based upon information provided to (but not independently verified by) the Developer, the Developer discloses that by letter dated May 17, 1983, the Department of Land Utilization, City and County of Honolulu (now known as the Department of Planning and Permitting) approved the consolidation of the Land (see Folder No. 1983(62)). However, as of the date of this Public Report, the approved consolidation map prepared by James R. Thompson dated December 2, 1982 has not been filed with the Office of the Assistant Registrar of the Land Court of the State of Hawaii. In addition, there is a discrepancy in the following: (a) The descriptions of the common boundary between Lot 101-A of Land Court Application No. 852 and Parcel A of the Consolidation Map, and (b) The descriptions of the common boundary between Lots 99-A, 100-A, 101-A and 102-A of Land Court Application No. 852 and Lots 2 and 3 of Land Court Application No. 1597. The Developer makes no representations or warranties whatsoever regarding any of these matters, nor regarding what effect (if any) they may have on the value of an apartment in the Project.

7. Surveyor’s Report. A Surveyor’s Report, dated March 11, 2001, prepared by Alden S. Kajioka, Licensed Professional Land Surveyor, discloses, among other things, the following: (a) a low hollow tile wall along the eastern boundary of the Project’s land appears to be a party wall. It begins entirely outside of the Project’s land and crosses into the land; (b) the base of a phone booth protrudes 2 inches into the Project’s land; (c) a HECO box abuts a wall within an adjacent lot by 1 and ½ inches; and (d) a hollow tile wall protrudes into the Project’s land by approximately 2 inches but leans into the land by approximately 6 inches. The Developer makes no representations or warranties whatsoever regarding any of these matters, nor regarding what effect (if any) they may have on the value of an apartment in the Project. A copy of the Surveyor’s Report is available for inspection at the Developer’s sales office.

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

HAWAIIAN ISLAND DEVELOPMENT CO., INC.

 Printed Name of Developer

By: Peter Savio _____ Date 1-17-02
 Duly Authorized Signatory* Date

By: _____ Date _____
 Duly Authorized Signatory* Date

Peter Savio (President, Secretary, Treasurer and Director)

 Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

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

**SCHEDULE OF LEASE RENTS;
RENEGOTIATION PROVISIONS;
SURRENDER PROVISIONS**

I. LEASE RENTS FOR FIXED-RENT PERIODS:

Lease rent amounts for the Residential, Parking and Management Apartments are fixed from the commencement date of each Lease through March 31, 2013.

For the period from the commencement date to and including March 31, 2003, the lease rent amounts are as follows:

Residential Apartment:	\$43.10 per month (= \$517.20 per year)
Management Apartment:	\$38.97 per month (= \$467.64 per year)
Parking Apartment:	\$00.30 per month (= \$3.60 per year)

For the period from April 1, 2003, to and including March 31, 2013, the lease rent amounts are as follows:

Residential Apartment:	\$55.95 per month (= \$671.40 per year)
Management Apartment:	\$50.58 per month (= \$606.96 per year)
Parking Apartment:	\$00.39 per month (= \$4.68 per year)

II. RENT RENEGOTIATION PROVISIONS:

Each Apartment Lease provides that lease rents for the term of the Lease following the last fixed-rent period shall be determined as follows:

For each of the ten year periods commencing April 1, 2013, and April 1, 2023, and for the fifteen year period commencing April 1, 2033, and ending March 31, 2048, the rental shall be the Lessee's proportionate share of the rental for the entire Project, as mutually agreed upon by and between the Lessee (acting by and through the association of apartment owners of the Project established pursuant to the Declaration [the "Association"]) and the Lessor; provided, however, that upon failure of the Lessor and the Lessee to reach such an agreement for any such period ninety (90) days prior to the expiration of the preceding period, the rental shall be six percent (6%) of the fair market value, as of the first day of said period, of the Land demised hereby, exclusive of all buildings and improvements thereon; but in no event less than the rental for the period immediately preceding, as determined by three impartial appraisers selected as hereinafter set forth, to-wit:

In the event Lessor and Lessee are unable to agree upon the fair market rental value of the Land ninety (90) days prior to the commencement of the next rental period, the Lessee (acting by and through the Association) and the Lessor

EXHIBIT "A"

Page 1 of 2

shall each, on or before thirty (30) days prior to the commencement of the period for which the rent is to be determined, name an appraiser and so notify the other party in writing, and in case one party shall fail so to do, the party who has named an appraiser shall have the right to apply to the person who shall hold office at the time as the senior judge in service of the Circuit Court of the First Circuit of the State of Hawaii, or, if said judge is for any reason unavailable or unwilling to act, then to any other judge of said Court who shall be available and willing to act, requesting him or her to select and appoint an appraiser, and the two appraisers thus appointed (in either manner) shall select and appoint a third appraiser, and in the event that the two appraisers so appointed shall within fifteen (15) days after the naming of the second appraiser, fail to appoint the third appraiser, either party may have such third appraiser selected and appointed by said senior judge, or if he or she is unavailable or unwilling, by any other judge of said Court, and the three appraisers so appointed shall thereupon proceed to determine the fair market value, as of the first day of the period, of the Land demised hereby, exclusive of buildings and improvements thereon, for the purpose of determining the rental for the demised premises for said period, and the decision of any two of them shall be final, conclusive and binding upon both parties, subject, however, to vacation or modification in accordance with the provisions of Chapter 658, Hawaii Revised Statutes, as the same now exist, or if amended, as they shall exist at the time of such appraisal. In the event the appraisers shall render their decision after the commencement of the period for which the rent is being determined, rental shall be payable at the rate in effect for the prior period until their decision is rendered, but the new rental established by such appraisal shall become effective retroactively to the commencement of said period and the Lessee shall make up any deficiency with the next monthly rental payment. Each of said appraisers shall be a recognized local real estate appraiser and the third appraiser shall not be employed by or connected with either party. It is further agreed that in no event shall the rental for each of said ten-year periods and said remaining period, whether determined by mutual agreement or by three appraisers as hereinabove provided, be less than the rental for the immediately preceding period. All expenses of appraisal shall be evenly divided between the Lessor and the Lessee, except that each party shall pay his own attorney and witness fees.

III. SURRENDER PROVISION:

Each Apartment Lease provides that at the end of the term of the Lease (March 31, 2048), or upon sooner termination as provided in the Lease, Lessee shall peaceably deliver up to Lessor the Apartment and its appurtenant undivided interest in all of the common elements of the Project, including the Land, all in good repair, order and condition except for ordinary wear and tear; provided, however, that if the Lessee shall not then be in default under the Lease, the Lessee may remove from the demised premises any trade fixtures installed by the Lessee during the term of the Lease, upon the condition that the Lessee shall at its own expense repair promptly to the satisfaction of the Lessor all damage caused by such removal.

EXHIBIT "A"

Page 2 of 2

**DESCRIPTION OF THE APARTMENTS,
PARKING STALL ASSIGNMENTS, AND
COMMON INTERESTS**

The Project contains three (3) types of Apartments. There are 136 Residential Apartments, twelve (12) Parking Apartments, and one (1) Management Apartment, all as more particularly described below.

RESIDENTIAL APARTMENTS:

Each of the 136 Residential Apartments is a studio with a kitchen and bathroom. Each of the Residential Apartments with a number ending in "01" or "04" has a net living area of 359 square feet, which includes 88 square feet of hideaway storage space, except Residential Apartments 1004, 1404, 1804, 2204, 2604, 3104, 3504 and 3804 which each have a net living area of 352 square feet, which includes 88 square feet of hideaway storage space. Each of the Residential Apartments with a number ending in "02" or "03" has a net living area of 391 square feet, which includes 77 square feet of hideaway storage space.

PARKING APARTMENTS:

Each of the 12 Parking Apartments (designated on the Condominium Map by "P.Apt." followed by a number or a letter) has a net area of 161.5 square feet.

MANAGEMENT APARTMENT:

The Management Apartment is located in the partial basement and consists of seven enclosed areas designated on the Condominium Map as M-1 through M-7. The Management Apartment includes general office and storage spaces and a restroom. Space M-1 contains a net area of approximately 175 square feet, space M-2 contains a net area of approximately 306 square feet, space M-3 contains a net area of approximately 140 square feet, space M-4 contains a net area of approximately 466 square feet, space M-5 contains a net area of approximately 242 square feet, space M-6 contains a net area of approximately 122 square feet, and space M-7 contains a net area of approximately 152 square feet. The aggregate net area of the Management Apartment is approximately 1603 square feet.

The following table identifies each of the Apartments by number and type and shows the Apartment's net area, assigned parking stall (if any) and undivided percentage interest in the common elements of the Project.

**APARTMENT NUMBERS, APARTMENT TYPES,
NET AREAS, PARKING STALL ASSIGNMENTS AND
COMMON INTERESTS**

Apartment Numbers	Apartment Types	Net Area (in square feet)	Parking Stall(s) Assigned	Percentage Common Interest
601	Studio	359	138	0.730%
602	Studio	391	139	0.730%
603	Studio	391	118-c	0.730%
604	Studio	359	117-c	0.730%
701	Studio	359	110-c	0.730%
702	Studio	391	109-c	0.730%
703	Studio	391	108	0.730%
704	Studio	359	107	0.730%
801	Studio	359	141-c	0.730%
802	Studio	391	140-c	0.730%
803	Studio	391	48-c	0.730%
804	Studio	359	47-c	0.730%
901	Studio	359	40-c	0.730%
902	Studio	391	39-c	0.730%
903	Studio	391	13-c	0.730%
904	Studio	359	12-c	0.730%
1001	Studio	359	5-c	0.730%
1002	Studio	391	4-c	0.730%
1003	Studio	391	83-c	0.730%
1004	Studio	352	82-c	0.730%
1101	Studio	359	106	0.730%
1102	Studio	391	74-c	0.730%
1103	Studio	391	75-c	0.730%
1104	Studio	359	137	0.730%
1201	Studio	359	136	0.730%
1202	Studio	391	135	0.730%
1203	Studio	391	134	0.730%
1204	Studio	359	133	0.730%
1401	Studio	359	131	0.730%
1402	Studio	391	129	0.730%
1403	Studio	391	127	0.730%
1404	Studio	352	125	0.730%
1501	Studio	359	123	0.730%
1502	Studio	391	121	0.730%
1503	Studio	391	120	0.730%
1504	Studio	359	119	0.730%
1601	Studio	359	116	0.730%
1602	Studio	391	115	0.730%

Apartment Numbers	Apartment Types	Net Area (in square feet)	Parking Stall(s) Assigned	Percentage Common Interest
1603	Studio	391	114	0.730%
1604	Studio	359	113	0.730%
1701	Studio	359	112	0.730%
1702	Studio	391	111-c	0.730%
1703	Studio	391	105	0.730%
1704	Studio	359	71	0.730%
1801	Studio	359	72	0.730%
1802	Studio	391	73	0.730%
1803	Studio	391	70	0.730%
1804	Studio	352	36	0.730%
1901	Studio	359	37	0.730%
1902	Studio	391	38	0.730%
1903	Studio	391	35	0.730%
1904	Studio	359	1	0.730%
2001	Studio	359	132	0.730%
2002	Studio	391	130	0.730%
2003	Studio	391	128	0.730%
2004	Studio	359	126-c	0.730%
2101	Studio	359	124	0.730%
2102	Studio	391	122	0.730%
2103	Studio	391	101	0.730%
2104	Studio	359	66	0.730%
2201	Studio	359	-	0.730%
2202	Studio	391	-	0.730%
2203	Studio	391	32-c	0.730%
2204	Studio	352	31	0.730%
2301	Studio	359	-	0.730%
2302	Studio	391	-	0.730%
2303	Studio	391	102-c	0.730%
2304	Studio	359	67-c	0.730%
2401	Studio	359	-	0.730%
2402	Studio	391	-	0.730%
2403	Studio	391	2	0.730%
2404	Studio	359	3	0.730%
2501	Studio	359	-	0.730%
2502	Studio	391	-	0.730%
2503	Studio	391	104	0.730%
2504	Studio	359	103	0.730%
2601	Studio	359	-	0.730%
2602	Studio	391	-	0.730%
2603	Studio	391	68	0.730%
2604	Studio	352	69	0.730%
2701	Studio	359	-	0.730%

Apartment Numbers	Apartment Types	Net Area (in square feet)	Parking Stall(s) Assigned	Percentage Common Interest
2702	Studio	391	-	0.730%
2703	Studio	391	77	0.730%
2704	Studio	359	76-c	0.730%
2801	Studio	359	-	0.730%
2802	Studio	391	-	0.730%
2803	Studio	391	79	0.730%
2804	Studio	359	78	0.730%
2901	Studio	359	-	0.730%
2902	Studio	391	-	0.730%
2903	Studio	391	81-c	0.730%
2904	Studio	359	80	0.730%
3001	Studio	359	-	0.730%
3002	Studio	391	-	0.730%
3003	Studio	391	85	0.730%
3004	Studio	359	84-c	0.730%
3101	Studio	359	-	0.730%
3102	Studio	391	-	0.730%
3103	Studio	391	88	0.730%
3104	Studio	352	86	0.730%
3201	Studio	359	-	0.730%
3202	Studio	391	-	0.730%
3203	Studio	391	100	0.730%
3204	Studio	359	90	0.730%
3301	Studio	359	-	0.730%
3302	Studio	391	-	0.730%
3303	Studio	391	96	0.730%
3304	Studio	359	94	0.730%
3401	Studio	359	-	0.730%
3402	Studio	391	-	0.730%
3403	Studio	391	99	0.730%
3404	Studio	359	98	0.730%
3501	Studio	359	-	0.730%
3502	Studio	391	-	0.730%
3503	Studio	391	-	0.730%
3504	Studio	352	-	0.730%
3601	Studio	359	-	0.730%
3602	Studio	391	-	0.730%
3603	Studio	391	-	0.730%
3604	Studio	359	-	0.730%
3701	Studio	359	-	0.730%
3702	Studio	391	-	0.730%
3703	Studio	391	-	0.730%

Apartment Numbers	Apartment Types	Net Area (in square feet)	Parking Stall(s) Assigned	Percentage Common Interest
3704	Studio	359	-	0.730%
3801	Studio	359	-	0.730%
3802	Studio	391	-	0.730%
3803	Studio	391	-	0.730%
3804	Studio	352	-	0.730%
3901	Studio	359	-	0.730%
3902	Studio	391	-	0.730%
3903	Studio	391	-	0.730%
3904	Studio	359	-	0.730%
4001	Studio	359	-	0.730%
4002	Studio	391	-	0.730%
4003	Studio	391	-	0.730%
4004	Studio	359	-	0.730%
M-1 through M-7	Management	1603	-	0.660%
P.Apt.-17	Parking	161.5	-	0.005%
P.Apt.-19	Parking	161.5	-	0.005%
P.Apt.-23	Parking	161.5	-	0.005%
P.Apt.-25	Parking	161.5	-	0.005%
P.Apt.-27	Parking	161.5	-	0.005%
P.Apt.-A	Parking	161.5	*(see list below)	0.005%
P.Apt.-B	Parking	161.5	-	0.005%
P.Apt.-C	Parking	161.5	-	0.005%
P.Apt.-D	Parking	161.5	-	0.005%
P.Apt.-E	Parking	161.5	-	0.005%
P.Apt.-F	Parking	161.5	-	0.005%
P.Apt.-G	Parking	161.5	-	0.005%

Total Percentage Common Interests: 100.000%

The percentage common interest for each apartment was determined by assigning each of the 136 Residential Apartments an identical common interest of 0.730% for an aggregate common interest of 99.280%. The Management Apartment was assigned a common interest of 0.660%, and the remaining 0.060% was allocated equally among the 12 Parking Apartments.

Parking Stalls designated with a "c" are compact stalls. All other stalls are standard sized, except for stalls I, J, L, M and O, which are common element Handicap stalls for guest parking. The areas adjacent to some of the Handicap stalls and designated on the condominium map as H, K and N are access aisles providing access to the Handicap stalls.

*The following parking stalls are all assigned to Parking Apartment P.Apt.-A: 6-c, 7, 8, 9, 10, 11-c, 14, 15, 16, 18, 20, 21-c, 22, 24, 26, 28, 29, 30, 33, 34, 41-c, 42, 43, 44, 45, 46-c, 49, 50, 51, 52, 53, 54, 55, 56-c, 57, 58, 59, 60, 61, 62, 63, 64, 65, 87, 89, 91-c, 92, 93, 95, 97. These parking stalls are limited common elements and are available for purchase by the buyers of the

Residential Apartments currently without assigned parking stalls. Upon the sale of one of the foregoing stalls, the owner of Parking Apartment P.Apt.-A and the owner of the Residential Apartment for which a stall is being purchased will execute an amendment to this Declaration transferring the stall from Parking Apartment P.Apt.-A to the Residential Apartment as an appurtenant limited common element.

The Declaration provides that Apartment Owners may exchange parking stalls by amending Exhibit "B" to the Declaration. The amendment need be signed only by the Apartment Owners affected, and their mortgagees, if any.

**BOUNDARIES OF APARTMENTS;
PERMITTED ALTERATIONS**

I. BOUNDARIES OF APARTMENTS:

Paragraph 4.3 of the Declaration provides as follows:

4.3 Limits of Apartments.

a. The Residential Apartments and the Management Apartment shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls. The floors and ceilings surrounding each of them or any pipes, wires, conduits or other utility lines running through them which are utilized for or serve more than one apartment are deemed common elements as herein provided. The Management Apartment and each Residential Apartment shall be deemed to include all the walls and partitions, floors and ceilings which are not load bearing within their perimeter walls, including paint, wallpaper, or the like, carpeting, floor covering and built-in fixtures.

b. Each Parking Apartment shall consist of a rectangular surface area of 161.5 square feet bounded on the sides by imaginary parallel lines separated by 8.5 feet and bounded on the ends by imaginary parallel lines separated by 19 feet, as shown on the Condominium Map. Each Parking Apartment shall include the airspace enclosed by imaginary vertical planes extending upward from each of the surface boundary lines to a height of eight (8) feet, or to one inch below the surface of the ceiling immediately above the Parking Apartment, whichever is lower. The Parking Apartments shall not be deemed to include the underlying slab except for its surface, nor any part of the ceiling immediately above said Parking Apartments, nor any pipes, conduits, wires, or other mechanical installations penetrating the Parking Apartments' air space.

c. The net areas of the Management Apartment and the Residential Apartments shown on Exhibit "B" are measured from the interior surface of the apartment's perimeter walls (including all the walls and partitions within its perimeter walls, and the interior of any glass windows or panels along the perimeter). The net area of each Parking Apartment is measured from the imaginary parallel side and end boundary lines separated as described in the immediately preceding subparagraph.

II. PERMITTED ALTERATIONS:

Paragraph 16.0 of the Declaration provides as follows:

16.0 ALTERATION OF PROJECT. Restoration or replacement of the Project or any portion thereof or construction of any additional building or structural alterations or

addition to any building, different in any material respect from said Condominium Map of the Project, shall be undertaken by the Association or any apartment owner, pursuant to an amendment of this Declaration, duly executed pursuant to the provisions hereof accompanied by the written consent of the holders of all liens affecting any of the apartments involved, and in accordance with complete plans and specifications therefore first approved in writing by the Board, and, promptly upon completion of such restoration, replacement or construction, the Association shall duly file such amendment together with a complete set of floor plans of the Project as so altered and certified, as built, by a registered architect or professional engineer; provided, however, that additions to or alterations of an apartment made entirely within such apartment, including an increase in or reduction of the number of rooms, the removal or construction of walls in an apartment, the enclosing of the 40th floor, the alteration of the kitchens and bathrooms shall be permitted by an apartment owner, either before or after initial construction of the building, provided that upon completion of such addition or alteration, such owner shall file the changes with the Board or the Management Agent and provided, further, that no work shall be done which would jeopardize the soundness or safety of the Project, reduce the value of such apartment, change the percentage of undivided interest in the common elements or the appearance of such apartment.

Section 3 of Article V of the Bylaws includes the following provisions:

(f) No Apartment Owner or occupant shall erect or place in the Project any building or structure including fences and walls, nor make any additions or alterations to any common elements of the Project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications including detailed plot plan, prepared by a licensed architect or engineer if so required by the Board and approved by the Board and a majority of Apartment Owners (or such larger percentage required by law or the Declaration) including all owners of apartments thereby directly affected. Notwithstanding the foregoing the Board may authorize the placement of small signs to permit proper administration of the common elements.

(g) No Apartment Owner shall decorate or landscape any entrance of his apartment or any other portion of the Project except in accordance with standards therefor established by the Board of Directors or specific plans approved in writing by the Board.

(m) No Apartment Owner or occupant shall without the written approval of the Board of Directors install any wiring for electrical or telephone installations, televisions' antenna, machines or air-conditioning units, or other equipment or appurtenances whatsoever on the exterior of the Project or protruding through the walls, windows or roof thereof.

(n) No Apartment Owner or occupant shall erect, place or maintain any television or other antennas on said Project visible from any point outside of the Project.

EXHIBIT "C"

Page 2 of 2

**COMMON ELEMENTS AND
LIMITED COMMON ELEMENTS**

I. COMMON ELEMENTS:

The common elements consist of all portions of the Project other than the Apartments, including specifically, but not limited to:

- a. The land in fee simple.
- b. The foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs, stairways and elevators in the building.
- c. The yards, grounds, tennis court, swimming pool, landscaping, refuse facilities, walkways, parking area (excluding, however, the Parking Apartments) and driveway.
- d. The lobbies, foyers, mail area and guest parking stalls.
- e. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, hot and cold water and similar utilities.
- f. The restroom located on the ground level of the building that is not part of the Management Apartment.
- g. The limited common elements described below.
- h. All other parts of the Project that are not apartments and that exist for the common use or are necessary to the existence, operation, maintenance and safety of the Project.

II. LIMITED COMMON ELEMENTS: The limited common elements include some assigned parking stalls, the roof top area of the building and two unenclosed slab areas on the ground floor of the building. Section 4.5 of the Declaration describes the limited common elements more particularly as follows

4.5 Limited Common Elements. The limited common elements are as follows:

- (a) Limited common element parking stall assignments are as shown on Exhibit "B" attached hereto. Any owner whose apartment has an assigned limited common element parking stall may exchange his or her parking stall with another owner (or may assign his or her stall to another apartment without taking another stall in exchange) by recording an amendment to Exhibit "B" of this

Declaration. Only the owners of the apartments affected and their mortgagees, if any, need sign such amendment.

(b) All of the roof top area designated in the Condominium Map shall be appurtenant to Apartment 4001 for the exclusive use of the owner of Apartment 4001 for the purpose of installing transmission and receiving facilities, including antennas, cables, etc., for radio, television, microwave, cablevision and any other type of transmission and receiving facilities. The maintenance and repair of the roof shall remain with the Association, however, the maintenance and repair of such facilities placed on the roof shall be the installer and/or the owner of Apartment 4001.

(c) The two unenclosed slab areas on the ground floor and shown on the Condominium Map as "M.-LCE" are limited common elements appurtenant to and for the exclusive use of the Management Apartment.

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

That certain Preliminary Report (the "Title Report") dated November 29, 2001, issued by Title Guaranty of Hawaii, Inc., discloses that the land of the Project is subject to the following encumbrances:

1. IMPROVEMENT ASSESSMENT: WAIKIKI BUSINESS IMPROVEMENT DISTRICT for the Fiscal Year July 1, 2001 – June 30, 2002.
2. -AS TO PARCEL FIRST (LOT B) ONLY:-
 - (A) Designation of Easement "2", as shown on Map 3, as set forth by Land Court Order No. 9945, filed November 27, 1950.
 - (B) Grant in favor of JAMES YUKIO HAMASAKI, Trustee, dated August 16, 1951, filed as Land Court Document No. 133877; granting an easement over said Easement "2".
3. -AS TO PARCEL SECOND (LOT A) ONLY:-
 - (A) A right-of-way 8.5 feet wide along the makai side of this lot to the remainder of the land described in DEED of G. W. KEAWEMAHI ----- "Until another right-of-way of equal size shall be obtained thereto, when the right to use the way reserved herein shall cease," which right-of-way is described on the map or plan accompanying Land Court Application No. 171.
 - (B) Designation of Easement "1", as shown on Map 3, as set forth by Land Court Order No. 9945, filed November 27, 1950.
 - (C) Grant in favor of JAMES YUKIO HAMASAKI, Trustee, dated August 16, 1951, filed as Land Court Document No. 136856; granting an easement over said Easement "1".
4. -AS TO PARCEL THIRD (LOT 102-A) ONLY:-
 - (A) An easement for any and all purposes in favor of YOSHIKO HAMASAKI, et al., as shown on Map 13, filed with Land Court Application No. 852.
 - (B) Easement "21" (10 feet wide) for sanitary sewer purposes, as shown on Map 27, as set forth by Land Court Order No. 10073, filed January 23, 1951.
5. MASTER LEASE

LESSOR : CHARLES MASARU HAMASAKI, husband of Lorraine Yaeko Hamasaki, RUBY NOBUKO HAMADA, wife of Bruce Shigeki

EXHIBIT "E"

Page 1 of 4

Hamada, PEARL KIKUE AIONA, unmarried, MAY MITSUE TANABE, wife of Kiyoshi TANABE, SATOYO HAMASAKI, widow, JAMES YUKIO HAMASAKI, husband of Barbara Lee Hamasaki, MARGARET SHIGEKO TOYODA, wife of Wilfred Sadayoshi Toyoda, YOSHIKO HAMASAKI, widow, and YMJ, INC., a Hawaii corporation

LESSEE : METROPOLITAN PROPERTIES, LTD., a Hawaii corporation

DATED : Effective as of May 1, 1981
FILED : Land Court Document No. 1067148
TERM : commencing May 1, 1981 and ending at midnight on March 31, 2048

ABOVE LEASE BY MESNE ASSIGNMENTS ASSIGNED

ASSIGNOR : LEO CORP., a Hawaii corporation
ASSIGNEE : WAIKIKI WESTBURY LIMITED PARTNERSHIP, a Nevada limited partnership

DATED : June 27, 1990
FILED : Land Court Document No. 1744401

Estoppel, Non-Disturbance, Attornment and Subordination Agreement dated May 31, 1983, filed as Land Court document No. 1171884, by Hawaiian Trust Company, Limited, a Hawaii corporation.

6. As to the undivided interest of YMJ, INC., a Hawaii corporation, namely, undivided ¼ interests in Parcels "FIRST" and "SECOND", and an undivided ½ interest in Parcel "THIRD":

The following covenants contained in DEED dated December 2, 1977, filed as Land Court Document No. 849018, to-wit:

"And the Grantee hereby, for itself, its successors and assigns, covenants and agrees with the Grantor, her heirs and personal representatives, that the Grantee will pay to said Ethel Fujiko Kato, as long as she will live, the sum of \$400.00 each month from the monthly rentals derived from the aforesaid undivided interest in and to the parcels of land hereby conveyed to it, and that this covenant shall run with said undivided interest in and to said parcels of land."

Note : Death of Ethel Fujiko Kato on June 11, 2000, at Honolulu, Hawaii. (Not noted on Transfer Certificate of Title referred to herein)

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

INSTRUMENT : DECLARATION OF HORIZONTAL PROPERTY REGIME
"THE WESTBURY" CONDOMINIUM PROJECT

DATED : January 21, 1983
FILED : Land Court Document No. 1150624
MAP : 484 and any amendments thereto

Said Declaration was amended by instruments dated January 9, 1984, filed as Land Court Document No. 1212765, dated January 23, 1984, filed as Land Court Document No. 1215909, and dated April 18, 1984, filed as Land Court Document No. 1231092.

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

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT
OWNERS

DATED : January 21, 1983
FILED : Land Court Document No. 1150625

9. Any matters disclosed by that certain ALTA survey dated February 10, 2000, and surveyor's report dated February 11, 2001, prepared by Alden S. Kajioka, with Controlpoint Surveying, Inc.
10. Consolidation of those Lots as shown in Schedule C was granted by the City and County of Honolulu on May 12, 1983. However, said Lots were not consolidated with the Land Court of the State of Hawaii.
11. Real property taxes as may be due and owing. Refer to the City and County of Honolulu Director of Finances for further information.

SPECIAL NOTES:

Notwithstanding the information contained in the Title Report, the Developer makes the following additional disclosures:

- A. The Master Lease listed as encumbrance 5 will be partially terminated upon recordation of each Apartment Lease. Accordingly an apartment lessee's title insurance policy will not show the Master Lease as an encumbrance on the lessee's interest in the apartment and the land.

EXHIBIT "E"

Page 3 of 4

- B. The Declaration and Condominium Map were amended (by instrument dated January 17, 2001, recorded in the Land Court as Document No. 2771271) and the Bylaws were amended (by instrument dated January 17, 2001, recorded in the Land Court as Document No. 2771272) to change the name of the Project to WAIKIKI MARINA CONDOMINIUM and to make various other changes to the Project reflected in this Supplementary Public Report.

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS
FOR
WAIKIKI MARINA CONDOMINIUM**

Estimate of Initial Maintenance Fees:

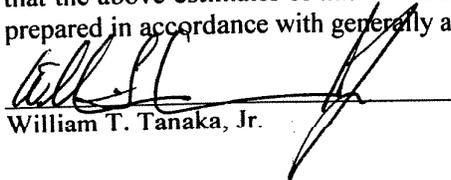
<u>Apartment Type</u>	<u>Monthly Fee</u>	<u>X 12 months = Yearly Total</u>
Studio	\$297.76	\$3,573.12
Management	\$269.20	\$3,230.40
Parking	\$2.05	\$24.60

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

Estimate of Maintenance Fee Disbursements:

	<u>Monthly Fee</u>	<u>X 12 months</u>	<u>= Yearly Total</u>
Utilities and Services			
Electricity	\$ 7,412		\$ 88,944
Telephone	\$ 40		\$ 480
Water and Sewer	\$ 1,802		\$ 21,624
Maintenance, Repairs and Supplies			
Building	\$ 9,108		\$109,296
Grounds	\$ 767		\$ 9,204
Payroll and Benefits			
Wages and Salaries	\$ 8,598		\$103,176
Insurance	\$ 327		\$ 3,924
Taxes	\$ 929		\$ 11,148
Health Care	\$ 1,585		\$ 19,020
Management			
Management Fee	\$ 2,833		\$ 33,996
Audit Fees	\$ 100		\$ 1,200
Office Expenses	\$ 293		\$ 3,516
Legal Advice	\$ 50		\$ 600
Education and Training	\$ 0		\$ 0
Insurance			
Common Elements and Liability	\$ 2,368		\$ 28,416
Directors and Officers, Bond	\$ 100		\$ 1,200
Other			
GET, Miscellaneous	\$ 1,977		\$ 23,724
Reserves (*)	\$ 2,500		\$ 30,000
TOTAL	\$40,789		\$489,468

I, William T. Tanaka, Jr., as agent and employed by Paulin Group, LLC dba Aqua Hotels & Resorts, the condominium managing agent for WAIKIKI MARINA CONDOMINIUM, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.


William T. Tanaka, Jr.

Dated: November 20, 2001

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXPLANATION REGARDING RESERVES

In arriving at the figure for "Reserves" in this Exhibit "F", the Developer conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

SUMMARY OF SALES CONTRACT AND ESCROW AGREEMENT

The Sales Contract provides for the sale of a leasehold interest in a condominium apartment (the "Apartment") by the Developer to a Buyer. The Escrow Agreement provides how the funds paid by the Buyer under the Sales Contract to Escrow are to be held and released. Both the Sales Contract and Escrow Agreement contain many important provisions which are not set out here and should be carefully reviewed by every prospective Buyer.

The Sales Contract provides for the number, amount and timing of payments the Buyer is to make to Escrow. The Escrow Agreement provides that Escrow is to collect these payments and hold them in accounts with banks or savings institutions that are federally insured. The Sales Contract and Escrow Agreement provide who gets to keep interest that may be earned on the funds with Escrow. The Sales Contract explains when it will become binding. The Sales Contract also discloses that the Seller's interest in the Apartment is the interest of a "purchaser" under an Agreement of Sale, and that the Seller's obligations and the Buyer's rights under the Sales Contract are contingent upon the performance of the parties who signed the Agreement of Sale. The Sales Contract further provides that unless the Buyer is purchasing the Apartment with all cash funds, the Buyer's obligation to close is contingent upon the Buyer obtaining mortgage financing for the purchase.

The Escrow Agreement provides for the closing or settlement of the sale. Escrow collects all payments and other amounts owed under the Sales Contract, including closing costs which are paid by the Developer and/or the Buyer as set forth in the Sales Contract.

If the Buyer defaults under the Sales Contract, the Buyer may lose all of the deposits with Escrow and the Developer, at its option, may pursue other legal remedies. If the Developer defaults under the Sales Contract, the Buyer shall be entitled to specific performance of the Sales Contract, or shall have the right to cancel and terminate the Sales Contract.

If the Buyer cancels the Sales Contract because of the Developer's default, the Developer will repay to the Buyer all sums paid by the Buyer to the Developer or to Escrow under the Sales Contract, without interest (except that the Buyer will get interest on sums held by Escrow in an interest-bearing account in favor of the Buyer, if the Buyer checked the appropriate box on the first page of the Sales Contract).

The Sales Contract confirms that the Buyer has had the opportunity to read and approve certain important legal documents for the Project, including the Declaration, Bylaws, House Rules and this Supplementary Public Report. The Sales Contract also provides that the rights of any construction lender with a mortgage against the Project will be superior to the rights of the Buyer under the Sales Contract.

The Sales Contract prohibits the Buyer from assigning the Sales Contract.

EXHIBIT "G"

Page 1 of 2

The Sales Contract provides for “pre-closing.” “Pre-closing” means that Escrow may set a time for the Buyer to sign all of the documents Escrow asks the Buyer to sign, including the Apartment Lease and other closing documents.

The Sales Contract provides that the Buyer will pay all closing costs, including, but not limited to, Escrow fees, deemed conveyance taxes (in an amount sufficient to reimburse Seller for the share of conveyance taxes allocable to Buyer’s apartment but paid by Seller upon recordation of the Agreement of Sale described in Section G.4 of the Sales Contract), the cost of leasehold disclosure documents, notary fees and title insurance costs. The Buyer will also pay the first 3 months lease rent in advance, and all other Additional Sums listed in Article II, Section B of the Sales Contract.

At Closing, the Developer will instruct Escrow to transfer to an account of the Association the sum of \$1,000 as a contribution to the Association’s maintenance reserves and to be used as the Association deems appropriate for maintenance, repair or upgrading of the Project’s common areas. In consideration of the Developer’s contribution of the foregoing sum, Buyer agrees to release the Developer from any continuing or further obligations to the Project.

By signing the Sales Contract, the Buyer acknowledges and agrees that the Apartment is being sold in AS IS, WHERE IS condition with no warranties whatsoever. The Sales Contract contains various disclaimers and disclosures about the Project, including disclosures pertaining to current zoning, hazardous materials, lead-based paint and consolidation and boundary discrepancies affecting the Project’s land.

The Escrow Agreement provides certain protections to Escrow in the event of a dispute between the Buyer and the Developer. These protections include the right to file an “interpleader” and the right to recover certain fees and costs. In an interpleader action the escrow deposit is given to the court to decide what action to take. The Escrow Agreement sets out escrow fees, escrow cancellation fees and the fees for certain policies of title insurance.

THIS SUMMARY IS NOT COMPLETE AND WILL NOT CONTROL IN THE EVENT OF ANY CONFLICT WITH A PROVISION IN THE SALES CONTRACT OR THE ESCROW AGREEMENT. PROSPECTIVE BUYERS ARE CAUTIONED AND ENCOURAGED TO READ CAREFULLY THE SALES CONTRACT AND ESCROW AGREEMENT.

EXHIBIT “G”

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4414 • FAX: (808) 527-5743 • INTERNET: www.co.honolulu.hi.us

JEREMY HARRIS
MAYOR



RANDALL K. FUJIKI, AIA
DIRECTOR
LORETTA K.C. CHEE
DEPUTY DIRECTOR

2001/ELOG-1793(LT)

November 13, 2001

Mr. Melvin Y. Kaneshige
Senior Vice President &
Chief Operating Officer
Outrigger Enterprises, Inc.
2375 Kuhio Avenue
Honolulu, Hawaii 96815-2992

Dear Mr. Kaneshige:

Subject: Condominium Conversion Project
Waikiki Westbury Condominium
1700 Ala Wai Boulevard
Tax Map Key: 2-6-11: 08

This is in response to your letter dated April 20, 2001 requesting verification that the structure at the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that the 39-story 136-unit apartment building consisting of a lobby, manager's office, restrooms and sauna on the ground floor met all applicable code requirements when it was constructed in 1983 on this 38,773-square foot Apartment Precinct zoned lot.

Investigation also revealed the following:

- 1) There are only 135 off-street parking spaces and one loading space. There are 148 off-street parking spaces shown on the approved plans for building permit #343668. Any alteration or change from the parking plan for building permit #343668 requires approval from the Zoning Plan Review Branch. Thirteen stalls have been eliminated without approval.
- 2) 92/Var-75 was approved with conditions on September 15, 1993 to retain storage areas within parking garage. However, the storage areas do not meet building code requirements and were not constructed according to approved plans (building permit #343668 for five storage areas in parking garage levels 2, 3 and 4).

EXHIBIT "H"

Mr. Melvin Y. Kaneshige
November 13, 2001
Page 2

- 3) 90/TVU-407 approved nonconforming use certificates for 120 dwelling units for use as Transient Vacation Units. The following units do not have nonconforming use certificates: #601, 602, 603, 604, 701, 702, 703, 704, 2801, 2802, 2901, 2902, 3201, 3202, 3901 and 3902 and therefore may not be rented for less than thirty days.

For your information, the Department of Planning and Permitting cannot determine all other legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

No other variances or special permits were granted to allow deviations from any applicable codes.

Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; it does not create a separate lot of record.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of this office at 527-6341.

Sincerely yours,


RANDALL K. FUJIKI, AIA
Director of Planning and Permitting

RKF:ft
document 124702 rev 1



ERNEST M. UMEMOTO AIA

Architect, Inc.

November 28, 2001

Peter Savio, President
Hawaiian Island Development Co., Inc.
931 University Ave., Suite 105
Honolulu, Hawaii 96826

WAIKIKI MARINA CONDOMINIUM CONVERSION

1700 Ala Moana Boulevard
Honolulu, Hawaii
TMK:2-6-11:8

ARCHITECTURAL OBSERVATION REPORT

A Site Visit was done to note cursory observations of the Waikiki Marina Condominium. Only what was visible at the walk-through is noted.

The building was built with an approved Building Permit. Some areas especially the basement utility areas were not built per the approved plan. See the File Copy of the approved plan at the Department of Planning and Permitting, City & County of Honolulu for the non-conforming construction.

The building is zoned for apartment use. However, 120 units have non-conforming use certificates. Most buildings become non-conforming due to Code changes and may continue to be used due to their "grandfathered" status. Consult design professional or the City for Code changes that are mandatory and retrofit required, and also for Code changes that are nice to upgrade due to safety.

The grounds include an entry driveway off Ala Moana Boulevard, a loading stall, 5 handicap stalls on ground level, a few parking stalls at ground level, tennis court, swimming pool and planting area.

The first floor has a common area entry and elevator lobby and apartments. The basement has toilets, storage, utility areas, and a Management apartment.

Page 1 of 7

WAIKIKI MARINA CONDOMINIUM CONVERSION

Peter Savio
November 28, 2001
Page 2 of 7

Parking goes up to the fifth floor. There are 153 parking stalls, 5 which are handicap accessible, and 12 of which are parking apartments. Thirty-four floors(6th thru 40th -- no 13th floor) have 4 apartments per floor. There are a total of 136 residential apartments plus one Management apartment.

No Soils & Foundation Engineer, Civil Engineer, Hazardous Waste(asbestos, lead paint, gas, fuel oil, etc.) or other Specialist were retained. No testing for termite, roofing, water infiltration, fire alarm or other systems were involved.

The building was built prior to the latest Building Codes, Fire Code, Board of Health Regulations and Zoning Ordinances, and may not meet all the latest requirements. Future additions and alterations may be adversely impacted by not being in compliance to the latest codes. Rebuilding in case of fire, storm or other damage may also be adversely impacted by not being in compliance to the latest codes. Life-safety items that are "grand-fathered" or non-conforming should be addressed by the AOAO for upgrade even though not required by the Building Department until addition and/or renovation work permit is applied for. Review by the Fire Department is recommended.

The building does not have handicap accessible apartments. It may not be possible to remove non-compliant ADA and FHA requirements for disability accommodation.

The apartments with non-conforming use certificates may be required to fulfill current requirements for:

- a) Fire Dept. Life Safety
- b) Building Dept. Hotel Occupancy
- c) Dept. of Health Swimming Pool
There is no food service operation on site.
- d) ADA accessibility
- e) OSHA

The Project Manager should hire consultants in each area above to assess current needs.

The site is in the Waikiki Special Design District which imposes strict and additional zoning requirements to the Zoning Code. Additions and

WAIKIKI MARINA CONDOMINIUM CONVERSION

Peter Savio

November 28, 2001

Page 3 of 7

alterations will require effort to address these special requirements.

The Building Department approved File Copy Set.

- a) Approval was conditional to further drawings and submittals which were not found.
- b) Required a loading area which was not marked at the site.
- c) Required parking on the ground level which is reduced by providing handicap parking stalls.
- d) Shows a basement plan that differs from existing. The toilet and sauna area are not handicap accessible and lack a second required exit.
- e) Handicap rooms(not fully code, FHA and ADA compliant) shown on 6th and 7th floor plans are non-existing.
- f) Only one stair shown on plans. This does not comply with the Building Code requirement for two exits per floor.
- g) Alteration done on lobby(ground floor) level and basement do not have drawings or approved permit.
- h) LCE areas do not have approved construction and constitute use designation only.

Constructed as the "Westbury", plans dated 1983 were on file at the Building Department. A late change to the plan just prior to obtaining the Building Permit was the deletion of a second exit stairwell. According to the Building Department the deletion becomes approved if shown on the File Copy of the Building Department. The single exit stairway is, therefore, approved by the Building Department but it is a major non-compliance with the Uniform Building Code which the Building Department enforces.

SITE OBSERVATIONS include:

A. SITE

- S-1 No Loading stall designation.
- S-2 Driveway exit to Ala Moana Blvd. requires right turn only. A stranger may not be aware of the one-way direction. Recommend a sign be erected.
- S-3 Driveway leads to traffic lanes that intersect lobby pedestrian traffic. Recommend a crosswalk be installed.

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- S-4 The pedestrian sidewalk from the street frontage to the lobby requires an ADA-compliant curb cut to access the lobby.
- S-5 Pedestrians are not separated from parking traffic. Curbs and railings should be considered to protect pedestrians from auto traffic.
- S-6 Gate to tennis court and swimming pool are locked. Access is not controlled to children so that access to the unattended pool is restricted to supervised children.
- S-7 No children play area provided.
- S-8 There is an easement on the Diamond Head side property line. It is not marked and use by neighbors is not strictly monitored.
- S-9 A least 2% of the parking space shall be accessible with at least one of the above being a van accessible parking stall.
- S-10 Cracks in sidewalk and slabs should be repaired immediately to prevent pedestrian injury due to tripping or slipping.
- S-11 Cracks in concrete walls and concrete projections should be repaired immediately to prevent spalling.
- S-12 See Site Survey for encroachments, access routes and other site features.
- S-13 Site walkway surfacing varies in slope and texture and could lead to slipping and tripping.
- S-14 Cracks, uneven joints, poor lighting, dirt/fungus/algae accumulation on walkways may aggravate the problem of slipping and tripping.
- S-15 No reports of site drainage problem or flooding was reported by staff.
- S-16 Access to adjoining properties is not limited by locking gates.

B. BUILDING

- B-1 See City and County of Honolulu Department of Planning and Permitting letter regarding Building Permit. There are no Contractor records to ascertain that the Building was built as design. No plans for alterations, additions or renovations were observed.
- B-2 Any construction within limited common element space shall require Building Permit and must be consistent with applicable Zoning and other Codes.
- B-3 Driveway up to upper level parking is not wide enough for 2-way traffic at turns and transitions. Traffic speed must be posted as well as sign requiring driving w/lights and mirror aids around corners. Clearly visible pedestrian paths are non-existent at many areas.

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- B-4 Corridor to basement rooms lack a second exit. In addition, some doors have dead-end corridors that exceed 20 feet.
- B-5 Some stair landings and widths do not have 44 inches width.
- B-6 Some stairs lack handrails on both sides.
- B-7 Some handrails exceed finger space width and handrail pipe width for a maximum of 3-1/2" from each side of a stairway.
- B-8 Some stair handrails are not less than 34 inches nor are they more than 38 inches above landings and nosing of treads.
- B-9 Some stair handrails do not extend 12 inches beyond the last riser with rounded terminations of heads.
- B-10 No room of assembly occupancy or food service exists. If added, special exit requirements must be addressed.
- B-11 Exit signs should be placed as required by Code. A total design study is recommended to review exits and the exit signs required.
- B-12 Doors into exit corridors and stairs must be labeled with fire resistive capacity. Where required, they must have approved closer, hardware and smoke gasketing.
- B-13 Upper floors lack second exit. In addition some doors have dead-end corridors exceeding 20 feet.
- B-14 Walls built in basement not on original plans must be checked to see that they are one-hour fire resistive construction.
- B-15 Finishes in exit corridors must meet Class I flame spread classification in enclosed vertical exit ways and Class II in other exit ways. All rooms must be at least Class III. Existing finishes were not tested.
- B-16 Floor level exit signs are required in all corridors serving guest rooms of hotels.
- B-17 The building should remove all readily achievable barriers to ADA accessibility. Alterations of guest rooms may require further barrier removal work.
- B-18 Guardrail shall not be less than 42 inches.
- B-19 One-hour fire resistive occupancy separation required between dwelling units, storage and laundry rooms.
- B-20 All windows are fixed. The Building Code requires escape or rescue windows with specific size and sill height requirements.
- B-21 UL-Approved smoke detectors are required in corridor and inside each dwelling unit.
- B-22 The basement toilets are not ADA accessible.
- B-23 The electrical room has an area built of non fire resistive construction.
- B-24 Trash chute not in use. Need for modification probable before use can be reinstated.

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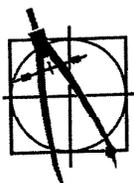
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November 28, 2001
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C. SUMMARY

The building has held up to wear and tear very well and a strict maintenance effort has kept the complex clean and functionally able to provide for the needs of the intended use.

Respectfully submitted,


Ernest M. Umemoto, AIA



**HAWAII
ENGINEERING
GROUP, INC.**

Consulting Civil & Structural Engineers

October 26, 2001

Hawaiian Island Development Co., Inc.
931 University Ave., Ste. 105
Honolulu, HI 96826

Waikiki Marina Condominium

**1700 Ala Moana Blvd., Honolulu, Hawaii
TMK: 1-2-6-11:8**

Structural Observation Report

On May 7, 2001, a site visit was held to note cursory observations of Waikiki Marina Condominium at 1700 Ala Moana Blvd. The inspection involved a 2-hour walk through of the high rise building. The observations were limited to the following:

- Unit #2804.
- Unit #4002.
- Unit #4003.
- Common Areas.
- Parking Structure

No calculations or testing of any kind was performed. Architectural, Mechanical, Electrical and other non-structural aspects were not addressed. Structural design drawings for the existing building were made available for review. The drawings indicate the date of construction to be around 1983.

The building is a reinforced concrete structure supported on pile foundation. The lower 5 floors are surrounded by a parking structure with plan dimensions of 127' - 6" x 102' - 0". The parking deck is 6" thick post tensioned reinforced concrete slab spanning 25' - 6" (typically). The main tower has 40 floor levels plus a roof and two levels of mechanical space at the top. The typical floor to floor height is 8' - 0". The tower plan dimensions are approx. 46' - 0" x 46' - 0". It has one stair shaft and one bank of two elevators. The elevators are on the outside of the structure. Typical floor are 4½" thick post tensioned slabs. The building has numerous shear walls that form the lateral load resisting system.

The following structural drawing sheets S1 thru S9 for "Westbury" by "Jo Paul Rognstad" were made available for review. The Engineer of Record is "Aloicus D. Shin".



Observations & Comments

The following observations were made in the tower structure.

1. No damage was observed in Unit #2804.
2. No damage was observed in Unit #4002.
3. No damage was observed in Unit #4003.
4. Hairline cracks were observed in the overhang outside of the windows of the units mentioned above.
5. Water discoloration was also observed in the overhangs.

The following observations were made in the parking structure

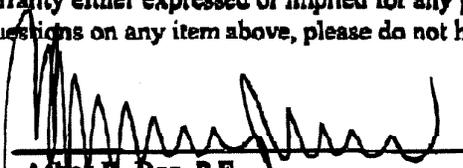
1. Cracks in floor slabs of the parking deck. The cracks are generally concentrated around column locations and radiate outwards. Some of the cracks have been epoxy repaired.
2. Crack in perimeter column at parapet height.
3. Signs of water leakage along the elevator shaft walls on 4th floor.
4. Cracks in the 5th floor (tower) ceiling in the Ewa - Makai and DH-Makai corner. The cracks observed followed a yield line crack pattern.
5. Diagonal cracks on the haunched column above the top parking deck.
6. Damage to tower facia from condensation of Air conditioning of units.
7. Exposed rebar and tendons showing advanced corrosion at two locations on top parking deck.
8. Numerous cracks were observed in the ceiling of the 3rd & 4th floor and parking deck slabs.

The parking structure and the haunch supporting the main tower seem to be experiencing some distress. The cracks in the parking decks seem to be concentrated on the makai side of the structure which is also the side that has the haunch supporting the building. The cracks observed in the building may be active or they may have stabilized. This can only be determined by observing these cracks over a period of time. In either case the cracks should be epoxy injected to seal them. Further a more detailed analysis of the structure is required to determine the cause of cracks in the portions of the building mentioned above. This analysis should be done by a registered professional structural engineer.

The deteriorated post tensioning cables in the top deck of the parking structure should be repaired. All repairs should be done under the guidance of a licensed professional engineer. As the structure was built in 1983 it may not meet with the present day building codes which are more stringent. However, all existing structures that were legally built under prior building codes are grandfathered by the existing laws and may not conform to the present building codes.

No signs of settlement were observed.

This report does not address portions of the building other than those areas mentioned, nor does it provide any warranty either expressed or implied for any portion of the existing building. If there are any comments or questions on any item above, please do not hesitate in calling.

Submitted by: 
Athar K. Dar, P.E.
Structural Engineer

RS Engineering

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Honolulu, Hawaii 96821

Phone (808) 377-9210
Fax (808) 377-9210

September 26, 2001

Hawaiian Island Development Co., Inc.
931 University Avenue
Suite 105
Honolulu, Hawaii 96826

Attn: Mr. Peter Savio

Waikiki Marina Condominium
1700 Ala Wai Boulevard
Honolulu, Hawaii 96815

ELECTRICAL OBSERVATION REPORT

On Monday, May 7, 2001, a cursory inspection was performed on the subject property to evaluate the condition of its electrical system. The inspection was limited to observations of exposed electrical devices, equipment and wiring, fire alarm system and devices, exit signs and security lighting.

REFERENCES

1. Electrical Design Drawings
Westbury
Jo Paul Rognstad
Drawing Sheets E-1 through E-10, dated May 17, 1983
2. National Electrical Code, 1999
with C & C of Honolulu Amendments
3. Uniform Fire Code, 1988
with C & C of Honolulu Amendments

Note: The plans noted above were used for reference only. Our scope of work did not include reviewing the design plans for conformance to applicable Codes. The electrical drawings were assumed to be correct unless specifically noted otherwise. Building permits were assumed to have been obtained and all required inspections were assumed to have been performed by the proper authorities.

The term "good condition" refers to the observed device or equipment being physically free from excessive deterioration and, if tested, fully performing its intended function.

GENERAL

The subject property is a 39 story building, built in 1984. There are 136 condominium apartment units with a 141 parking stall garage.

ELECTRICAL SERVICE SYSTEM

The electrical service is provided by 12KV cables from Ala Moana Boulevard to a transformer vault on the basement floor. The transformers convert the 12 KV power to 120/208 volts and the power is distributed throughout the building through distribution equipment in the main electrical room. Since the service equipment is indoors, it appears to be in very good condition and, in addition, appears to have been well maintained. No corrosion or other signs of deterioration were noted.

The apartment units are fed from the main electrical room through four risers. Each riser is fed through a three-pole 400 amp fused switch, fused with 350 amp fuses. Two of the risers feed the apartments on the sixth to 23rd floors. Two other risers feed floors 24 to the penthouse, which is above the 39th floor. There is no 13th floor.

There are two panels on each floor, one from each riser. These are rated at 2-pole 100 amps and feed two apartments.

EMERGENCY GENERATOR

There is a 150 KW generator that feeds the emergency circuits. It appears to be in very good physical condition. The generator provides power to the elevators and the emergency lights in case of utility power outages.

FIRE ALARM SYSTEM

There is a central fire alarm system for the building. The control panel is located in the main electrical room. All pull stations, alarm devices and system smoke detectors are tied in to the main fire alarm control panel.

All units are studio apartments. A smoke detector, tied in to the building power system, was noted in each of the apartments inspected and complies with the Fire Code. These smoke detectors are not tied into the building fire alarm system, which is in compliance with current codes.

SECURITY LIGHTING

The interior exit corridors appear to be adequately lit. The stairways are lit by fluorescent fixtures above each level. The elevator is lit by an incandescent fixture. Since these fixtures are on the circuit powered by the emergency generator during outages, the emergency lighting should be adequate.

The lighting in the driveway and other roadways appears to be adequate. The lighting in the parking garage appears to be adequate.

Exit signs were noted on each floor level at the end of the hallways. Exit signs were also noted in the parking garage.

LAUNDRY AREA

There is a laundry area off the elevator lobby on the third floor which has 2 washers and 2 dryers.

APARTMENT UNITS

Two units were inspected, unit 2804 and unit 4003. Both were studios as are all the other units in this building. Receptacles in the bathrooms and kitchen areas were GFI protected.

A smoke detector was noted near the sleeping area of each apartment. The spacing and number of receptacles meet current Code requirements. All light switches tested functioned properly. All light fixtures appeared to be in good condition.

CONCLUSIONS

The existing electrical service for the building is adequately sized for the present loads. The loads designed for include a small (2.6 kw) cook top, a disposer, a refrigerator, a microwave oven or dish washer, a 1.2 kw air conditioner, one appliance circuit and one circuit for lighting and general power. Any significant additions to the electrical load should be monitored very carefully.

The electrical service equipment appears to be in good condition. This is a result of the equipment being in an enclosed environment and good maintenance. Review of the maintenance procedures should be made and continued effort should be maintained for the equipment.

Overall, the general condition of the electrical equipment is good. The maintenance has been adequate. With normal replacement and upkeep, many more years of useful life can be expected.

Submitted by:


Samuel S. Matsuo
PhD, PE

Date: October 26, 2001

To: Hawaiian Island Development Co., Inc.

Project: Waikiki Marina Condominium
1700 Ala Moana Boulevard
Honolulu, Hawaii

Subject: Mechanical Observation Report

A cursory site observation of typical units and general common areas for the above project was conducted on May 7, 2001 specifically for the observable mechanical plumbing system. This report does not cover fire alarm systems, water feature systems, landscape systems, and other special non-mechanical systems.

This high rise building contains multi level of parking for 141 parking stalls, and multi level of 136 one-bath studio units. See architectural report for detail building description. This building is about 17 years old.

Existing reference mechanical construction drawings provided was designed by Jo Paul Rognstad & Associates, Inc., Architect, and Frank E. Honeychurch, Mechanical Engineer, dated 4-20-83. Sheets M-1, M-1.1, M-1.2, M-2, M-3, M-4, M-5, M-6, M-6.1, M-7, M-8, M-8.1, M-9, M-9.1, M-10, M-11, and M-12 are provided. Sheets M-1 through M-5 were of poor quality and difficult to read.

The observation team visited Unit no. 2804 and no. 4003 which were noted to be representative of typical unit types which were selected by the manager and architect. The typical studio consisted of a kitchen area and a bathroom. Common areas were also generally observed.

The kitchen includes a single compartment stainless steel sink with a two handle faucet, dishwasher with vacuum breaker, and a garbage disposal. The disposal is a Badger V, ½ hp type. Generally fixtures are obsolete and may not meet present water conservation codes, but operationally in good condition.

The bathroom includes an oval countertop lavatory with a two handle faucet, a floor mounted tank type water closet, shower or tub/shower with faucet. The water closet and other fixtures did not seem to be the water saver type. Generally fixtures are obsolete and may not meet present water conservation codes, but operationally in good condition. No plumbing problems were noted by management.

These units have unitary combination clothes washer/dryer unit located in the bathroom. These washer/dryer appliance units are unique undercounter type and very seldom used locally. The unit is not presently allowed to be used with the panel screwed shut. The power is off and the drain and water connection remains but the unit is not connected for use. For this observation two twelve floor units were observed. No operational assessment was conducted.

The central domestic hot water plant is located on the roof and consist of three storage type gas water heaters. There are two Jetglas M65-540-3NAE, 65 gallon, 504.2 gph models and one Bradford White D65T6253 NA, 65 gallon, 568 gph model heaters. There are no complaints for lack of hot water as noted by the manager. Hot water pipe insulation needs repair. Gas meter is located at Ala Moana Boulevard entrance area.

A domestic water house booster pump unit is located in the basement level. The booster pump unit is a Liqui-Trol System, Inc., model P470LT162, with 3 vertical can pump turbines. Unit is operational and seems to be maintained and in good condition.

The original construction drawings indicate that two Basement Sump Pump discharges on to grade. It shows that the Pump Room floor sink drains into one of this sump pump. The other one is for the elevator sump. Presently the Building Department requires that the Pump Room sump pump to be discharged into the building sewer system instead of the grade. The elevator sump pump discharge is acceptable.

A ceiling type cabinet fan is provided in each bathroom. The exterior Studio Unit exhaust fans discharge directly outside through the wall and the central units discharge into a common vertical duct shaft leading to the roof. The ceiling cabinet fans seem to be operational in the units.

Each Unit has one window air conditioner. The typical size is 10,000 BTUH, 8.9 EER Quasar Model. The unit was operational and looks to be in fair condition. Noted that no condensate drains were provided and the dripping from the unit is causing mildew on the exterior wall surfaces of the building.

The Ground/Basement level is used as Lobby and Office areas. The Lobby is naturally ventilated with a ductless split cooling unit. The check in Office has a ductless split type air conditioning system. The administration Offices have window type units. Units seem to be operational. Ages and condition of these system/units are unknown.

A Laundry Area was noted in the Parking Level for occupants. A set of clothes washers and dryers were noted. They were coin operated and cared for by management. Dryers were vented to the parking area.

Basement level office toilets for Men and Women seems to be in fair condition even though obsolete. Fixtures are functional. No problems were indicated by management.

An emergency generator unit is located in the lower basement level in the area of the house pump unit. Unit seems to be in operational condition. Unit is a Cat 150 KW model 3208 capacity. Specific need of generator is unknown. See electrical report for details.

The building is provided with automatic wet type fire sprinkler system. The Trash Chute is also indicated to have fire sprinklers. A fire pump system is located in the basement next to the house water booster unit. The system seems to be in fair condition. Stand pipe system is provided for each stairwell at all levels and roof. Wet stand pipe with fire hose cabinet is provided at each floor. The exit stairwells are provided with mechanical smoke venting. Fire Department connections are located at Ala Moana Boulevard entrance. No operational test was conducted. Testing was noted to be handled by management as required by the Fire Department.

All plumbing systems observed were in usable condition and functional for the intended purposes but may not meet present codes. Overall, the mechanical system maintenance for this building has been good. Due to its age and above normal use, very high maintenance and replacements should be anticipated as it functions towards the end of its economic life of 25 years. With proper management, constant maintenance and replacement, these plumbing and ventilation systems could provide many more years of useful service. As an example, hot water piping insulation at the heaters need repair or replacement as other similar areas will be needing attention. The non-conforming plumbing fixtures are presently "grandfathered" under the old code and does not require immediate replacement for water conservation features. We suggest that they be replaced to conserve our water resources and to meet the present code. We recommend that the sump pump receiving the floor sink drain from the Pump Room be discharged into the building sewer system instead of on to grade.

If the existing Unit clothes washer/dryer appliance is planned to be used, the unit needs to be serviced to verify operation and function. The water and drain connections needs to be certified as usable by a plumber and an operational test should be conducted. No one knows if these units work and the plumbing system

is still capable to handle the water and drain capacities. The plumbing code has since changed and the current waste pipe sudsing design may not be incorporated. This existing system is presently "grandfathered" under the old codes.

Window air conditioners or the ductless split systems will require shorter maintenance cycles since the units are older and seems to be in heavy use. More replacements or repairs will be required.

The complete building fire protection systems need to be tested and certified to meet fire department requirements as an existing facility. This report does not address the fire alarm system which should be covered under other sections of the report.

The above comments should generally apply to all of the studio units within this building since they are all typical and of the same age and maintenance level.

Submitted by: George Y. Motonaga, P.E.
LANGE MOTONAGA, INC.
Consulting Mechanical Engineers