

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer NAURU PHOSPHATE ROYALTIES DEVELOPMENT (HONOLULU), INC.

Address 80 Collins Street, Melbourne, Victoria 3000, Australia

Project Name(*): NAURU TOWER

Address: 1330 Ala Moana Boulevard, Honolulu, Hawaii

Registration No. 1968

Effective date: April 16, 1993

Expiration date: May 16, 1994

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: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
(yellow)

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

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

X SUPPLEMENTARY: This report updates information contained in the:
(pink)
 Preliminary Public Report dated: December 20, 1988
 Final Public Report dated: April 17, 1990
 Supplementary Public Report dated: _____

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

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

SEE PAGES 2-B AND 2-C

SUMMARY OF CHANGES MADE BY THE DEVELOPER
SINCE THE FINAL PUBLIC REPORT WAS ISSUED

1. The Developer has exercised its right to subdivide the land of the Project and to withdraw from the Project certain withdrawal areas, as permitted under the Declaration (see Paragraph U of the Declaration) and as evidenced by the following documents:

- a. First Amendment to the Declaration of Condominium Property Regime of Nauru Tower dated October 24, 1991, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1861893; and
- b. Correction to First Amendment to the Declaration of Condominium Property Regime of Nauru Tower dated December 18, 1991, filed as aforesaid as Document No. 1875130.

2. The Lease dated October 19, 1988 between the Fee Owner, as Lessor, and the Developer, as Lessee, and filed as aforesaid as Document No. 1645704 has been canceled, surrendered and terminated by means of the several Partial Cancellations and Surrender of Leases executed by the Fee Owner and the Developer in connection with each of the condominium apartments of the project.

3. Pursuant to an agreement with the Fee Owner, the Developer will be offering to convey the condominium apartments in either of the following two (2) ways:

- a. By means of an Apartment Deed conveying in fee simple a condominium apartment, together with an undivided interest in the common elements of the project; or
- b. By means of an Assignment of Condominium Conveyance Document (i) conveying in fee simple a condominium apartment, together with an undivided interest in the common elements of the project (excluding the land of the project), and (ii) demising an undivided leasehold interest in the land of the project.

4. A schedule of the annual lease rents for the commercial apartments has been inserted in Exhibit C of this Supplementary Public Report.

5. A explanation of the manner in which renegotiated lease rents will be calculated and a description of the surrender clause provision in the condominium conveyance document has been attached as Exhibit B to this Supplementary Public Report.

6. The list of encumbrances against title for the project has been updated in Exhibit K of this Supplementary Public Report.

7. A schedule of actual maintenance fees and maintenance fee disbursements (see Exhibit M of this Supplementary Public Report) has been substituted for the schedule of estimated initial maintenance fees and maintenance fee disbursements contained in earlier public reports for the project.

8. The condominium purchase agreement, deposit receipt and contract (the "Purchase Agreement") sets forth a revised payment schedule for the purchase price under an apartment deed or a condominium conveyance document: the buyer shall pay (i) an initial payment upon the buyer's execution of a Purchase Agreement, and (ii) a final payment at the date of closing for the subject condominium apartment.

9. A notation to the effect that the House Rules may be amended by action of the Board of Directors of the Association of Apartment Owners of Nauru Tower has been inserted at paragraph E on page 7 of this Supplementary Public Report.

10. Exhibit D of this Supplementary Public Report has been revised to include a restatement of the restrictions regarding pets as set forth in the By-Laws. A reference to Exhibit D has been inserted at paragraph 5 on page 11 of this Supplementary Public Report, following the notation that restrictions regarding pets exist.

11. The number of interior stairways in the Project (28) has been inserted at paragraph 6 on page 11 of this Supplementary Public Report.

12. Paragraph 11 on page 13 of this Supplementary Public Report has been revised to indicate that no variances to the zoning code have been granted.

13. Paragraph C on page 17 of this Supplementary Public Report has been corrected to note that, in addition to television cable costs, sewer and water costs are included in the maintenance fees for the Project. A note has also been inserted to indicate that maintenance fees include the cost of electricity used with respect to the common elements and limited common elements, but each apartment is billed separately for electricity used with respect to such apartment.

14. A description of the material impact on buyers arising out of the encumbrances on the Project has been included at the end of Exhibit K of this Supplementary Public Report.

15. Exhibit N (Summary of Sales Contract) has been revised to include a reference to the requirement (set forth at Section III.5 of the Sales Contract) that no later than fifteen (15) days prior to the Date of Closing, Buyer shall pay to Seller or Escrow a non-refundable, non-transferable Project start-up fee in an amount equal to two (2) months' assessments for common expenses on the Apartment.

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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: NAURU PHOSPHATE ROYALTIES
DEVELOPMENT (HONOLULU), INC. Phone: 011-613-653-5709
Name (Business)
80 Collins Street
Business Address
Melbourne, Victoria 3000, Australia

Names of officers or general partners of developers who are corporations or partnerships:

<u>Theodore C. Moses</u>	<u>President</u>
<u>David Alan Morgan</u>	<u>Vice President</u>
<u>Peter G. Boyle</u>	<u>Secretary/Treasurer</u>
<u>D. Scott MacKinnon</u>	<u>Assistant Secretary</u>
<u>Hans J. Shultze</u>	<u>Assistant Treasurer</u>

Real Estate
Broker: COLDWELL BANKER McCORMACK REAL ESTATE Phone: 524-2600
Name (Business)
1580 Makaloa Street, Suite 500
Business Address
Honolulu, Hawaii 96814

Escrow: TITLE GUARANTY ESCROW SERVICES, INC. Phone: 521-0211
Name (Business)
700 Richards Street
Business Address
Honolulu, Hawaii 96813

General
Contractor: PACIFIC CONSTRUCTION CO., LTD.,
nka FLETCHER PACIFIC CONSTRUCTION Phone: 521-7861
Name (Business)
CO., LTD.
707 Richards Street
Business Address
Honolulu, Hawaii 96813

Condominium
Managing
Agent: HAWAIIANA MANAGEMENT COMPANY Phone: 528-3800
Name (Business)
1270 Ala Moana Boulevard
Business Address
Honolulu, Hawaii 96814

Attorney for
Developer: D. SCOTT MacKINNON
McCORRISTON MIHO & MILLER Phone: 529-7300
Name (Business)
Five Waterfront Plaza, Suite 400
Business Address
500 Ala Moana Boulevard
Honolulu, Hawaii 96813

**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. 1686055

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

See Page 6-B.

- 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. 748

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

- 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. 1686056

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

Amendments To
DECLARATION OF CONDOMINIUM PROPERTY REGIME
Dated October 25, 1989
Filed as Land Court Document No. 1686055

1. FIRST AMENDMENT TO THE DECLARATION OF CONDOMINIUM PROPERTY REGIME OF NAURU TOWER dated October 24, 1991, filed as Land Court Document No. 1861893.
2. CORRECTION TO FIRST AMENDMENT TO THE DECLARATION OF CONDOMINIUM PROPERTY REGIME OF NAURU TOWER dated December 18, 1991, filed as Land Court Document No. 1875130.
3. SECOND AMENDMENT TO THE DECLARATION OF CONDOMINIUM PROPERTY REGIME OF NAURU TOWER dated November 27, 1991, filed as Land Court Document No. 1868780.
4. AMENDMENT TO THE DECLARATION OF CONDOMINIUM PROPERTY REGIME OF NAURU TOWER dated January 1, 1992, filed as Land Court Document No. 1882753.
5. AMENDMENT TO THE DECLARATION OF CONDOMINIUM PROPERTY REGIME OF NAURU TOWER dated July 14, 1992, filed as Land Court Document No. 1934397.
6. AMENDMENT TO THE DECLARATION OF CONDOMINIUM PROPERTY REGIME OF NAURU TOWER dated October 14, 1992, filed as Land Court Document No. 1962067.

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%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	—	<u>**</u>

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

** The House Rules may be amended by action of the Board of Directors of the Association of Apartment Owners of Nauru Tower.

2. Developer:

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

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

SEE EXHIBIT A

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or 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 _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For 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 B 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: December 31, 2056

Rent Renegotiation Date(s): January 1, 2022; January 1, 2032; January 1, 2042; and January 1, 2052

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit C 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: 1330 Ala Moana Boulevard Tax Map Key: 2-3-006-003 (1)
Honolulu, Hawaii (TMK)

[] Address [] TMK is expected to change because _____

Land Area: 135,456 [x] square feet [] acre(s) Zoning: Mixed-Use Residential

Lessor

(Fee Owner): NAURU PHOSPHATE ROYALTIES (HONOLULU), INC.

Name

80 Collins Street

Address

Melbourne, Victoria 3000, Australia

Sublessor:

NAURU PHOSPHATE ROYALTIES DEVELOPMENT
(HONOLULU), INC.

Name

80 Collins Street

Address

Melbourne, Victoria 3000, Australia

C. Buildings and Other Improvements:

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

2. Number of Buildings: Two (2) Floors Per Building 44 - Tower; 6 - Platform

Exhibit _____ contains further explanations.

3. **Principal Construction Material:**

Concrete Hollow Tile Wood

Other Aluminum, glass and steel

4. **Permitted Uses by Zoning:**

	<u>No. of</u>	<u>Use Permitted</u>		<u>No. of</u>	<u>Use Determined</u>
	<u>Apts.</u>	<u>By Zoning</u>		<u>Apts.</u>	<u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>304</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Commercial	<u>10</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<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"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	___	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

Yes No

5. Special Use Restrictions:

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

- Pets: SEE EXHIBIT D
- Number of Occupants: _____
- Other: SEE EXHIBIT D
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: Eight (8) Stairways: Twenty-eight (28) Trash Chutes: One (1)

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>SEE EXHIBIT E</u>	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 314 (304 residential; 10 commercial)

*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:

Residential Apartments: Each residential apartment consists of the spaces within the perimeter and party walls, windows, doors, floors and ceilings of the respective apartments.

Commercial Apartments: Each commercial apartment consists of the spaces within the exterior perimeter walls (if any) and/or the imaginary vertical planes (where there is no perimeter wall), floors and ceilings of the respective apartments.

Permitted Alterations to Apartments:

SEE EXHIBIT F

- * One (1) is a handicap stall
- ** Three (3) are handicap stalls
- *** Seven (7) are tandem compact stalls
- "Other" refers to Commercial Apartment No. 1

7. **Parking Stalls:**

Total Parking Stalls: 601

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)	<u>297*</u>	<u>0</u>	<u>83</u>	<u>0</u>	<u>96</u>	<u>0</u>	<u>476</u>
Guest	<u>11</u>	<u>10*</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21</u>
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u>54**</u>	<u>0</u>	<u>34</u>	<u>0</u>	<u>16***</u>	<u>0</u>	<u>104</u>
Total Covered & Open	<u>372</u>		<u>117</u>		<u>112</u>		

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

- Commercial parking garage permitted in condominium project.
- Exhibit G 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
- Other: Whirlpool Spa (2), Shower, Restrooms (2), Loading Dock

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 _____

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

N/A

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

The Developer has obtained from the Hawaii Community Development Authority the Planned Development Permit for 404 Piikoi Project (PD 2-84) dated November 7, 1984, as amended by instruments dated October 1, 1986, October 19, 1988, April 11, 1989, and February 4, 1991.

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	_____X_____	_____	_____
Structures	_____X_____	_____	_____
Lot	_____X_____	_____	_____

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

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

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

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 H .

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 I.

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 J.

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 K describes the encumbrances against the title contained in the title report dated January 11, 1993 and issued by Title Guaranty of Hawaii Incorporated.

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.

[X] 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>
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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:

SEE EXHIBIT L

2. Appliances:

SEE EXHIBIT L

G. Status of Construction and Estimated Completion Date:

Construction of the Project was completed on February 6, 1992.

H. Project Phases:

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

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

The Developer plans to develop another project or projects on adjacent real property as permitted under the Planned Development Permit for 404 Piikoi Project dated November 7, 1984 (PD 2-84) as amended by instruments dated October 1, 1986, October 19, 1988, April 11, 1989, and February 4, 1991, all as approved by the Hawaii Community Development Authority of the State of Hawaii (collectively the "Planned Development Permit"). The subsequent projects may include up to the total number of residential, commercial, and industrial apartments allowed under the Planned Development Permit, together with supporting and servicing common elements. The Developer has reserved the right to construct the additional units in two or more phases and to merge this Project with subsequent projects. (See Paragraph T of the Declaration.)

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 N contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated July 18, 1988
Exhibit O 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.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules.
- E) Condominium Map.
- 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 a part of Registration No. 1968 filed with the Real Estate Commission on Aug. 23, 1988.

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yellow paper stock white paper stock pink paper stock

C. Additional Information Not Covered Above

SPECIAL ATTENTION

The Developer has disclosed the following:

1. If the Buyer purchases an Apartment by means of a Condominium Conveyance Document or an Assignment of Condominium Conveyance Document, the Buyer will acquire a fee simple interest in the Apartment; however, the Buyer will acquire only a leasehold interest in the land of the project. The Buyer will be required to pay lease rent to the lessor in quarterly installments. At the end of the term of the lease, the Buyer is required to deliver to the lessor the Buyer's proportionate interest in the land and either (1) remove and dispose of the buildings, or (2) convey the buildings to lessor for a specified sum. (See Exhibits "B" and "J" of this report.)

2. If the Buyer purchases an Apartment by means of an Apartment Deed, the Buyer will acquire a fee simple interest in the Apartment and in the land of the project.

3. Both residential and commercial uses are allowed at this project. However, the commercial use is restricted to the designated Commercial Apartments.

4. The Developer plans to develop additional condominium projects (which may be developed in two or more phases) on land adjacent to this project. The Developer has, therefore, reserved the right, in its sole discretion, to merge this project with one or more of the additional projects. If the Developer exercises its right to merge the projects to create a single project (1) the Apartment Owners will have the right to use the common elements in each project, (2) a single Association and Board of Directors will govern the merged project, and (3) the percentage of common interest of each apartment in this project will be recalculated. (See page 16 of this report and Paragraph T of the Declaration for further information.)

5. This project is being developed under the Planned Development Agreement dated October 19, 1988, between the Hawaii Community Development Authority, State of Hawaii ("HCDA"), and the Fee Owner, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, and pursuant to Planned Development Permit No. PD 2-84, dated November 7, 1984, as amended, issued by HCDA. The conditions imposed by the Planned Development Agreement shall run with the land of the project and shall bind and constitute notice to all subsequent lessees, grantees, assignees, mortgagees, lienors and any other persons who shall claim an interest in the land. HCDA shall have the right to enforce the Planned Development Agreement by appropriate action at law or in equity against all such persons.

6. This project is subject to HCDA's District-Wide Improvement Assessment Program and may be assessed for the cost of improvements made in the vicinity of the project.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE DOCUMENTS NOTED HEREIN FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING MATTERS.

D. 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.

NAURU PHOSPHATE ROYALTIES DEVELOPMENT (HONOLULU), INC.
Name of Developer

By: D. Scott MacKinnon
Duly Authorized Signatory

2/9/93
Date

D. Scott MacKinnon, Assistant Secretary
print name & title of person signing above

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu
Federal Housing Administration

DEVELOPER'S RIGHTS TO CHANGE DECLARATION,
CONDOMINIUM MAP, BY-LAWS, OR HOUSE RULES

1. Nauru Phosphate Royalties (Honolulu), Inc. (the "Fee Owner") and the Developer have reserved the right to amend the Declaration, the By-Laws and the Condominium Map, until the recordation of condominium conveyance documents or apartment deeds covering all of the apartments in the project in favor of the parties not a signatory to the Declaration and other than to any mortgagee of the Fee Owner without the approval, consent or joinder of any purchaser of an apartment or any interest therein (including any lessee), and to make such amendments as may be required by law, by the Real Estate Commission of the State of Hawaii, by any title insurance company issuing a title insurance policy on the project or any of the apartments or any interest therein, by any institutional lender lending funds on the security of the project or any of the apartments or any interest therein, or by any governmental agency of any state, territory, possession or foreign country or other foreign jurisdiction as a condition precedent to the marketing or sale of apartments or any interests therein in any such jurisdiction; provided, however, that no such amendment which would change the common interest appurtenant to an apartment or substantially change the design, location or size of an apartment shall be made without the consent to such amendment by all persons having an interest in such apartment.
2. After completion of the merger of the project with any Subsequent Project, as provided in Paragraph T of the Declaration, and described in Section III.H. Project Phases of this Public Report, the Developer shall have the irrevocable right, pursuant to Paragraph T of the Declaration, to amend the Declaration and By-Laws in their entirety so that there shall be one amended Declaration and By-Laws for all increments for the sole purpose of showing the merged project with a consolidated description of the land, buildings, apartments, common elements, limited common elements and common interest.
3. The Developer or Fee Owner shall, without being required to obtain the consent or joinder of any apartment owner, lien holder or other person, execute and record an amendment to the Declaration and the Condominium Map to reflect the subdivision and withdrawal of certain designated portions of the underlying land from the project and the condominium property regime pursuant to Paragraph U of the Declaration.

CALCULATION OF RENEGOTIATED LEASE RENTS

For and during each of the three (3) successive ten (10) year periods commencing January 1, 2022, January 1, 2032 and January 1, 2042, and for the final five (5) year period of the term of the lease commencing January 1, 2052, the net annual rent shall be determined by mutual agreement of Lessor and Lessee (acting by and through the Association), and if no agreement can be reached at least ninety (90) days before the commencement of each such period, the net annual rent shall be determined by appraisers appointed as provided in Paragraph M of the Condominium Conveyance Document who shall ascertain the fair market value in fee simple of the Land upon which the Project is located as of the commencement of the period for which the rent is sought to be determined, and multiply the value so ascertained by the greater of (i) eight percent (8%) per annum, or (ii) the then prevailing net percentage rate of the annual rental return enjoyed by owners of land in the State of Hawaii bearing comparable characteristics and possessing similar amenities. In ascertaining the fair market value of said Land in fee simple, the appraisers shall assume for the purpose of their appraisal that the demised premises, enhanced by street improvements, contributing benefits, betterments and other value factors are vacant of all buildings, unencumbered by any leases including this lease, and available for immediate development and utilization to the then highest and best use therefor, which use is the most profitable use for which the Land is reasonably adaptable. The process or method of appraisal shall be that receiving general acceptability among competent, experienced and recognized appraisers in the field of real estate evaluation in the State of Hawaii and on the mainland United States. In no event shall the rent be less than the rent payable for the preceding period of the lease term. If and whenever the fixing of such rental is under appraisal on the commencement date of any such period, Lessee, pending the determination thereof, shall continue to pay the same rental which Lessee had been paying during the last preceding rental period and shall promptly pay the deficiency, if any, upon the completion of the appraisal, together with interest accrued on such amounts from the date such additional rental would have been paid under this lease, at a rate equal to three percent (3%) over the base rate of interest established by the Bank of Hawaii for its large commercial borrowers as determined, as to each installment of additional rent payable, as of the due date hereof; provided, further, that such interest rate shall in no event exceed the maximum rate permitted under any applicable law.

EXHIBIT B

SURRENDER CLAUSE

At the end of the lease term or upon the sooner termination of all leases on the Land, Lessee will peaceably deliver up to Lessor Lessee's proportionate interest in the Land demised hereunder, it being understood that the Lessee may, with the approval of and together with all of the other owners of any and all buildings situate on the Land, remove and dispose of said buildings; but if said buildings shall not be removed and disposed of, on or before such termination date, then Lessee agrees to join with all the other apartment owners within ten (10) days from such termination date to cause the Association to deliver up to the Lessor possession of the building(s) in good order, repair and condition for the sum of TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00), and Lessee agrees to execute an Apartment Deed to Lessor and Lessee irrevocably appoints the Managing Agent of the Association as Lessee's attorney-in-fact with full power and authority to execute and deliver in the name of Lessee such Apartment Deed, and upon delivery of such properly executed Apartment Deed covering Lessee's apartment and undivided interest in the common elements of the buildings, Lessor shall pay to Lessee, or the Managing Agent as agent of Lessee, that sum which is the same percentage of TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00) as the Lessee's undivided interest in said common elements within ten (10) days thereafter.

LEASE RENT

Residential Apartments

<u>Apt. Number</u>	<u>Lease Rent Per Year</u>		
	<u>Years</u>	<u>Years</u>	<u>Years</u>
	<u>1 - 10</u>	<u>11 - 20</u>	<u>21 - 30</u>
601	2,916.50	3,637.95	4,543.60
602	1,786.00	2,227.80	2,782.40
603	2,492.80	3,109.44	3,883.52
604	2,492.80	3,109.44	3,883.52
605	2,492.80	3,109.44	3,883.52
606	2,492.80	3,109.44	3,883.52
607	1,786.00	2,227.80	2,782.40
608	2,916.50	3,637.95	4,543.60
701	2,916.50	3,637.95	4,543.60
702	1,786.00	2,227.80	2,782.40
703	2,492.80	3,109.44	3,883.52
704	2,492.80	3,109.44	3,883.52
705	2,492.80	3,109.44	3,883.52
706	2,492.80	3,109.44	3,883.52
707	1,786.00	2,227.80	2,782.40
708	2,916.50	3,637.95	4,543.60
801	2,916.50	3,637.95	4,543.60
802	1,786.00	2,227.80	2,782.40
803	2,492.80	3,109.44	3,883.52
804	2,492.80	3,109.44	3,883.52
805	2,492.80	3,109.44	3,883.52
806	2,492.80	3,109.44	3,883.52
807	1,786.00	2,227.80	2,782.40
808	2,916.50	3,637.95	4,543.60

<u>Apt. Number</u>	<u>Lease Rent Per Year</u>		
	<u>Years</u>	<u>Years</u>	<u>Years</u>
	<u>1 - 10</u>	<u>11 - 20</u>	<u>21 - 30</u>
901	2,916.50	3,637.95	4,543.60
902	1,786.00	2,227.80	2,782.40
903	2,492.80	3,109.44	3,883.52
904	2,492.80	3,109.44	3,883.52
905	2,492.80	3,109.44	3,883.52
906	2,492.80	3,109.44	3,883.52
907	1,786.00	2,227.80	2,782.40
908	2,916.50	3,637.95	4,543.60
1001	2,916.50	3,637.95	4,543.60
1002	1,786.00	2,227.80	2,782.40
1003	2,492.80	3,109.44	3,883.52
1004	2,492.80	3,109.44	3,883.52
1005	2,492.80	3,109.44	3,883.52
1006	2,492.80	3,109.44	3,883.52
1007	1,786.00	2,227.80	2,782.40
1008	2,916.50	3,637.95	4,543.60
1101	2,916.50	3,637.95	4,543.60
1102	1,786.00	2,227.80	2,782.40
1103	2,492.80	3,109.44	3,883.52
1104	2,492.80	3,109.44	3,883.52
1105	2,492.80	3,109.44	3,883.52
1106	2,492.80	3,109.44	3,883.52
1107	1,786.00	2,227.80	2,782.40
1108	2,916.50	3,637.95	4,543.60
1201	2,916.50	3,637.95	4,543.60
1202	1,786.00	2,227.80	2,782.40
1203	2,492.80	3,109.44	3,883.52

<u>Apt. Number</u>	<u>Lease Rent Per Year</u>		
	<u>Years</u>	<u>Years</u>	<u>Years</u>
	<u>1 - 10</u>	<u>11 - 20</u>	<u>21 - 30</u>
1204	2,492.80	3,109.44	3,883.52
1205	2,492.80	3,109.44	3,883.52
1206	2,492.80	3,109.44	3,883.52
1207	1,786.00	2,227.80	2,782.40
1208	2,916.50	3,637.95	4,543.60
1301	2,916.50	3,637.95	4,543.60
1302	1,786.00	2,227.80	2,782.40
1303	2,492.80	3,109.44	3,883.52
1304	2,492.80	3,109.44	3,883.52
1305	2,492.80	3,109.44	3,883.52
1306	2,492.80	3,109.44	3,883.52
1307	1,786.00	2,227.80	2,782.40
1308	2,916.50	3,637.95	4,543.60
1401	2,916.50	3,637.95	4,543.60
1402	1,786.00	2,227.80	2,782.40
1403	2,492.80	3,109.44	3,883.52
1404	2,492.80	3,109.44	3,883.52
1405	2,492.80	3,109.44	3,883.52
1406	2,492.80	3,109.44	3,883.52
1407	1,786.00	2,227.80	2,782.40
1408	2,916.50	3,637.95	4,543.60
1501	2,916.50	3,637.95	4,543.60
1502	1,786.00	2,227.80	2,782.40
1503	2,492.80	3,109.44	3,883.52
1504	2,492.80	3,109.44	3,883.52
1505	2,492.80	3,109.44	3,883.52
1506	2,492.80	3,109.44	3,883.52

<u>Apt. Number</u>	<u>Lease Rent Per Year</u>		
	<u>Years</u>	<u>Years</u>	<u>Years</u>
	<u>1 - 10</u>	<u>11 - 20</u>	<u>21 - 30</u>
1507	1,786.00	2,227.80	2,782.40
1508	2,916.50	3,637.95	4,543.60
1601	2,916.50	3,637.95	4,543.60
1602	1,786.00	2,227.80	2,782.40
1603	2,492.80	3,109.44	3,883.52
1604	2,492.80	3,109.44	3,883.52
1605	2,492.80	3,109.44	3,883.52
1606	2,492.80	3,109.44	3,883.52
1607	1,786.00	2,227.80	2,782.40
1608	2,916.50	3,637.95	4,543.60
1701	2,916.50	3,637.95	4,543.60
1702	1,786.00	2,227.80	2,782.40
1703	2,492.80	3,109.44	3,883.52
1704	2,492.80	3,109.44	3,883.52
1705	2,492.80	3,109.44	3,883.52
1706	2,492.80	3,109.44	3,883.52
1707	1,786.00	2,227.80	2,782.40
1708	2,916.50	3,637.95	4,543.60
1801	2,916.50	3,637.95	4,543.60
1802	1,786.00	2,227.80	2,782.40
1803	2,492.80	3,109.44	3,883.52
1804	2,492.80	3,109.44	3,883.52
1805	2,492.80	3,109.44	3,883.52
1806	2,492.80	3,109.44	3,883.52
1807	1,786.00	2,227.80	2,782.40
1808	2,916.50	3,637.95	4,543.60
1901	2,916.50	3,637.95	4,543.60

<u>Apt. Number</u>	<u>Lease Rent Per Year</u>		
	<u>Years</u>	<u>Years</u>	<u>Years</u>
	<u>1 - 10</u>	<u>11 - 20</u>	<u>21 - 30</u>
1902	1,786.00	2,227.80	2,782.40
1903	2,492.80	3,109.44	3,883.52
1904	2,492.80	3,109.44	3,883.52
1905	2,492.80	3,109.44	3,883.52
1906	2,492.80	3,109.44	3,883.52
1907	1,786.00	2,227.80	2,782.40
1908	2,916.50	3,637.95	4,543.60
2001	2,916.50	3,637.95	4,543.60
2002	1,786.00	2,227.80	2,782.40
2003	2,492.80	3,109.44	3,883.52
2004	2,492.80	3,109.44	3,883.52
2005	2,492.80	3,109.44	3,883.52
2006	2,492.80	3,109.44	3,883.52
2007	1,786.00	2,227.80	2,782.40
2008	2,916.50	3,637.95	4,543.60
2101	2,916.50	3,637.95	4,543.60
2102	1,786.00	2,227.80	2,782.40
2103	2,492.80	3,109.44	3,883.52
2104	2,492.80	3,109.44	3,883.52
2105	2,492.80	3,109.44	3,883.52
2106	2,492.80	3,109.44	3,883.52
2107	1,786.00	2,227.80	2,782.40
2108	2,916.50	3,637.95	4,543.60
2201	2,916.50	3,637.95	4,543.60
2202	1,786.00	2,227.80	2,782.40
2203	2,492.80	3,109.44	3,883.52
2204	2,492.80	3,109.44	3,883.52

<u>Apt. Number</u>	<u>Lease Rent Per Year</u>		
	<u>Years</u>	<u>Years</u>	<u>Years</u>
	<u>1 - 10</u>	<u>11 - 20</u>	<u>21 - 30</u>
2205	2,492.80	3,109.44	3,883.52
2206	2,492.80	3,109.44	3,883.52
2207	1,786.00	2,227.80	2,782.40
2208	2,916.50	3,637.95	4,543.60
2301	2,916.50	3,637.95	4,543.60
2302	1,786.00	2,227.80	2,782.40
2303	2,492.80	3,109.44	3,883.52
2304	2,492.80	3,109.44	3,883.52
2305	2,492.80	3,109.44	3,883.52
2306	2,492.80	3,109.44	3,883.52
2307	1,786.00	2,227.80	2,782.40
2308	2,916.50	3,637.95	4,543.60
2401	2,916.50	3,637.95	4,543.60
2402	1,786.00	2,227.80	2,782.40
2403	2,492.80	3,109.44	3,883.52
2404	2,492.80	3,109.44	3,883.52
2405	2,492.80	3,109.44	3,883.52
2406	2,492.80	3,109.44	3,883.52
2407	1,786.00	2,227.80	2,782.40
2408	2,916.50	3,637.95	4,543.60
2501	2,916.50	3,637.95	4,543.60
2502	1,786.00	2,227.80	2,782.40
2503	2,492.80	3,109.44	3,883.52
2504	2,492.80	3,109.44	3,883.52
2505	2,492.80	3,109.44	3,883.52
2506	2,492.80	3,109.44	3,883.52
2507	1,786.00	2,227.80	2,782.40

<u>Apt. Number</u>	<u>Lease Rent Per Year</u>		
	<u>Years</u>	<u>Years</u>	<u>Years</u>
	<u>1 - 10</u>	<u>11 - 20</u>	<u>21 - 30</u>
2508	2,916.50	3,637.95	4,543.60
2601	2,916.50	3,637.95	4,543.60
2602	1,786.00	2,227.80	2,782.40
2603	2,492.80	3,109.44	3,883.52
2604	2,492.80	3,109.44	3,883.52
2605	2,492.80	3,109.44	3,883.52
2606	2,492.80	3,109.44	3,883.52
2607	1,786.00	2,227.80	2,782.40
2608	2,916.50	3,637.95	4,543.60
2701	2,916.50	3,637.95	4,543.60
2702	1,786.00	2,227.80	2,782.40
2703	2,492.80	3,109.44	3,883.52
2704	2,492.80	3,109.44	3,883.52
2705	2,492.80	3,109.44	3,883.52
2706	2,492.80	3,109.44	3,883.52
2707	1,786.00	2,227.80	2,782.40
2708	2,916.50	3,637.95	4,543.60
2801	2,916.50	3,637.95	4,543.60
2802	1,786.00	2,227.80	2,782.40
2803	2,492.80	3,109.44	3,883.52
2804	2,492.80	3,109.44	3,883.52
2805	2,492.80	3,109.44	3,883.52
2806	2,492.80	3,109.44	3,883.52
2807	1,786.00	2,227.80	2,782.40
2808	2,916.50	3,637.95	4,543.60
2901	2,916.50	3,637.95	4,543.60
2902	1,786.00	2,227.80	2,782.40

<u>Apt. Number</u>	<u>Lease Rent Per Year</u>		
	<u>Years</u>	<u>Years</u>	<u>Years</u>
	<u>1 - 10</u>	<u>11 - 20</u>	<u>21 - 30</u>
2903	2,492.80	3,109.44	3,883.52
2904	2,492.80	3,109.44	3,883.52
2905	2,492.80	3,109.44	3,883.52
2906	2,492.80	3,109.44	3,883.52
2907	1,786.00	2,227.80	2,782.40
2908	2,916.50	3,637.95	4,543.60
3001	2,916.50	3,637.95	4,543.60
3002	1,786.00	2,227.80	2,782.40
3003	2,492.80	3,109.44	3,883.52
3004	2,492.80	3,109.44	3,883.52
3005	2,492.80	3,109.44	3,883.52
3006	2,492.80	3,109.44	3,883.52
3007	1,786.00	2,227.80	2,782.40
3008	2,916.50	3,637.95	4,543.60
3101	2,916.50	3,637.95	4,543.60
3102	1,786.00	2,227.80	2,782.40
3103	2,492.80	3,109.44	3,883.52
3104	2,492.80	3,109.44	3,883.52
3105	2,492.80	3,109.44	3,883.52
3106	2,492.80	3,109.44	3,883.52
3107	1,786.00	2,227.80	2,782.40
3108	2,916.50	3,637.95	4,543.60
3201	2,916.50	3,637.95	4,543.60
3202	1,786.00	2,227.80	2,782.40
3203	2,492.80	3,109.44	3,883.52
3204	2,492.80	3,109.44	3,883.52
3205	2,492.80	3,109.44	3,883.52

<u>Apt. Number</u>	<u>Lease Rent Per Year</u>		
	<u>Years</u>	<u>Years</u>	<u>Years</u>
	<u>1 - 10</u>	<u>11 - 20</u>	<u>21 - 30</u>
3206	2,492.80	3,109.44	3,883.52
3207	1,786.00	2,227.80	2,782.40
3208	2,916.50	3,637.95	4,543.60
3301	3,401.00	4,242.30	5,298.39
3302	1,786.00	2,227.80	2,782.40
3303	2,492.80	3,109.44	3,883.52
3304	2,492.80	3,109.44	3,883.52
3305	2,492.80	3,109.44	3,883.52
3306	2,492.80	3,109.44	3,883.52
3307	1,786.00	2,227.80	2,782.40
3308	2,916.50	3,637.95	4,543.60
3401	4,142.00	5,166.60	6,452.80
3402	1,786.00	2,227.80	2,782.40
3403	2,492.80	3,109.44	3,883.52
3404	2,492.80	3,109.44	3,883.52
3405	2,492.80	3,109.44	3,883.52
3406	2,492.80	3,109.44	3,883.52
3407	1,786.00	2,227.80	2,782.40
3408	2,916.50	3,637.95	4,543.60
3501	4,142.00	5,166.60	6,452.80
3502	1,786.00	2,227.80	2,782.40
3503	2,492.80	3,109.44	3,883.52
3504	2,492.80	3,109.44	3,883.52
3505	2,492.80	3,109.44	3,883.52
3506	2,492.80	3,109.44	3,883.52
3507	1,786.00	2,227.80	2,782.40
3508	2,916.50	3,637.95	4,543.60

<u>Apt. Number</u>	<u>Lease Rent Per Year</u>		
	<u>Years</u>	<u>Years</u>	<u>Years</u>
	<u>1 - 10</u>	<u>11 - 20</u>	<u>21 - 30</u>
3601	4,142.00	5,166.60	6,452.80
3602	1,786.00	2,227.80	2,782.40
3603	2,492.80	3,109.44	3,883.52
3604	2,492.80	3,109.44	3,883.52
3605	2,492.80	3,109.44	3,883.52
3606	2,492.80	3,109.44	3,883.52
3607	1,786.00	2,227.80	2,782.40
3608	2,916.50	3,637.95	4,543.60
3701	4,142.00	5,166.60	6,452.80
3702	1,786.00	2,227.80	2,782.40
3703	2,492.80	3,109.44	3,883.52
3704	2,492.80	3,109.44	3,883.52
3705	2,492.80	3,109.44	3,883.52
3706	2,492.80	3,109.44	3,883.52
3707	1,786.00	2,227.80	2,782.40
3708	2,916.50	3,637.95	4,543.60
3801	4,142.00	5,166.60	6,452.80
3802	1,786.00	2,227.80	2,782.40
3803	2,492.80	3,109.44	3,883.52
3804	2,492.80	3,109.44	3,883.52
3805	2,492.80	3,109.44	3,883.52
3806	2,492.80	3,109.44	3,883.52
3807	1,786.00	2,227.80	2,782.40
3808	2,916.50	3,637.95	4,543.60
3901	4,142.00	5,166.60	6,452.80
3902	1,786.00	2,227.80	2,782.40
3903	2,492.80	3,109.44	3,883.52

<u>Apt. Number</u>	<u>Lease Rent Per Year</u>		
	<u>Years</u>	<u>Years</u>	<u>Years</u>
	<u>1 - 10</u>	<u>11 - 20</u>	<u>21 - 30</u>
3904	2,492.80	3,109.44	3,883.52
3905	2,492.80	3,109.44	3,883.52
3906	2,359.80	2,943.54	3,676.32
3907	1,786.00	2,227.80	2,782.40
3908	2,916.50	3,637.95	4,543.60
4001	4,142.00	5,166.60	6,452.80
4002	1,786.00	2,227.80	2,782.40
4003	2,492.80	3,109.44	3,883.52
4004	2,492.80	3,109.44	3,883.52
4005	2,492.80	3,109.44	3,883.52
4006	2,390.20	2,981.46	3,723.68
4007	1,786.00	2,227.80	2,782.40
4008	2,916.50	3,637.95	4,543.60
4101	4,142.00	5,166.60	6,452.80
4102	1,786.00	2,227.80	2,782.40
4103	2,492.80	3,109.44	3,883.52
4104	2,492.80	3,109.44	3,883.52
4105	2,492.80	3,109.44	3,883.52
4106	2,426.30	3,026.49	3,779.92
4107	1,786.00	2,227.80	2,782.40
4108	2,916.50	3,637.95	4,543.60
4201	4,142.00	5,166.60	6,452.80
4202	1,786.00	2,227.80	2,783.40
4203	2,492.80	3,109.44	3,883.52
4204	2,492.80	3,109.44	3,883.52
4205	2,492.80	3,109.44	3,883.52
4206	2,464.30	3,073.89	3,839.12

<u>Apt. Number</u>	<u>Lease Rent Per Year</u>		
	<u>Years</u>	<u>Years</u>	<u>Years</u>
	<u>1 - 10</u>	<u>11 - 20</u>	<u>21 - 30</u>
4207	1,786.00	2,227.80	2,782.40
4208	2,916.50	3,637.95	4,543.60
4301	6,954.00	8,674.20	10,833.60
4302	5,228.80	6,522.24	8,145.92
4303	5,228.80	6,522.24	8,145.92
4304	5,228.80	6,522.24	8,145.92
4305	4,446.00	5,545.80	6,926.40
4306	4,911.50	6,126.45	7,651.60
4401	6,545.50	8,164.65	10,192.20
4402	4,522.00	5,640.60	7,044.80

<u>Apt. No</u>	<u>Commercial Apartments</u>		
	<u>Lease Rent Per Year</u>		
	<u>Years</u>	<u>Years</u>	<u>Years</u>
	<u>1 - 10</u>	<u>11 - 20</u>	<u>21 - 30</u>
1	60,706.77	75,723.71	94,574.76
2	9,091.86	11,340.90	14,164.16
3	6,810.05	8,494.64	10,609.34
4	884.42	1,103.20	1,377.84
5	1,901.51	2,371.42	2,961.77
6	884.42	1,103.20	1,377.84
7	1,760.00	2,195.37	2,741.90
8	2,511.76	3,133.09	3,913.06
9	20,385.94	25,428.78	31,759.15
10	6,491.66	8,097.49	10,113.32

Note: The Developer intends to retain ownership of the Commercial Apartments and to sublet them at market rates.

USE RESTRICTIONS

1. Residential Apartments. Except when the holder of the first mortgage on a residential apartment has entered into possession of a residential apartment following (i) a default under its first mortgage, (ii) a foreclosure proceedings, or (iii) a conveyance in lieu of foreclosure, the residential apartments shall be occupied and used only as private residential dwellings by the respective owners thereof, their tenants, families, domestic servants and guests, and for no other purpose. The residential apartments shall not be used, leased, rented or any undivided interest therein be transferred for time-sharing purposes or under any time-sharing plan, agreement or arrangement as the same is defined under Chapter 514E, Hawaii Revised Statutes, as amended. Except for time-sharing, the owners of the respective residential apartments shall have the absolute right to sell, lease, rent or otherwise transfer such residential apartments subject to all provisions of the Declaration and By-Laws.

2. Commercial Apartments. The commercial apartments (and all commercial apartments into which said apartments are or may be divided pursuant to Part "Q" of the Declaration) shall be operated and used only for "commercial" purposes or uses, as said term "commercial" is defined or described in the Kaka'ako Community Development District Plan and the Kaka'ako Community Development District Rules established by the Hawaii Community Development Authority, as amended from time to time; provided, however, that if Commercial Apartment No. 1 should be divided in the future so as to create a separate commercial apartment or apartments, each consisting of a single parking stall, the use of the newly created parking stall apartment or apartments shall be limited solely to parking use. Subject to the terms of the conveyance document, if any, conveying the commercial apartment or apartments, the owner or owners of each of the commercial apartments shall have the absolute right to rent or lease all or any portion or portions of their respective commercial apartments in connection with such commercial operation or use for any length of time and upon such terms and conditions as the owner or owners of such commercial apartments shall determine.

3. Pets.

No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project; except as otherwise provided below and except that, with the prior written consent of the Board, dogs, cats and other household pets in reasonable number may be kept by the apartment owners and occupants in their respective apartments but shall not be kept, bred or used therein for any commercial purpose nor allowed on any common elements except in transit when carried or on a leash. Notwithstanding any provision to the contrary contained herein, certified guide dogs and signal dogs (as identified below) and other such animals specially trained to assist handicapped individuals (hereinafter collectively referred to as "specially trained animals") shall be permitted at the Project subject to the following restrictions:

(i) Such specially trained animals shall not be kept, bred, or used at the Project for any commercial purpose;

(ii) Such specially trained animals shall be permitted on the common elements (including but not limited to the recreation areas) provided the specially trained animal is on a leash.

Any pet as described above and any specially trained animal causing a nuisance or unreasonable disturbance to any other occupant of the Project shall be permanently removed therefrom promptly upon notice given by the Board of Directors or Managing Agent; provided, however, that any such notice given with respect to a specially trained animal shall provide that before such animal must be removed, its owner shall have a reasonable time to acquire a replacement specially trained animal unless the Board determines that such animal poses an imminent serious threat of physical harm to other occupants of the Project. The Directors may from time to time promulgate such rules and regulations regarding the continued keeping of such pets and specially trained animals as the circumstances may require or the Board may deem advisable.

The term "guide dog" shall mean "any dog individually trained by licensed guide dog trainer for guiding a blind person by means of a harness attached to the dog and rigid handle grasped by the person" as defined in Section 515-3(8), Hawaii Revised Statutes, as the same may be amended from time to time in the future.

The term "signal dog" shall mean "any dog trained to alert a deaf person to intruders or sounds," as defined in Section 515-3(8), Hawaii Revised Statutes, as the same may be amended from time to time in the future.

APARTMENT DESCRIPTIONS

Residential Apartments

<u>Apt. Type</u>	<u>Quantity</u>	<u>Bedroom/ Bathroom</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Total Net Floor Area In Sq. Ft.</u>
A	50	2/2	1,220	92*	1,312
A1	50	2/2	1,222	90	1,312
A2	16	2/2	1,220	92	1,312
A3	20	2/2	1,222	90	1,312
A4	4	2/2	1,220	92*	1,312
A5	4	2/2	1,222	90	1,312
B	54	2/2	1,385	150*	1,535
B1	10	2/2	1,385	150*	1,535
C	54	1/1	850	90	940
C1	20	1/1	850	90	940
D	9	2/2	1,892	288*	2,180
D1	1	2/2	1,687	288*	1,975
E	3	**	2,752	N/A	2,752
F	1	**	2,585	N/A	2,585
F1	1	**	2,380	N/A	2,380
G	1	**	3,660	N/A	3,660
G1	1	**	3,445	N/A	3,445
J1	1	2/2	1,242	92	1,334

J2	1	2/2	1,258	92	1,350
J3	1	2/2	1,277	92	1,369
J4	1	2/2	1,297	92	1,389
J5	1	**	2,340	248*	2,588

** These apartments consist of one unfinished room, except that Type E and Type J5 apartments are two-story apartments and consist of two unfinished rooms.

* These apartments contain exterior lanais. Those apartments not designated by a single asterisk contain interior enclosed lanais.

The residential apartments are more particularly described in Exhibit "B" to the Declaration.

Commercial Apartments

<u>Apt. Type</u>	<u>Quantity</u>	<u>Bedroom/ Bathroom</u>	<u>Approx. Net Floor Area in Sq. Ft.</u>
1	1	N/A	32,455
2	1	N/A	4,788
3	1	N/A	3,585
4	1	N/A	465
5	1	N/A	1,000
6	1	N/A	465
7	1	N/A	925
8	1	N/A	1,324
9	1	N/A	10,737
10	1	N/A	3,420

The commercial apartments all contain one unfinished room and are more particularly described in Exhibit "D" to the Declaration.

PERMITTED ALTERATIONS TO APARTMENTS

The owner of any apartment may make any alterations or additions within the owner's apartment, except for enclosing any exterior lanai, and the owner of any two of the adjacent apartments listed below which are separated by a common element that is a wall, may (a) alter or remove all or portions of the intervening wall, if the structural integrity of the building is not thereby adversely affected and if the finish of the common element then remaining is then restored to a condition substantially comparable to that of the common element prior to such alterations, and (b) make any alterations or additions within the portion of the hallway constituting a limited common element appurtenant to such apartment. These adjacent apartments include the following:

- (a) Apartment Nos. 3301 and 3302;
- (b) Apartment Nos. 3307 and 3308;
- (c) Apartment Nos. 3401 and 3402;
- (d) Apartment Nos. 3407 and 3408;
- (e) Apartment Nos. 3501 and 3502;
- (f) Apartment Nos. 3507 and 3508;
- (g) Apartment Nos. 3601 and 3602;
- (h) Apartment Nos. 3607 and 3608;
- (i) Apartment Nos. 3701 and 3702;
- (j) Apartment Nos. 3707 and 3708;
- (k) Apartment Nos. 3801 and 3802;
- (l) Apartment Nos. 3807 and 3808;
- (m) Apartment Nos. 3901 and 3902;
- (n) Apartment Nos. 3907 and 3908;
- (o) Apartment Nos. 4001 and 4002;
- (p) Apartment Nos. 4007 and 4008;
- (q) Apartment Nos. 4101 and 4102;
- (r) Apartment Nos. 4107 and 4108;
- (s) Apartment Nos. 4201 and 4202; and
- (t) Apartment Nos. 4207 and 4208.

The owner of any two of the adjacent apartments listed above may install a door or doors to such opening or openings in the intervening common element. Alterations or additions within an apartment, within the above-specified adjacent apartments, or within the aforesaid portion of the hallway constituting a limited common element appurtenant to such adjacent apartments shall require only the

written approval thereof, including the apartment owner's plans therefor, by the Fee Owner, by the holders of first mortgage liens affecting such apartments (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, by the Board of Directors (which approval shall not be unreasonably or arbitrarily withheld or delayed), and by all other apartment owners thereby directly affected (as determined in a reasonable manner by the Board of Directors), and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the project as so altered; provided, however, if the alterations or additions are substantial in nature as reasonably determined by the Fee Owner or the Board of Directors, the Fee Owner or the Board of Directors may require that the owner of the apartment provide evidence satisfactory to the Fee Owner and/or Board of Directors of sufficient financing to complete such alterations or additions or, in lieu thereof, require that the owner obtain a performance and lien payment bond, naming as obligees the Fee Owner, the Board of Directors and the Association and collectively all apartment owners and their respective mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such construction. Prior to the termination of the common ownership of any such adjacent apartments, if the intervening wall shall have been altered or removed pursuant to the foregoing provisions and/or any entry to hallways sealed, the owner of such apartments shall be obligated to restore such intervening wall and/or hallway entries to substantially the same condition in which the same existed prior to such alteration or removal.

The respective owners of Commercial Apartment Nos. 1, 2, 3, 9 or 10 may divide each such commercial apartment (and the limited common elements appurtenant thereto) into any number of separate commercial apartments provided that with respect to each of the aforesaid commercial apartments: (a) the total undivided percentage common interest appurtenant to the separate commercial apartments shall at all times equal the percentage common interest appurtenant to the original commercial apartment from which the separate apartments were created, and (b) the limited common elements appurtenant to the original commercial apartment shall, after any such division, be designated limited common elements appurtenant to one or

more of the separate commercial apartments. The subdivision of any one of Commercial Apartment Nos. 1, 2, 3, 9 or 10 into separate commercial apartments shall be reflected in an amendment to the Declaration of Condominium Property Regime which amendment need only be signed and approved by the Fee Owner and the owner or owners of the subdivided commercial apartment and their mortgagees, if any.

Until such time as all of the apartments in the project have been sold and recorded and the Developer has filed the "as built" verified statement required by Section 514A-12 of the Hawaii Revised Statutes, but in no event later than December 31, 1995, the Developer has the right (a) to make alterations in the project which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any apartment (and the limited common elements appurtenant thereto) in the project which is not sold and recorded; (b) to make alterations in the project which divide the commercial apartments (and/or the limited common elements appurtenant thereto) into any number of separate commercial apartments, provided that the total undivided percentage common interest appurtenant to all commercial apartments in the project shall at all times equal 12.599 percent and that the limited common elements appurtenant to the commercial apartments shall remain, after any such division, limited common elements appurtenant to one or more of the commercial apartments; or (c) to make other alterations in the project which make minor changes in any apartment in the project or the common elements which do not affect the physical location, design or size of any apartment which has been sold or recorded.

PARKING INFORMATION

The project contains a total of six hundred one (601) parking stalls.

- A. A total of four hundred seventy-six (476) stalls are assigned to apartment units, as follows:
 - 1. Forty-one (41) parking stalls shall constitute limited common elements appurtenant to and for the exclusive use of all of the commercial apartments.
 - 2. Each residential apartment shall have appurtenant thereto and reserved for its exclusive use one (1) or more parking stall(s) as designated in the Declaration of Condominium Property Regime. A total of four hundred thirty-five (435) parking stalls are so assigned to the residential apartments.
- B. Commercial Apartment No. 1 consists of one hundred four (104) parking stalls, which parking stalls will be available for lease by residential apartment owners, commercial apartment owners, and others.
- C. Twenty-one (21) parking stalls are guest parking stalls and shall constitute limited common elements appurtenant to and for the exclusive use of all of the residential apartments.

For more information about the parking plan for this project see the Condominium Map and Declaration and the Description of Limited Common Elements in Exhibit "G" to this Public Report.

DESCRIPTION OF COMMON ELEMENTS

(a) The real property described in the Declaration of Condominium Property Regime in fee simple;

(b) All foundations, floor slabs, columns, girders, beams, supports, perimeter, party and load-bearing walls and partitions (excluding the finishes thereon), roofs, lobby areas, stairways (excluding stairways located within and serving only one apartment), elevators, walkways, corridors, ramps, loading areas, elevator lobby areas, entrances, entry ways and exits of said building(s), the porte cochere, all storage rooms not located within an apartment, all maintenance rooms, all elevator machine rooms, all mechanical rooms, all electrical rooms (including the room for the electrical vault of Hawaiian Electric Co., Inc.), and all trash rooms;

(c) The tennis court;

(d) All yards, grounds, walkways, walkway railings, landscaping, refuse facilities and gardens;

(e) The swimming pool and appurtenant deck area, all toilets and restroom facilities not located within an apartment, and the cooling tower;

(f) All driveways, driveway ramps, parking stalls and parking areas (other than those located within a commercial apartment);

(g) All vents, shafts, sewer lines, electrical equipment, pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas (if any), water, cablevision (if any), air conditioning, sewer, refuse, telephone, and radio and television signal distribution, except for the microwave antenna or antennae and/or other electronic or telecommunications equipment and facilities belonging to Developer or the owner of the fee simple interest in the property, Nauru Phosphate Royalties (Honolulu), Inc. (the "Fee Owner") or such person or entity authorized by Developer or Fee Owner, as more particularly set forth in Section 9 of Paragraph F of the Declaration;

(h) Any and all other apparatus and installations existing for common use, such as elevators, tanks, pumps, motors, fans, compressors, and, in general, all other installations and apparatus existing for common use and any and all other parts of the project necessary or convenient to its existence, maintenance or safety, or normally in common use.

DESCRIPTION OF LIMITED COMMON ELEMENTS

(a) Each residential apartment shall have appurtenant thereto and reserved for its exclusive use the parking stall or stalls, as designated on the Condominium Map by numbers, and set forth in the Declaration of Condominium Property Regime.

(b) Each residential apartment and each commercial apartment shall have for its exclusive use one (1) mailbox bearing the same number as such apartment.

(c) Each residential apartment shall have appurtenant thereto and reserved for its exclusive use the storage locker or lockers bearing the same number as such residential apartment and located on the same floor as such apartment.

(d) Each of the residential apartments located on the forty-fourth floor of the Tower shall have appurtenant thereto and reserved for its exclusive use the roof terrace located on the rooftop directly above the apartment.

(e) The four main elevators serving the residential apartments located on the sixth floor through the thirty-second floor, together with the related elevator shafts and the related elevator equipment and machinery, shall constitute limited common elements appurtenant to and for the exclusive use of the residential apartments located on floors 6 through 32.

(f) The two express elevators serving the residential apartments located on the thirty-third floor through the forty-fourth floor, together with the related elevator shafts and the related elevator equipment and machinery, shall constitute limited common elements appurtenant to and for the exclusive use of the residential apartments located on floors 33 through 44.

(g) The elevator running only from the second floor to the fourth floor of the Tower, together with the related elevator shaft and the related elevator equipment and machinery, shall constitute limited common elements appurtenant to and for the exclusive use of Commercial Apartment No. 9.

(h) The portion of the corridor on the thirty-third floor located at the Ewa end of the corridor and adjacent to the entrances to Apartment Nos. 3301 and 3302, covering an area of approximately 40 square feet, shall constitute a limited common element appurtenant to and for the exclusive use of Apartment Nos. 3301 and 3302. The portion of the corridor on the same floor located on the opposite Diamond Head end of the corridor and adjacent to the entrances to Apartment Nos. 3307 and 3308, covering an area of approximately 40 square feet, shall likewise constitute a limited common element appurtenant to and for the exclusive use of Apartment Nos. 3307 and 3308.

On the thirty-fourth floor through and including the forty-second floor of the Tower, the same approximately 40 square foot area at each end of the corridor on each floor shall likewise constitute limited common elements appurtenant to and for the exclusive use of the two apartments located adjacent to such area, all as shown on the Condominium Map.

(i) The elevator lobby and corridor on each of the floors containing residential apartments (i.e., the sixth floor through the forty-fourth floor) shall constitute limited common elements appurtenant to the residential apartments on that floor.

(j) The swimming pool, whirlpool spas and appurtenant deck area, the toilets and restroom facilities located adjacent to the pool deck and not located within an apartment, and the tennis court shall constitute limited common elements appurtenant to and for the exclusive use of all of the residential apartments.

(k) The cooling tower and all other equipment and appurtenances comprising a part of the air conditioning system at the project shall constitute limited common elements appurtenant to and for the exclusive use of all residential apartments and all commercial apartments located within the Tower of the project; provided, however, that the owner or owners of Commercial Apartment Nos. 1 and 10 may, at such owner's expense, perform such work as shall be required to extend the air conditioning system to provide air conditioning to Commercial Apartment Nos. 1 and 10, respectively, which work shall require only the approval of the Board of Directors (which approval shall not be unreasonably or arbitrarily withheld or delayed) and the approval of the

appropriate agencies of the State of Hawaii and City and County of Honolulu, if such agencies require. Notwithstanding such extension, however, the cooling tower and all other equipment and appurtenances comprising a part of the air conditioning system of the Project shall not at any time constitute a limited common element appurtenant to Commercial Apartment Nos. 1 and 10.

(l) The eleven (11) standard-size covered guest parking stalls located on Levels 3A and 3B of the Platform (designated on the Condominium Map as parking stall nos. C-20 through C-30, inclusive), and the nine (9) standard-size uncovered guest parking stalls and one (1) handicap uncovered guest parking stall located on the arrival level of the Platform (designated on the Condominium Map as parking stall nos. G-1 through G-10, inclusive), shall constitute limited common elements appurtenant to and for the exclusive use of all of the residential apartments.

(m) The ten (10) standard-size covered parking stalls, one (1) compact-size covered parking stall, and the thirty (30) standard-size tandem covered parking stalls located on Levels 3A and 3B of the Platform (designated on the Condominium Map as parking stall nos. C-31 through C-71, inclusive) shall constitute limited common elements appurtenant to and for the exclusive use of all of the commercial apartments.

COMMON INTERESTS

Residential Apartments

<u>Apt. Number</u>	<u>Common Interest</u>	<u>Apt. Number</u>	<u>Common Interest</u>	<u>Apt. Number</u>	<u>Common Interest</u>
601	0.330%	903	0.282%	1205	0.282%
602	0.202%	904	0.282%	1206	0.282%
603	0.282%	905	0.282%	1207	0.202%
604	0.282%	906	0.282%	1208	0.330%
605	0.282%	907	0.202%	1301	0.330%
606	0.282%	908	0.330%	1302	0.202%
607	0.202%	1001	0.330%	1303	0.282%
608	0.330%	1002	0.202%	1304	0.282%
701	0.330%	1003	0.282%	1305	0.282%
702	0.202%	1004	0.282%	1306	0.282%
703	0.282%	1005	0.282%	1307	0.202%
704	0.282%	1006	0.282%	1308	0.330%
705	0.282%	1007	0.202%	1401	0.330%
706	0.282%	1008	0.330%	1402	0.202%
707	0.202%	1101	0.330%	1403	0.282%
708	0.330%	1102	0.202%	1404	0.282%
801	0.330%	1103	0.282%	1405	0.282%
802	0.202%	1104	0.282%	1406	0.282%
803	0.282%	1105	0.282%	1407	0.202%
804	0.282%	1106	0.282%	1408	0.330%
805	0.282%	1107	0.202%	1501	0.330%
806	0.282%	1108	0.330%	1502	0.202%
807	0.202%	1201	0.330%	1503	0.282%
808	0.330%	1202	0.202%	1504	0.282%
901	0.330%	1203	0.282%	1505	0.282%
902	0.202%	1204	0.282%	1506	0.282%

<u>Apt. Number</u>	<u>Comm Interest</u>	<u>Apt. Number</u>	<u>Comm Interest</u>	<u>Apt. Number</u>	<u>Common Interes</u>
1507	0.202%	1902	0.202%	2205	0.282%
1508	0.330%	1903	0.282%	2206	0.282%
1601	0.330%	1904	0.282%	2207	0.202%
1602	0.202%	1905	0.282%	2208	0.330%
1603	0.282%	1906	0.282%	2301	0.330%
1604	0.282%	1907	0.202%	2302	0.202%
1605	0.282%	1908	0.330%	2303	0.282%
1606	0.282%	2001	0.330%	2304	0.282%
1607	0.202%	2002	0.202%	2305	0.282%
1608	0.330%	2003	0.282%	2306	0.282%
1701	0.330%	2004	0.282%	2307	0.202%
1702	0.202%	2005	0.282%	2308	0.330%
1703	0.282%	2006	0.282%	2401	0.330%
1704	0.282%	2007	0.202%	2402	0.202%
1705	0.282%	2008	0.330%	2403	0.282%
1706	0.282%	2101	0.330%	2404	0.282%
1707	0.202%	2102	0.202%	2405	0.282%
1708	0.330%	2103	0.282%	2406	0.282%
1801	0.330%	2104	0.282%	2407	0.202%
1802	0.202%	2105	0.282%	2408	0.330%
1803	0.282%	2106	0.282%	2501	0.330%
1804	0.282%	2107	0.202%	2502	0.202%
1805	0.282%	2108	0.330%	2503	0.282%
1806	0.282%	2201	0.330%	2504	0.282%
1807	0.202%	2202	0.202%	2505	0.282%
1808	0.330%	2203	0.282%	2506	0.282%
1901	0.330%	2204	0.282%	2507	0.202%

<u>Apt. Number</u>	<u>Common Interest</u>	<u>Apt. Number</u>	<u>Common Interest</u>	<u>Apt. Number</u>	<u>Common Interest</u>
2508	0.330%	2903	0.282%	3206	0.282%
2601	0.330%	2904	0.282%	3207	0.202%
2602	0.202%	2905	0.282%	3208	0.330%
2603	0.282%	2906	0.282%	3301	0.424%
2604	0.282%	2907	0.202%	3302	0.202%
2605	0.282%	2908	0.330%	3303	0.282%
2606	0.282%	3001	0.330%	3304	0.282%
2607	0.202%	3002	0.202%	3305	0.282%
2608	0.330%	3003	0.282%	3306	0.282%
2701	0.330%	3004	0.282%	3307	0.202%
2702	0.202%	3005	0.282%	3308	0.330%
2703	0.282%	3006	0.282%	3401	0.468%
2704	0.282%	3007	0.202%	3402	0.202%
2705	0.282%	3008	0.330%	3403	0.282%
2706	0.282%	3101	0.330%	3404	0.282%
2707	0.202%	3102	0.202%	3405	0.282%
2708	0.330%	3103	0.282%	3406	0.282%
2801	0.330%	3104	0.282%	3407	0.202%
2802	0.202%	3105	0.282%	3408	0.330%
2803	0.282%	3106	0.282%	3501	0.468%
2804	0.282%	3107	0.202%	3502	0.202%
2805	0.282%	3108	0.330%	3503	0.282%
2806	0.282%	3201	0.330%	3504	0.282%
2807	0.202%	3202	0.202%	3505	0.282%
2808	0.330%	3203	0.282%	3506	0.282%
2901	0.330%	3204	0.282%	3507	0.202%
2902	0.202%	3205	0.282%	3508	0.330%

<u>Apt. Number</u>	<u>Common Interest</u>	<u>Apt. Number</u>	<u>Common Interest</u>	<u>Apt. Number</u>	<u>Common Interest</u>
3601	0.468%	3904	0.282%	4207	0.202%
3602	0.202%	3905	0.282%	4208	0.330%
3603	0.282%	3906	0.286%	4301	0.786%
3604	0.282%	3907	0.202%	4302	0.591%
3605	0.282%	3908	0.330%	4303	0.591%
3606	0.282%	4001	0.468%	4304	0.591%
3607	0.202%	4002	0.202%	4305	0.556%
3608	0.330%	4003	0.282%	4306	0.555%
3701	0.468%	4004	0.282%	4401	0.740%
3702	0.202%	4005	0.282%	4402	0.511%
3703	0.282%	4006	0.290%		
3704	0.282%	4007	0.202%		
3705	0.282%	4008	0.330%		
3706	0.282%	4101	0.468%		
3707	0.202%	4102	0.202%		
3708	0.330%	4103	0.282%		
3801	0.468%	4104	0.282%		
3802	0.202%	4105	0.282%		
3803	0.282%	4106	0.294%		
3804	0.282%	4107	0.202%		
3805	0.282%	4108	0.330%		
3806	0.282%	4201	0.468%		
3807	0.202%	4202	0.202%		
3808	0.330%	4203	0.282%		
3901	0.468%	4204	0.282%		
3902	0.202%	4205	0.282%		
3903	0.282%	4206	0.298%		

<u>Commercial Apartments</u>	
<u>Apt. No.</u>	<u>Common Interest</u>
1	6.864%
2	1.028%
3	0.770%
4	0.100%
5	0.215%
6	0.100%
7	0.199%
8	0.284%
9	2.305%
10	0.734%

ENCUMBRANCES AGAINST TITLE

1. Drainage and temporary construction easement in favor of City and County of Honolulu pursuant to final Order of Condemnation (Civil No. 33119), dated December 8, 1972, filed in said Office as Document No. 611430; said temporary construction easements shall automatically terminate upon completion of construction.

2. Delineation of Easement (area 1,840 square feet) for drainage purposes, as shown on Maps 2 and 4 of Land Court Application 1250, as set forth by Land Court Order No. 37100, filed March 20, 1973.

3. Easement for a right of way for an underground water line or pipe lines as shown on Map 1 of Land Court Application No. 1250 in favor of City and County of Honolulu, Board of Water Supply.

4. An easement in favor of the City and County of Honolulu, for the free flowage of water over and along the ditch as shown on Map 3 of Land Court Application No. 1250.

5. An easement in favor of the Board of Water Supply, City and County of Honolulu, for a right of way for an underground water line or pipe lines over, through and across an area of two and one-half feet on either side of the center line, said center line being described as follows:

Beginning at a point situated on the east boundary of Lot 1, from which point the true azimuth and distance to the beginning of Course No. 1 of Land Court Application No. 1250 being 30° 44' and 39.33 feet, thence running by true azimuths and distance measured clockwise from true south:

1.	281°	16'	65.02	feet across Lot No. 2;
2.	282°	10'	32.38	feet across Lot No. 2;
3.	292°	06'	25.75	feet across Lot No. 2;
4.	298°	34'	46.11	feet across Lot No. 2;
5.	311°	43'	41.33	feet across Lot No. 2;
6.	224°	25'	29.75	feet across Lot No. 2;
7.	314°	04'	9.39	feet across Lot No. 2;
8.	224°	39'	30.48	feet from which point the true azimuth and distance to the end of Course No. 6 of Land Court Application No. 1250 being 332° 44' and 49.73 feet.

6. Delineation of Easements, area of easements 241 square feet and 540 square feet, for drainage purposes, as shown on Map 4, Land Court Application No. 1250, as set forth by Land Court Order No. 37100, filed March 20, 1973.

7. Easement 1, area 819 square feet, for sanitary sewer purposes, as shown on Map 5 of Land Court Application No. 1250.

8. Access in favor of Lot 1 to Ala Moana Boulevard, a public way, as shown on Map 5 of Land Court Application No. 1306, as set forth by Land Court Order No. 100500, filed December 17, 1990.

9. Easement 2, area 384 square feet, for building purposes, as shown on Map 6 of Land Court Application No. 1250.

10. Easement 3, area 38 square feet, for building purposes, as shown on Map 6 of Land Court Application No. 1250.

11. Grant in favor of Lewers & Cooke, Limited, for road purposes only, as granted in Deed dated July 23, 1942, filed in said Office as Document No. 64234.

12. Grant of Easement in favor of Lewers & Cooke, Limited, for underground water pipe lines, etc., dated November 8, 1946, filed in said Office as Document No. 89098, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 2004, at Page 192.

13. Delineation of Easement (area 3,335 square feet) for drainage purposes, as shown on Map 22 of Land Court Application No. 709, as set forth by Land Court Order No. 37099, filed March 20, 1973.

14. Easement 2, area 725 square feet, for sanitary sewer purposes, as shown on Map 23 of Land Court Application No. 709, as set forth by Land Court Order No. 101400, filed March 11, 1991.

15. Access in favor of Lot 6 to Ala Moana Boulevard, a public way, as shown on Map 5 of Land Court Application No. 1250, as set forth by Land Court Order No. 100593, filed December 24, 1990.

16. Access in favor of Lot 1 to Ala Moana Boulevard, a public way, as shown on Map 5 of Land Court Application No. 1306, as set forth by Land Court Order No. 100500, filed December 17, 1990.

17. Road Right-of-Way, as shown on Maps 11 and 23 of Land Court Application No. 709, as confirmed by Land Court Order No. 101400, filed March 11, 1991.

18. Easement 1, 12.00 feet wide, as shown on Map 1 of Land Court Application No. 1540.

As to said Easement 1 only:

a) A perpetual right of way 12.00 feet wide for a roadway, water pipe lines, sewer lines, storm drains and all public utility purposes in favor of the City and County of Honolulu and the Board of Water Supply of the City and County of Honolulu, their respective successors in interest and assigns.

EXHIBIT K

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b) The rights of the State of Hawaii as reserved in Deed dated February 21, 1946, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 1946, at Page 312.

c) A Grant of Easement in favor of Lewers & Cooke, Limited, dated July 23, 1942, filed in said Office as Document No. 64234, recorded in said Bureau in Liber 1708, at Page 109, and to that certain Grant dated November 8, 1946, filed in said Office as Document No. 89098, recorded in said Bureau in Liber 2004, at Page 192.

d) The rights of the owners and occupants of Land Court Application Nos. 709 and 1250 and their respective heirs, successors in interest and assigns, to use the same perpetually in common with Dillingham Corporation and others entitled as a right of way and for all public utility purposes.

19. Delineation of Easements, area of easements 1515 square feet and 97 square feet, for drainage purposes, as shown on Map 4, Land Court Application No. 1540, as set forth by Land Court Order No. 37101, filed March 20, 1973.

20. Easement 2, area 336 square feet, for sanitary sewer purposes, as shown on Map 5 of Land Court Application No. 1540, as set forth by Land Court Order No. 101445, filed March 13, 1991.

21. Easement 3, area 349 square feet, for water meter purposes, as shown on Map 5 of Land Court Application No. 1540, as set forth by Land Court Order No. 101445, filed March 13, 1991.

22. Access in favor of Lot 6 to Ala Moana Boulevard, a public way, as shown on Map 5 of Land Court Application No. 1250, as set forth by Land Court Order No. 100593, filed December 24, 1990.

23. Access in favor of Lot 77 to Ala Moana Boulevard, a public way, as shown on Map 23 of Land Court Application No. 709, as set forth by Land Court Order No. 101400, filed March 11, 1991.

24. Access in favor of Lot 1 to Ala Moana Boulevard, a public way, as shown on Map 5 of Land Court Application No. 1306, as set forth by Land Court Order No. 100500, filed December 17, 1990.

25. Grant in favor of the Board of Water Supply, City and County of Honolulu, dated November 14, 1990, filed in said Office as Document No. 1827636; granting an easement over said Easement 3.

26. Easement 1, area 148 square feet, for building purposes, as shown on Map 6 of Land Court Application No. 1306.

27. Provisions of the Kakaako Community Development District Plan¹ and of the Planned Development Permit², dated November 7, 1984, No. PD 2-84, as amended, issued to the Nauru Phosphate Royalties Trust by the Hawaii Community Development Authority.

28. Planned Development Agreement dated October 19, 1988, filed in said Office as Document No. 1645703, by and between Hawaii Community Development Authority, State of Hawaii and Nauru Phosphate Royalties (Honolulu), Inc., a Delaware corporation.³

Partial Assignment of Rights and Obligations Under Planned Development Permit dated October 19, 1988, filed in said Office as Document No. 1646277, made by and between Nauru Phosphate Royalties (Honolulu), Inc., a Delaware corporation, and Nauru Phosphate Royalties Development (Honolulu), Inc., a Delaware corporation.

Consent given by Hawaii Community Development Authority, State of Hawaii, by instrument filed in said Office as Document No. 1646278.

¹Pursuant to Chapter 206E of the Hawaii Revised Statutes the Kakaako District in Honolulu was designated as a community development district by the Hawaii State Legislature and the design and zoning control over lands within the Kakaako District was given to the Hawaii Community Development Authority (HCDA) and does not reside with the City and County of Honolulu. The Kakaako Community Development District Plan was adopted by the HCDA and provides the framework for district wide community development and improvements within the Kakaako District and contains among other things, the Land Use Plan, Transportation Plan, Open Space and Recreation Plan, Urban Design Plan, Public Facilities Plan and Historic and Cultural Resources Plan. The Kakaako Development District Rules provide the specifications and procedures on health, safety, building, planning, zoning, and land use and govern the implementation of all public and private sector action in furtherance of the development guidance, policies and objectives of the Kakaako Community Development District Plan. The Kakaako Community Development District Plan and Rules are in essence the zoning and use laws and regulations applicable to developments in the Kakaako District.

²The Planned Development Permit was issued by HCDA on November 7, 1984, and sets forth the terms and conditions which permit the development of a mixed use residential, commercial and industrial project on the approximately 17.25 acres encompassing the 404 Piikoi Street Project in four (4) phases. The Nauru Tower is the first phase of the 404 Piikoi Street Project as defined in and permit by the Planned Development Permit. The aspects of the Planned Development Permit applicable to the development and construction of Nauru Tower have been satisfied.

³The Planned Development Agreement is intended to record against the land the Planned Development Permit dated November 7, 1984, as amended, issued by the Hawaii Community Development Authority, and the terms and conditions contained therein, which permitted the development and construction of the Nauru Tower Condominium Project. All aspects of the Planned Development Permit applicable to the development and construction of the Nauru Tower condominium project have been satisfied.

29. Agreement Regarding Allocation of Space to Industrial Use dated October 19, 1988, filed in said Office as Document No. 1646279, made by and between Hawaii Community Development Authority, State of Hawaii and Nauru Phosphate Royalties (Honolulu), Inc., a Delaware corporation.⁴

30. Agreement to Provide Necessary Perpetual Public Easement Areas for Upper-Level Pedestrian Walkways dated October 19, 1988, filed in said Office as Document No. 1646280, made by and between Hawaii Community Development Authority, State of Hawaii and Nauru Phosphate Royalties (Honolulu), Inc., a Delaware corporation.⁵

31. Grant in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated, dated November 12, 1991, filed as Land Court Document No. 1873345; granting a perpetual right and easement to construct, reconstruct, operate, maintain, repair and remove poles, wire lines, etc., for the transmission and distribution of electricity.

Consent thereto given by Nauru Phosphate Royalties Development (Honolulu), Inc., a Delaware corporation, and The Mitsui Trust and Banking Company, Limited, a Japan corporation, SL Capital Corporation, a California corporation, Crown Leasing USA Inc., a New York corporation, and NK Leasing (U.S.A.) Inc., a Delaware corporation.

32. The restrictions, covenants, agreements, obligations, conditions, easements and other provisions set forth in Declaration of Condominium Property Regime dated October 25, 1989, filed in said Office as Document No. 1686055, as amended.

33. The restrictions, covenants, agreements, obligations, conditions, easements and other provisions set forth in the By-Laws of the Association of Apartment Owners of Nauru Tower dated October 25, 1989, filed in said Office as Document No. 1686056, as the same may be amended from time to time.

34. Condominium Map No. 748, filed in said Office, as the same may be amended from time to time.

⁴Pursuant to the terms of the Planned Development Permit the Developer is required to provide and allocate a specified minimum amount of space in the 404 Piikoi Street Project for industrial uses consistent with the Kakaako Plan and Rules. The agreement of the Developer to provide this space is required by the Planned Development Permit to be recorded against all of the 404 Piikoi Street Project lands. Pursuant to the design approvals obtained from HCDA, the required industrial space for the 404 Piikoi Street Project is to be provided in Phases 3 and 4 of the Project on a portion of the lands separate and apart from lands underlying Nauru Tower.

⁵One of the conditions of the Planned Development Permit is an agreement to provide, when and if requested by HCDA, six (6) foot wide easement areas for upper-level pedestrian walkways which are to be located approximately as shown on Sheet DP-7 of the 404 Piikoi Street Project Plans. These upper-level pedestrian walkways shown on DP-7 run adjacent to Waimanu Street and do not effect the Nauru Tower lands. The potential effect is on the projects planned for Phases 2 and 3 of the 404 Piikoi Street Project.

35. Terms and provisions of any and all Condominium Conveyance Documents filed in said Office conveying and demising any of the apartments in the Nauru Tower condominium project.

a. Any and all mortgages or other liens or encumbrances now of record with respect to said Condominium Conveyance Documents.

36. All exclusive and nonexclusive easements mentioned in said Declaration as amended, and/or said Condominium Conveyance Document, and/or as delineated on Condominium Map No. 748.

9. Lease dated October 19, 1988, filed as Document No. 1645704, entered into by and between Nauru Phosphate Royalties (Honolulu), Inc., a Delaware corporation, as Lessor, and Nauru Phosphate Royalties Development (Honolulu), Inc., a Delaware corporation, as Lessee. Said Lease was amended by instruments dated October 25, 1989, filed as Document No. 1681411, September 12, 1990, filed as Document No. 1764638, and October 24, 1991, filed as Document No.1861894.

-Note:- Partial surrenders of the aforementioned Lease affecting individual apartments have been purposely omitted herefrom.

CONSTRUCTION WARRANTIES

1. Building and Other Improvements.

The construction contract between the Developer and Pacific Construction Co., Ltd. for the project contains a clause which provides in pertinent part that:

"If, within one year after the date of Substantial Completion of the Work . . . , any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition."

The Developer makes no warranties itself, but the Developer agrees that the closing of the sale of apartments shall constitute the assignment by the Developer to the buyers of apartments in the project of any and all warranties given to the Developer by the contractor(s) for the project, including any contractor's agreement to promptly correct any of its work found to be not in conformance with the construction contract following the "Date of Substantial Completion of the Work", as defined in the construction contract. The benefit of such agreement shall accrue to the buyers on closing without further instruments or documents. The Developer will cooperate with the buyers during the effective period of such agreement in asserting any claims based on any such warranty. The Developer is not adopting the contractor's warranty or acting as co-warrantor but is merely attempting to pass through to the buyers the benefit of such contractor's warranty, if any.

Note: The Date of Substantial Completion of the work under the construction contract for the Project is February 6, 1992, and the expiration date for the contractor's general warranty under the construction contract is February 6, 1993.

2. Appliances.

The closing of the sale of the apartments shall also constitute the assignment by the Developer to the buyers, for the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the apartments. The Developer is only passing through to the buyers any such manufacturer's or dealer's warranties; the Developer is not adopting any such warranties or acting as co-warrantor with respect to any furnishings, fixtures or appliances. The terms of the manufacturer's or dealer's written warranties will be made available for the buyers' examination at the office of the Developer's sales agent.

** Except for the agreements set forth above, THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENTS, OR CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED IN THE APARTMENTS OR IN THE PROJECT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE APARTMENTS FOR A PARTICULAR PURPOSE.

MAINTENANCE FEES

Residential Apartments

<u>Apt. No.</u>	<u>Estimate of*</u> <u>Initial Maint. Fees</u>		<u>Apt. No.</u>	<u>Estimate of*</u> <u>Initial Maint. Fees</u>	
	<u>Monthly</u> <u>Fee</u>	<u>Yearly</u> <u>x 12 = Total</u>		<u>Monthly</u> <u>Fee</u>	<u>Yearly</u> <u>x 12 = Total</u>
601	526.45	6,317.40	903	449.88	5,398.56
602	322.48	3,869.76	904	449.88	5,398.56
603	449.81	5,397.72	905	449.88	5,398.56
604	449.81	5,397.72	906	449.88	5,398.56
605	449.81	5,397.72	907	322.48	3,869.76
606	449.81	5,397.72	908	526.45	6,317.40
607	322.48	3,869.76	1001	526.45	6,317.40
608	526.45	6,317.40	1002	322.48	3,869.76
701	526.45	6,317.40	1003	449.88	5,398.56
702	322.48	3,869.76	1004	449.88	5,398.56
703	449.88	5,398.56	1005	449.88	5,398.56
704	449.88	5,398.56	1006	449.88	5,398.56
705	449.88	5,398.56	1007	322.48	3,869.76
706	449.88	5,398.56	1008	526.45	6,317.40
707	322.48	3,869.76	1101	526.45	6,317.40
708	526.45	6,317.40	1102	322.48	3,869.76
801	526.45	6,317.40	1103	449.88	5,398.56
802	322.48	3,869.76	1104	449.88	5,398.56
803	449.88	5,398.56	1105	449.88	5,398.56
804	449.88	5,398.56	1106	449.88	5,398.56
805	449.88	5,398.56	1107	322.48	3,869.76
806	449.88	5,398.56	1108	526.45	6,317.40
807	322.48	3,869.76	1201	526.45	6,317.40
808	526.45	6,317.40	1202	322.48	3,869.76
901	526.45	6,317.40	1203	449.88	5,398.56
902	322.48	3,869.76	1204	449.88	5,398.56

<u>Apt. No.</u>	<u>Estimate of*</u> <u>Initial Maint. Fees</u>		<u>Apt. No.</u>	<u>Estimate of*</u> <u>Initial Maint. Fees</u>	
	<u>Monthly</u> <u>Fee</u>	<u>Yearly</u> <u>x 12 = Total</u>		<u>Monthly</u> <u>Fee</u>	<u>Yearly</u> <u>x 12 = Total</u>
1205	449.88	5,398.56	1602	322.48	3,869.76
1206	449.88	5,398.56	1603	449.88	5,398.56
1207	322.48	3,869.76	1604	449.88	5,398.56
1208	526.45	6,317.40	1605	449.88	5,398.56
1301	526.45	6,317.40	1606	449.88	5,398.56
1302	322.48	3,869.76	1607	322.48	3,869.76
1303	449.88	5,398.56	1608	526.45	6,317.40
1304	449.88	5,398.56	1701	526.45	6,317.40
1305	449.88	5,398.56	1702	322.48	3,869.76
1306	449.88	5,398.56	1703	449.88	5,398.56
1307	322.48	3,869.76	1704	449.88	5,398.56
1308	526.45	6,317.40	1705	449.88	5,398.56
1401	526.45	6,317.40	1706	449.88	5,398.56
1402	322.48	3,869.76	1707	322.48	3,869.76
1403	449.88	5,398.56	1708	526.45	6,317.40
1404	449.88	5,398.56	1801	526.45	6,317.40
1405	449.88	5,398.56	1802	322.48	3,869.76
1406	449.88	5,398.56	1803	449.88	5,398.56
1407	322.48	3,869.76	1804	449.88	5,398.56
1408	526.45	6,317.40	1805	449.88	5,398.56
1501	526.45	6,317.40	1806	449.88	5,398.56
1502	322.48	3,869.76	1807	322.48	3,869.76
1503	449.88	5,398.56	1808	526.45	6,317.40
1504	449.88	5,398.56	1901	526.45	6,317.40
1505	449.88	5,398.56	1902	322.48	3,869.76
1506	449.88	5,398.56	1903	449.88	5,398.56
1507	322.48	3,869.76	1904	449.88	5,398.56
1508	526.45	6,317.40	1905	449.88	5,398.56
1601	526.45	6,317.40	1906	449.88	5,398.56

<u>Apt. No.</u>	<u>Estimate of*</u> <u>Initial Maint. Fees</u>		<u>Apt. No.</u>	<u>Estimate of*</u> <u>Initial Maint. Fees</u>	
	<u>Monthly</u> <u>Fee</u>	<u>Yearly</u> <u>x 12 = Total</u>		<u>Monthly</u> <u>Fee</u>	<u>Yearly</u> <u>x 12 = Total</u>
1907	322.48	3,869.76	2304	449.88	5,398.56
1908	526.45	6,317.40	2305	449.88	5,398.56
2001	526.45	6,317.40	2306	449.88	5,398.56
2002	322.48	3,869.76	2307	322.48	3,869.76
2003	449.88	5,398.56	2308	526.45	6,317.40
2004	449.88	5,398.56	2401	526.45	6,317.40
2005	449.88	5,398.56	2402	322.48	3,869.76
2006	449.88	5,398.56	2403	449.88	5,398.56
2007	322.48	3,869.76	2404	449.88	5,398.56
2008	526.45	6,317.40	2405	449.88	5,398.56
2101	526.45	6,317.40	2406	449.88	5,398.56
2102	322.48	3,869.76	2407	322.48	3,869.76
2103	449.88	5,398.56	2408	526.45	6,317.40
2104	449.88	5,398.56	2501	526.45	6,317.40
2105	449.88	5,398.56	2502	322.48	3,869.76
2106	449.88	5,398.56	2503	449.88	5,398.56
2107	322.48	3,869.76	2504	449.88	5,398.56
2108	526.45	6,317.40	2505	449.88	5,398.56
2201	526.45	6,317.40	2506	449.88	5,398.56
2202	322.48	3,869.76	2507	322.48	3,869.76
2203	449.88	5,398.56	2508	526.45	6,317.40
2204	449.88	5,398.56	2601	526.45	6,317.40
2205	449.88	5,398.56	2602	322.48	3,869.76
2206	449.88	5,398.56	2603	449.88	5,398.56
2207	322.48	3,869.76	2604	449.88	5,398.56
2208	526.45	6,317.40	2605	449.88	5,398.56
2301	526.45	6,317.40	2606	449.88	5,398.56
2302	322.48	3,869.76	2607	322.48	3,869.76
2303	449.88	5,398.56	2608	526.45	6,317.40

<u>Apt. No.</u>	<u>Estimate of*</u> <u>Initial Maint. Fees</u>		<u>Apt. No.</u>	<u>Estimate of*</u> <u>Initial Maint. Fees</u>	
	<u>Monthly</u> <u>Fee</u>	<u>Yearly</u> <u>x 12 = Total</u>		<u>Monthly</u> <u>Fee</u>	<u>Yearly</u> <u>x 12 = Total</u>
2701	526.45	6,317.40	3006	449.88	5,398.56
2702	322.48	3,869.76	3007	322.48	3,869.76
2703	449.88	5,398.56	3008	526.45	6,317.40
2704	449.88	5,398.56	3101	526.45	6,317.40
2705	449.88	5,398.56	3102	322.48	3,869.76
2706	449.88	5,398.56	3103	449.88	5,398.56
2707	322.48	3,869.76	3104	449.88	5,398.56
2708	526.45	6,317.40	3105	449.88	5,398.56
2801	526.45	6,317.40	3106	449.88	5,398.56
2802	322.48	3,869.76	3107	322.48	3,869.76
2803	449.88	5,398.56	3108	526.45	6,317.40
2804	449.88	5,398.56	3201	526.45	6,317.40
2805	449.88	5,398.56	3202	322.48	3,869.76
2806	449.88	5,398.56	3203	449.88	5,398.56
2807	322.48	3,869.76	3204	449.88	5,398.56
2808	526.45	6,317.40	3205	449.88	5,398.56
2901	526.45	6,317.40	3206	449.88	5,398.56
2902	322.48	3,869.76	3207	322.48	3,869.76
2903	449.88	5,398.56	3208	526.45	6,317.40
2904	449.88	5,398.56	3301	681.60	8,179.20
2905	449.88	5,398.56	3302	324.87	3,898.44
2906	449.88	5,398.56	3303	453.17	5,438.04
2907	322.48	3,869.76	3304	453.17	5,438.04
2908	526.45	6,317.40	3305	453.17	5,438.04
3001	526.45	6,317.40	3306	453.17	5,438.04
3002	322.48	3,869.76	3307	324.87	3,898.44
3003	449.88	5,398.56	3308	530.34	6,364.08
3004	449.88	5,398.56	3401	752.51	9,030.12
3005	449.88	5,398.56	3402	324.87	3,898.44

<u>Apt. No.</u>	<u>Estimate of*</u> <u>Initial Maint. Fees</u>		<u>Apt. No.</u>	<u>Estimate of*</u> <u>Initial Maint. Fees</u>	
	<u>Monthly</u> <u>Fee</u>	<u>Yearly</u> <u>x 12 = Total</u>		<u>Monthly</u> <u>Fee</u>	<u>Yearly</u> <u>x 12 = Total</u>
3403	453.17	5,438.04	3708	530.34	6,364.08
3404	453.17	5,438.04	3801	752.51	9,030.12
3405	453.17	5,438.04	3802	324.87	3,898.44
3406	453.17	5,438.04	3803	453.17	5,438.04
3407	324.87	3,898.44	3804	453.17	5,438.04
3408	530.34	6,364.08	3805	453.17	5,438.04
3501	752.51	9,030.12	3806	453.17	5,438.04
3502	324.87	3,898.44	3807	324.87	3,898.44
3503	453.17	5,438.04	3808	530.34	6,364.08
3504	453.17	5,438.04	3901	752.51	9,030.12
3505	453.17	5,438.04	3902	324.87	3,898.44
3506	453.17	5,438.04	3903	453.17	5,438.04
3507	324.87	3,898.44	3904	453.17	5,438.04
3508	530.34	6,364.08	3905	453.17	5,438.04
3601	752.51	9,030.12	3906	459.98	5,519.76
3602	324.87	3,898.44	3907	324.87	3,898.44
3603	453.17	5,438.04	3908	530.34	6,364.08
3604	453.17	5,438.04	4001	752.51	9,030.12
3605	453.17	5,438.04	4002	324.87	3,898.44
3606	453.17	5,438.04	4003	453.17	5,438.04
3607	324.87	3,898.44	4004	453.17	5,438.04
3608	530.34	6,364.08	4005	453.17	5,438.04
3701	752.51	9,030.12	4006	466.20	5,594.40
3702	324.87	3,898.44	4007	324.87	3,898.44
3703	453.17	5,438.04	4008	530.34	6,364.08
3704	453.17	5,438.04	4101	752.51	9,030.12
3705	453.17	5,438.04	4102	324.87	3,898.44
3706	453.17	5,438.04	4103	453.17	5,438.04
3707	324.87	3,898.44	4104	453.17	5,438.04

<u>Apt. No.</u>	<u>Estimate of*</u>	
	<u>Initial Maint. Fees</u>	<u>Monthly</u>
	<u>Fee</u>	<u>x 12 = Total</u>
4105	453.17	5,438.04
4106	472.47	5,669.64
4107	324.87	3,898.44
4108	530.34	6,364.08
4201	752.51	9,030.12
4202	324.87	3,898.44
4203	453.17	5,438.04
4204	453.17	5,438.04
4205	453.17	5,438.04
4206	479.26	5,751.12
4207	324.87	3,898.44
4208	530.34	6,364.08
4301	1,263.05	15,156.60
4302	949.62	11,395.44
4303	949.62	11,395.44
4304	949.62	11,395.44
4305	893.31	10,719.72
4306	891.75	10,701.00
4401	1,188.99	14,267.88
4402	821.80	9,861.60

<u>Apt. No.</u>	<u>Estimate of*</u>	
	<u>Initial Maint. Fees</u>	<u>Monthly</u>
	<u>Fee</u>	<u>x 12 = Total</u>
<u>Commercial Apartments</u>		
1	6,941.22	83,294.64
2	1,574.29	18,891.48
3	1,178.98	14,147.76
4	152.97	1,835.64
5	329.26	3,951.12
6	152.97	1,835.64
7	304.44	3,653.28
8	435.04	5,220.48
9	3,529.49	42,353.88
10	742.26	8,907.12

NAURU TOWER OPERATING BUDGET FOR FISCAL YEAR BEGINNING JANUARY 1, 1993

Prepared 10/22/92

Version Number Four - 25% Increase in Maintenance Fees

ACCOUNT	DESCRIPTION	JAN 1993	FEB 1993	MAR 1993	APR 1993	MAY 1993	JUN 1993	JUL 1993	AUG 1993	SEP 1993	OCT 1993	NOV 1993	DEC 1993	ANNUAL TOTAL
REVENUE														
2110000	MAINTENANCE FEES - AOAD	155,125	155,125	155,125	155,125	155,125	155,125	155,125	155,125	155,125	155,125	155,125	155,125	1,861,500
2310000	INTEREST FROM INVESTMENTS	800	800	800	800	800	800	800	800	800	800	800	800	9,600
2340000	INTEREST INCOME (checking)	100	100	100	100	100	100	100	100	100	100	100	100	1,200
	TOTAL REVENUE	156,025	1,872,300											
UTILITIES														
3110000	ELECTRICITY - GENERAL	1,800	1,600	1,800	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	19,200
3111000	ELECTRICITY - AIR COND	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	420,000
3120000	TV CABLE	3,705	3,705	3,705	3,705	3,705	3,705	3,705	3,705	3,705	3,705	3,705	3,705	44,460
3130000	WATER	4,050	4,050	4,050	4,050	4,050	4,050	4,050	4,050	4,050	4,050	4,050	4,050	48,600
3140000	SEWER	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	63,600
3160000	TELEPHONE	700	700	700	700	700	700	700	700	700	700	700	700	8,400
	TOTAL UTILITIES	50,355	604,260											
MAINTENANCE														
3201000	AIR CONDITIONING	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
3202000	CLEANING SERVICES	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
3203000	CLEANING SUPPLIES	750	750	750	750	750	750	750	750	750	750	750	750	9,000
3206000	ELEVATOR - FREIGHT & GAR	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
3207000	ELEVATOR - FOUR MAIN	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
3207000	ELEVATOR - TWO EXPRESS	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
3208000	GROUND MAINTENANCE	500	500	500	500	500	500	500	500	500	500	500	500	6,000
3208000	LIGHTING	750	750	750	750	750	750	750	750	750	750	750	750	9,000
3209000	PLUMBING	250	250	250	250	250	250	250	250	250	250	250	250	3,000
3210000	REC FACILITIES MAINTENANCE	500	500	500	500	500	500	500	500	500	500	500	500	6,000
3211000	MISC REPAIRS & PURCHASES	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
3212000	PAINT	200	200	200	200	200	200	200	200	200	200	200	200	2,400
3213000	PEST CONTROL	300	300	300	300	300	300	300	300	300	300	300	300	3,600
3214000	EQUIPMENT MAINTENANCE	750	750	750	750	750	750	750	750	750	750	750	750	9,000
3215000	REFUSE	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	31,200
3217000	SECURITY	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	66,000
	TOTAL MAINTENANCE	30,600	367,200											

	JAN 1993	FEB 1993	MAR 1993	APR 1993	MAY 1993	JUN 1993	JUL 1993	AUG 1993	SEP 1993	OCT 1993	NOV 1993	DEC 1993	ANNUAL TOTAL
PROFESSIONAL SERVICES													
3310000 ADMIN SUP & SVC - HMC	650	650	650	650	650	650	650	650	650	650	650	650	7,800
3311000 ADMIN SUP & SVC - OTHER	250	250	250	250	250	250	250	250	250	250	250	250	2,800
3320000 MANAGEMENT SERVICES	4,720	4,720	4,720	4,720	4,720	4,720	4,720	4,720	4,720	4,720	4,720	4,720	56,640
3330000 LEGAL FEES	400	400	400	400	400	400	400	400	400	400	400	400	4,800
3340000 AUDIT/PUBLIC ACCOUNTING		2,295											2,295
TOTAL PROFESSIONAL SVCS	6,020	8,315	6,020	6,020	6,020	6,020	6,020	6,020	6,020	6,020	6,020	6,020	74,535
PAYROLL & BENEFITS													
3370200 PAYROLL - MANAGERS	4,920	4,920	4,920	4,920	5,088	5,088	5,088	5,088	5,088	5,088	5,088	5,088	60,384
3370300 PAYROLL - CLEANING	9,230	9,314	9,355	9,396	9,396	9,396	9,396	9,396	9,396	9,396	9,396	9,396	112,463
3370400 PAYROLL - MAINTENANCE	5,638	5,638	5,638	5,638	5,638	5,887	5,887	5,887	5,887	5,887	5,887	5,887	69,399
3370500 PAYROLL - SECURITY	16,714	16,803	16,803	16,803	16,947	17,000	17,000	17,084	17,084	17,084	17,084	17,084	203,490
3370801 WORKERS' COMPENSATION	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	37,800
3370802 TDI	545	545	545	545	545	545	545	545	545	545	545	545	2,180
3370803 HEALTH CARE	5,290	5,290	5,290	5,290	5,290	5,290	5,290	5,290	5,290	5,290	5,290	5,290	63,480
3370900 PAYROLL - TAXES	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,825	3,825	45,900
3371200 PAYROLL - PREPARATION	225	225	225	225	225	225	225	225	225	225	225	225	2,700
3380500 RENT - MGRS. APARTMENT	2,100	2,100	2,100	2,100	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	26,000
TOTAL PAYROLL & BENEFITS	51,637	51,265	51,306	51,892	51,759	52,061	52,606	52,145	52,145	52,690	52,145	52,145	623,796
OTHER EXPENSES													
1410000 INSURANCE	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	49,800
1430000 MISCELLANEOUS EXPENSES	300	300	300	300	300	300	300	300	300	300	300	300	3,600
1510000 GENERAL EXCISE TAX	135			135			135			135			540
1540000 FEDERAL INCOME TAX	120	120	120	120	120	120	120	120	120	120	120	120	1,440
TOTAL OTHER EXPENSES	4,705	4,570	4,570	4,705	4,570	4,570	4,705	4,570	4,570	4,705	4,570	4,570	55,380
TOTAL OPERATING EXPENSES	143,317	145,105	142,851	143,572	143,304	143,606	144,286	143,690	143,690	144,370	143,690	143,690	1,725,171
NET GAIN / LOSS	12,708	10,920	13,174	12,453	12,721	12,219	11,739	12,335	12,335	11,655	12,335	12,335	147,129

EXHIBIT N

SUMMARY OF SALES CONTRACT

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

1. The Purchase Price shall be paid by a Downpayment payable upon Buyer's execution of the Purchase Agreement, and a Final Payment payable to the escrow agent, subject to other terms, on the Date of Closing.

2. The Purchase Price does not include the Project start-up fee, closing costs, prorations and additional costs payable by Buyer under the Purchase Agreement.

3. Buyer has received a copy of the Declaration, the By-Laws, the public report(s) of the Real Estate Commission of the State of Hawaii, the form of Apartment Deed and/or Condominium Conveyance Document, and the Escrow Agreement, and Buyer acknowledges that Buyer has had adequate opportunity to read those documents and to examine the Project plans, and Buyer accepts such documents and plans with such changes and modifications as the Project architect may deem necessary.

4. Within thirty (30) days after the date Seller executes the Purchase Agreement, Buyer will submit to Seller evidence of Buyer's ability to pay the Purchase Price.

5. If Buyer will be paying all or a portion of the Final Payment with Buyer's own funds, then within ten (10) days after the date Seller executes the Purchase Agreement, Buyer shall submit to Seller written evidence from Buyer's bankers or accountants or other persons reconfirming Buyer's ability to pay such Final Payment or portion thereof in cash on the Date of Closing. If Buyer will be utilizing mortgage financing to pay all or a portion of the Final Payment, then within thirty (30) days (or within forty five (45) days if Buyer is not a resident of the State of Hawaii) from the date of Seller's execution of the Purchase Agreement, Buyer will submit to Seller a firm written commitment for Buyer's Permanent Loan from Buyer's Permanent Lender.

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

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

8. Buyer acknowledges that construction may continue on the site after Buyer has occupied the Apartment, and sales activities will continue until the last unsold apartment in the Project has been sold.

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

10. Until the conveyance document conveying title to the Apartment is delivered to Buyer, Seller reserves the right to exercise all of the powers of Buyer as a member of the Association of Apartment Owners, including voting. Seller also reserves the right to exercise all of the powers as a member of the Association as to all unsold apartments in the Project.

11. Buyer may terminate the Purchase Agreement only if there is a material change in the Project (other than a change made pursuant to the Declaration) which directly, substantially and adversely affects the use or value of the Apartment or appurtenant limited common elements or the amenities of the Project available for Buyer's use. The foregoing rescission right may be waived as provided in Section 514A-63 of the Hawaii Revised Statutes.

12. Seller may terminate the Purchase Agreement if (a) Buyer's check for the Downpayment is returned for insufficient funds, or (b) if Buyer is paying all or a portion of the Final Payment in cash, Buyer fails to furnish Seller satisfactory evidence of Buyer's ability to pay in cash such Final Payment or portion thereof, or (c) if Buyer is paying all or a portion of the Final Payment from the proceeds of a loan to Buyer, Buyer fails to furnish Seller a firm written commitment for such loan within the time period specified in the Purchase Agreement, or (d) if Buyer is not a natural person, Buyer fails to have its obligations under the Purchase Agreement guaranteed by a person acceptable to Seller, or (e) any Buyer under the Purchase Agreement dies prior to the performance of all of Buyer's obligations under the Purchase Agreement.

13. Neither Seller nor any of Seller's representatives has made any representations or references as to rental of the Apartment, or the income or any other economic benefit to be derived from the rental of the Apartment. Buyer will not enter into any rental pool or similar arrangement until Seller has closed

the sale of all the apartments in the Project or until December 31, 1994, whichever shall first occur.

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

15. Seller may preclose on or about fifteen (15) days prior to the estimated Date of Closing by having all documents necessary for closing executed and deposited with Escrow.

16. No later than fifteen (15) days prior to the Date of Closing, Buyer shall pay to Seller or Escrow a non-refundable, non-transferable Project start-up fee in an amount equal to two (2) months' assessments for common expenses on the Apartment.

17. Buyer shall not take possession of the Apartment prior to the Date of Closing and full compliance by Buyer with the terms and conditions of the Purchase Agreement.

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

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

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

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

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between Title Guaranty Escrow Services, Inc. (the "Escrow") and Nauru Phosphate Royalties Development (Honolulu), Inc. (the "Seller") contains, among other provisions the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.

2. Escrow will receive payments under the sales contracts and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in the "control" account for the project and then within a reasonable time thereafter be deposited in an interest bearing account designated "Title Guaranty Escrow Services, Inc., Agent for Nauru Phosphate Royalties Development (Honolulu), Inc." (the "Trust Fund") with one or more federally insured banks or savings and loan associations authorized to do business in Hawaii and located in Honolulu, Hawaii. Interest earned on the funds prior to the issuance of the Final Public Report will be credited to the account of Buyer and after the date of issuance of the Final Public Report all interest shall be credited to the account of Seller.

3. Escrow will release from the Trust Fund and disburse Buyer's funds for the payment of certified construction costs as permitted by Section 514A-67, Hawaii Revised Statutes, as amended, and the Mortgagee. No disbursements will be made from Buyer's fund until: (a) the Real Estate Commission has issued a Final Public Report on the project and forty-eight (48) hours have elapsed since Buyer's receipt of a copy of the Final Public Report; (b) Buyer has waived its right to cancel the sales contract; and (c) Seller has notified Escrow that all other requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Where sales contracts are entered into subsequent to the issuance of a Final Public Report, Escrow will disburse funds upon presentation by Seller of

Buyer's signed receipt for the Final Public Report and with notification by Seller that all of the requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Escrow will call for payments by the Buyer upon receipt of notice from Seller that any payments are due under any sales contract.

4. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Final Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Final Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with Section 514A-62, Hawaii Revised Statutes, there shall be any material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or those amenities of the project available for Buyer's use, of a nature entitling the Buyer to cancel his sales contract pursuant to Section 514A-63, Hawaii Revised Statutes. These funds shall be returned to Buyer less Escrow's cancellation fee, if any, any mortgagee's cancellation fee, and all other costs incurred in connection with the Escrow not to exceed \$250.00.

5. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to and contemplated by the sales contract.

6. As Escrow's compensation for its performance under the Agreement, Escrow will receive \$500.00 for each apartment for which a conveyance document is handled by Escrow and recorded in the Office of the Assistant Registrar of the State of Hawaii. Escrow will record all applicable documents.

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