



Disclosure Abstract: Separate Disclosure Abstract on this condominium project:--

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

1. **No Merger of Additional Phases.** Previously, the Developer reserved the right to develop the Project in three (3) phases and to subsequently merge said phases to constitute one (1) single condominium project. The Developer also reserved the right to subdivide and remove the underlying land for the proposed second and third phases from the condominium property regime. Developer has elected to proceed with the development of the entire project and, as a result, has relinquished these reserved rights.

2. **Purchase of Fee Simple Interest.** Developer discloses that it is the lessee under that certain Lease No. 28587 dated October 9, 1990, issued by The Trustees of the Estate of Bernice Pauahi Bishop (the "Trustees") and recorded in the Bureau of Conveyances of the State of Hawaii (the "Bureau") as Document No. 90-158696, as the same may be amended from time to time (the "Lease"), demising the underlying land of the Project. Developer has purchased the fee simple interest for the underlying land of the project from the Trustees. Developer shall offer for sale fee simple condominium units and buyer must purchase the fee interest together with the condominium unit and percentage common interest.

If buyer elects to purchase the condominium unit, including the fee interest, in cash at closing, buyer shall receive title by way of a limited warranty deed. Buyer will have the option of financing the purchase of the fee interest by entering into a purchase money mortgage with the Developer. A specimen copy of the purchase money mortgage setting forth the terms and conditions will be available from the Developer. If buyer elects to finance the purchase of the fee interest by entering into a purchase money mortgage, buyer will receive a unit lease demising the condominium unit and undivided percentage interest in the common elements of the Project including the land, and a limited warranty ground conveyance conveying the lessor's reversionary interest in the property demised by the unit lease and the lessor's interest in the unit lease. The Property demised by the unit lease and conveyed pursuant to the limited warranty ground conveyance will be subject to a purchase money mortgage in favor of the Developer. In the event a buyer defaults under the purchase money mortgage, said buyer, as lessee under the unit lease, shall become obligated to make lease payments to the Developer pursuant to the terms of the unit lease. Developer may assign the promissory note and purchase money mortgage to the Trustees without prior notice to or consent from the buyer. If Developer assigns the promissory note and purchase money mortgage to the Trustees, buyer shall be notified to make all payments under the purchase money mortgage directly to the Trustees. Regardless of any default under any of the purchase money mortgages, buyers who have consummated their purchase of the fee simple interest and buyers who have not defaulted under the purchase money mortgage will not be obligated to make any lease rent payments.

3. **Developer's Reserved Right To Separate Unsold Penthouse Condominium Units Into Two Condominium Units.** Developer discloses that it has reserved the right to construct a demising or intervening wall in any unsold Penthouse condominium unit to create two (2) separate condominium units. Developer, in its sole and absolute discretion, may exercise this reserved right at any time prior to June 1, 1998. If Developer exercises this reserved right, the common interest for and the parking stalls appurtenant to the Penthouse condominium unit will be distributed solely between the two (2) newly created condominium units. Nothing in the Declaration of Condominium Property Regime or Bylaws of the Association of Owners shall be interpreted as requiring Seller to obtain the prior consent of any owner, the Association or the Board of Directors. Paragraph 17(f) of the Declaration of Condominium Property Regime discloses the Developer's reserved right in more detail.

**ADDITIONAL CHANGES:**

1. **Estimated Common Expenses and Monthly Maintenance Fees Per Unit Type.** A revised estimate of the common expense for the Project and monthly maintenance fees per unit type for 1993 and 1994 are attached hereto and incorporated herein in **EXHIBIT K**. The revised estimate of common expenses and monthly maintenance fees per unit type have increased.

2. **Traffic and Transportation Improvement Fee.** Paragraph 8 of Exhibit "B" of the Kalele Kai Condominium Sales Contract discloses that buyer may be required to pay at pre-closing a one-time, non-transferable, non-refundable fee for improvements to the traffic and transportation facilities servicing Hawaii Kai. The actual amount of the fee has not been determined. Developer has recorded a Second Amendment To The Declaration of Condominium Property Regime, Document No. 93-168809, in the Bureau of Conveyances of the State of Hawaii. The Second Amendment discloses that a one-time, non-transferable, non-refundable fee for improvements to the traffic and transportation facilities servicing Hawaii Kai may be assessed in the future and each owner of a Kalele Kai condominium unit shall be obligated to pay such fee upon assessment. As of the date of this public report, estimates of the fee are in the \$300 range. Paragraph 21(1) of the Declaration provides a more detailed disclosure of this fee.

3. **Takeover of Obligation of Prime Contractor by Bonding Company.** Lumbermens Mutual Casualty Company, the bonding company for BCI General Contractors, Inc., the General Contractor for the Project, has taken over the obligation to complete the Project pursuant to that certain Surety-Takeover Agreement, Modification To Prime Contract and Modification To Performance Bond dated July 12, 1994. **EXHIBIT L** has been added to summarize the provisions of the Takeover Agreement which affect or may affect the Purchaser. The new general contractor for the Project is Charles Pankow Builders Ltd.

4. **Estimated Date of Completion of Construction.** The new estimated date of substantial completion of construction for the Project are disclosed on Page 16 herein.

5. **Change of General Partner of Developer.** Bedford Properties, Inc. has withdrawn from Kapalele Associates, a Hawaii limited partnership, the Developer of the Project, and has been replaced by TPI REALTY (HAWAII) LTD., a Nevada corporation, as the new sole general partner of Kapalele Associates.

6. **Change in Broker of Developer.** Bedford Properties, Inc. has also withdrawn as a Broker for the Project. Bedford Properties, Inc. has been replaced by IDG REALTY (HAWAII) LTD., a Nevada corporation, as a broker for the Project.

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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: Kapalele Associates Phone: 396-5422  
One Keahole Street, Unit 3110  
Honolulu, Hawaii 96825

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

TPI Realty (Hawaii) Ltd., a Nevada corporation registered to do business in the State of Hawaii.

Real Estate Broker: IDG Realty (Hawaii) Ltd. Phone: 396-5422  
a Nevada corporation authorized  
to do business in the State of Hawaii  
One Keahole Street, Unit 3110  
Honolulu, Hawaii 96825

McCormack Real Estate, Inc., dba Phone: 539-9600  
Coldwell Banker McCormack Real Estate  
841 Bishop Street, PH 2300  
Honolulu, Hawaii 96813

ITOCHU Corporation  
5-1, Kita-Aoyama 2-Chome  
Minato-ku, Tokyo 107-77, Japan  
(The cooperating broker for sales in Japan. ITOCHU Corporation  
is not licensed in Hawaii and shall not engage in real estate  
sales activities in Hawaii.)

Escrow: Title Guaranty Escrow Services, Inc. Phone: 521-0211  
235 Queen Street, 1st Floor  
Honolulu, Hawaii 96813

General Contractor: Lumbermens Mutual Casualty Company, the bonding company for BCI General Contractors, Inc.,  
the original General Contractor for the Project, has taken over the obligation to complete the  
Project and has hired Charles Pankow Builders, Ltd., of 567 South King Street, Suite 304,  
Honolulu, Hawaii 96813 (Phone: 521-8971) to complete the work under the Prime Contract.

Condominium Managing Agent: Hawaiiiana Management Company Phone: 528-3800  
1270 Ala Moana Boulevard  
Honolulu, Hawaii 96814

Attorney for Developer: Kobayashi, Sugita & Goda Phone: 539-8700  
745 Fort Street, 8th Floor  
Honolulu, Hawaii 96813  
ATTN: Kenneth Y. Sugita/Kale Feldman

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. 93-87469  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

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

Second Amendment to Declaration dated October 9, 1993, recorded October 13, 1993 as Document No. 93-168809

- 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. 1865  
 Filed - Land Court Condo Map No. \_\_\_\_\_

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

Second Amendment to Declaration dated October 9, 1993, recorded October 13, 1993 as Document No. 93-168809 ("As Built" Statement for Building 3).

- 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. 93-87470  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

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

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>Majority of the Board of Directors</u>

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

2. Developer:

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

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

The Developer may amend the Declaration, Bylaws and Condominium Map (a) at any time prior to recording of the first deed, conveyance document or other conveyance to a party not a signatory to the Declaration; (b) to make any amendments required by law, by the Real Estate Commission of the State of Hawaii, by any title insurer issuing title insurance on the Project, or by any governmental agency of any other jurisdiction as a condition to marketing the Project in such jurisdiction; (c) to file the "as built" verified statement required by Section 514A-12, H.R.S.; and (d) to exercise any rights reserved in the Declaration.

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

Lease Term Expires: \_\_\_\_\_

Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:             Monthly                             Quarterly  
    Semi-Annually                     Annually

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

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: One Keahole Place Tax Map Key: (1) 3-9-08:30  
Honolulu, HI 96825 (TMK)

[ ] Address [ ] TMK is expected to change because \_\_\_\_\_

Land Area: 373,108 [X] square feet [ ] acre(s) Zoning: A-2

Lessor  
(Fee Owner): Kapalele Associates  
Name  
One Keahole Street, Unit 3110  
Address  
Honolulu, HI 96825

Sublessor:  
Name  
Address

C. Buildings and Other Improvements:

1.  New Building(s)     Conversion of Existing Building(s)     Both New Building(s) and Conversion  
2. Number of Buildings: 5 Floors Per Building 1, 3 or 6

Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete     Hollow Tile     Wood  
 Other Hard Tile, Plaster, Steel, Aluminum, Glass

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning	No. of Apts.	Use Determined By Zoning
<input checked="" type="checkbox"/> Residential	<u>219</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Ohana	<u>N/A</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	<u>N/A</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Industrial	<u>N/A</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	<u>N/A</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Agricultural	<u>N/A</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	<u>N/A</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Recreational	<u>N/A</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	<u>N/A</u>	<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:

[X] Pets: Maximum of two (2) dogs or cats less than thirty (30) pounds or household pets in reasonable number.

[ ] Number of Occupants: \_\_\_\_\_

[X] Other: Residential use only

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers): See Exhibit B

Elevators: 6 Stairways: 6 Trash Chutes: 3

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

Total Apartments: 219

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

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

Boundaries of Each Apartment:

See Exhibit C

Permitted Alterations to Apartments:

See Exhibit D

7. Parking Stalls:

Total Parking Stalls: 493

	<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>257</u>	<u>10</u>	<u>191</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>458</u>
Guest Unassigned	<u>2</u>	<u>27</u>	<u>2</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>27</u> <u>4</u>
Extra for Purchase	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
Other:	<u>    </u>	<u>4</u>	<u>Handicap</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>4</u>
Total Covered & Open	<u>300</u>	<u>    </u>	<u>193</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>

Each apartment will have the exclusive use of at least 2 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 B contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool                       Storage Area                       Recreation Area
- Laundry Area                       Tennis Court                       Trash Chute
- Other: Equipment Room, Maintenance Office, Whirlpool Spa

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:

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	<u>  X  </u>	<u>          </u>	<u>          </u>
Structures	<u>  X  </u>	<u>          </u>	<u>          </u>
Lot	<u>  X  </u>	<u>          </u>	<u>          </u>

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

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

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

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

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

described in Exhibit   E  .

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 F.

as follows:

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

described in Exhibit B.

as follows:

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

Exhibit G describes the encumbrances against the title contained in the title report dated August 9, 199 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

- [ ] There are no blanket liens affecting title to the individual apartments.
- [X] 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>
Construction Loan	Lender has remedies such as, but not limited to; demanding full and immediate payment of the outstanding principal and interest or it may take over the Project and enforce binding sales contracts or cancel sales contracts.
Fee Loan	The Trustees may foreclose on the loan and buyers who have not closed their purchase of the fee simple interest shall have the right to cancel their purchase of the unit and fee simple interest. There are no guarantees that the Developer will continue to offer the fee simple interest for purchase after Developer defaults.

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 H

2. Appliances: The Developer will attempt to assign to buyers the unexpired term, if any, of any manufacturer's, contractor's or dealer's warranties covering any fixtures or appliances in the condominium unit. The Developer will be merely passing through to buyers any such manufacturer's, contractor's or dealer's warranties and Developer is not adopting any such warranties or acting as co-warrantor.

G. Status of Construction and Estimated Completion Date:

Date of Commencement - January 14, 1991

Estimated Date of Substantial Completion

*Building 3	September 28, 1992
Building 1	December 31, 1994
Building 2	January 31, 1995
the Townhouses and the Project's Common Elements	December 31, 1994

\*It is estimated that the warranty repair work for Building 3 will be substantially completed on September 15, 1994.

H. Project Phases:

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

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

IV. CONDOMINIUM MANAGEMENT

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

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

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

- not affiliated with the Developer
- self-managed by the Association of Apartment Owners
- the Developer or the Developer's affiliate.
- other \_\_\_\_\_

B. Estimate of Initial Maintenance Fees:

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

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

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

C. Utility Charges for Apartments:

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

- None
- Electricity
- Gas
- Water
- Sewer
- Television Cable
- Other telephone

\*Electricity for common elements and common areas only.

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract  
Exhibit I contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated March 2, 1993 and Escrow Letter dated July 20, 1994  
Exhibit J contains a summary of the pertinent provisions of the escrow agreement.  
Exhibit L contains a summary of the pertinent provisions of the
- Other Surety Takeover Agreement, Modification to Prime Contract and Modification of Performance Bond

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

Declaration of Restrictive Covenant (Private Park)

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. 2568 filed with the Real Estate Commission on 12/20/91.

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C. Additional Information Not Covered Above

Each buyer is advised to read Paragraph 21 of the Declaration of Condominium Property Regime ("Declaration"), as amended, for disclosures and indemnity provisions which buyer should be aware of prior to entering into a binding sales contract. The following is only a summary of the disclosures and indemnity provisions in Paragraph 21 of the Declaration:

1. The Association and each buyer covenants that he/she/it shall assume all risks associated with the unit, Project and the location of the Project and shall individually and through the Association, indemnify, defend and hold harmless Developer, its partners, affiliates, agents and consultants, and the Trustees from any liability, claims or expenses for nuisance, property damage or personal injury arising from any of the following:

(a) Soils. Portions of the Project are "reclaimed" lands created in part by filling of submerged land in Kuapa Pond. Some settlement and movement of the earth in the Property may occur resulting in property damage and/or personal injury.

(b) Emergency Sewer Overflow. There is a sewer overflow near Wailua Street Bridge which discharges sewage into the Hawaii Kai Marina in emergencies.

(c) Salt Air. The Project is located on the Kuapa Pond and waterways and is in close proximity to the ocean and, as a result, is subject to water residue and the salt water spray from the ocean which may have an affect upon the condition of the Project, improvements and personal property of buyer and buyer's respective tenants.

(d) Concrete Structures. Reinforced concrete was used in the construction of portions of the Project. Concrete is a dense, rigid material used for its strength, durability and insulating qualities. Concrete is subject to deflection, shrinkage, creep, and thermal expansion or contraction. As a result of these forces, cracks and uneven surfaces may develop and affect the appearance and performance of the concrete and/or any material attached to or in contact with the concrete. A leveling fill material, which is comprised of an inert

material, was used on certain floor areas in varying amounts to promote a level surface. The Association and each buyer covenants that it/he/she is aware of and shall assume the risks and consequences associated with any deflection, shrinkage, creep, and thermal expansion or contraction of the concrete or fill material used in the Project, including but not limited to the risks of cracks and property damage

2. Hawaii Kai Marina. Each buyer of a unit, including condominium units that do not have a boat mooring appurtenant thereto, shall be a member of the Hawaii Kai Marina Community Association. All use of Kuapa Pond and the waterways shall be subject to that certain Declaration of Protective Provisions, dated January 30, 1991, recorded in the Bureau of Conveyances as Document No. 91-026955, as amended, and all rules and regulations promulgated thereunder. The Hawaii Kai Marina Community Association shall levy general assessments to provide for the care, maintenance, operation and improvement of Kuapa Pond and the waterways. The estimated monthly marina fees are approximately \$20.00 per month and are billed semi-annually in June and December directly to each owner. In addition to the the marina fees, buyer shall be required to pay \$261.00 to the Hawaii Kai Marina Community Association for past dredging assessments upon purchase of a unit. For example, if buyer purchases a unit in October, buyer will be required to pay \$60.00 (equivalent to the monthly marina fees for October, November and December) and \$261.00. The Hawaii Kai Marina Community Association does not have any estimates of the marina fees for 1994 at this time. No buyer may exempt himself from liability for his payment of any Hawaii Kai Marina Community Association assessment by non-use, waiver of use or enjoyment, or by abandonment of his condominium unit.

3. Private Park. Each buyer of a unit shall be a member of a park association which shall be obligated to perpetually maintain a private park as disclosed in the Declaration of Restrictive Covenant (Private Park) dated June 3, 1991 and recorded in the Bureau of Conveyances as Document No. 91-119313. The maintenance of the private park shall require each member to pay its proportionate share of the maintenance costs. At this time, there are no estimates of the monthly or yearly estimated maintenance fees for the private park. No buyer may exempt himself from liability for his payment of any private park assessment by non-use, waiver of use or enjoyment of the private park, or by abandonment of his condominium unit.

4. Associations. Each buyer shall be a member of the Association of Owners of Kalele Kai, the Hawaii Kai Marina Community Association, and the park association disclosed above. As a member of these associations, each buyer shall be required to pay his/her/its proportionate share of common expenses and special assessments as the documents for each association may provide. No buyer may exempt himself from liability for his payment of any assessment by non-use, waiver of use or enjoyment, or by abandonment of his condominium unit or any dispute.

5. View and View Planes. The owner of the parcel of land adjacent to the Project on the makai boundary towards the shopping center may develop the land into a commercial and/or office building and such development may obstruct, alter, change or diminish the views and view planes of the Project. Development is occurring in the Hawaii Kai area and will likely continue to occur in the future and such development may obstruct, alter, change or diminish the views and view planes of the Project. Developer, its employees, agents, real estate broker and agents, condominium documents and written, audio, or video advertisements, make no representations or warranties as to the views and/or view planes which the Project currently has or will have in the future.

6. Bedford Properties, Inc. Bedford Properties, Inc. has withdrawn from Kapalele Associates, a Hawaii limited partnership, the Developer of the Project, and has been replaced by TPI REALTY (HAWAII) LTD., a Nevada corporation, as the new sole general partner of Kapalele Associates. Bedford Properties, Inc. has also withdrawn as a Broker for the Project. Bedford Properties, Inc. has been replaced by IDG REALTY (HAWAII) LTD., a Nevada corporation, as a broker for the Project.

7. BCI General Contractor. Lumbermens Mutual Casualty Company, the bonding company for BCI General Contractors, Inc., the original General Contractor for the Project, has taken over the obligation to complete the Project and has hired Charles Pankow Builders, Ltd., of 567 South King Street, Suite 304, Honolulu, Hawaii 96813 (Phone: 521-8971) to complete the work under the Prime Contract.

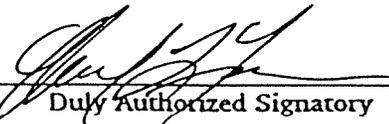
8. The Trustees of The Estate of Bernice Pauahi Bishop. The Trustees have not controlled or participated in, in any way, either as a joint venturer or in any other capacity, the planning or construction of any building or other improvements in the Project or any part thereof (the "Improvements"), or the marketing or sale of the Project. All approvals of plans and specifications covering the Improvements were given by the Trustees without regard to and without conducting any independent investigation into, the safety or structural soundness of the Improvements, code violations, or other matters relating to the legality or integrity of the Improvements. The Developer, the Association, and each owner hereby waives any and all claims which it or they might otherwise have against the Trustees on account of faulty or improper construction of any of the Improvements (including but not limited to any condominium unit and any common element of the Project),

latent defects, code violations in building construction or representations covering any of the Improvements (including but not limited to any condominium unit and any common element of the Project). The Developer, the Association, and each owner agrees that its right to make such claims, to the extent such claims are recognizable at law or equity, will be against the person or persons who are responsible for construction of the Improvements (including but not limited to any condominium unit and any common element of the Project) or who may otherwise be liable for any defects therein, and that none of the Developer, the Association or any owner shall have any right to make such claims against the Trustees. Furthermore, the Developer, the Association, and each owner hereby covenants that it and they shall individually and jointly indemnify, defend and hold harmless the Trustees from any liability, claims or expenses, including attorney's fees, arising from the development, design, construction marketing and sale of the Project.

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.

Kapalele Associates

\_\_\_\_\_  
Name of Developer

By:   
Duly Authorized Signatory

2 Aug. 1994  
Date

Ronald Fenolio, President of TPI Realty (Hawaii) Ltd.,  
print name & title of person signing above  
General Partner of Kapalele Associates

Distribution:

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

## EXHIBIT A

### DESCRIPTION OF BUILDINGS

The Project will consist of three (3) buildings, each of which shall contain six (6) floors (hereinafter referred to as "Building 1", "Building 2", and "Building 3"), one (1) building containing three (3) floors (hereinafter referred to as the "Townhome Building") and one (1) recreational facility building containing one (1) floor and a basement (hereinafter referred to as the "Clubhouse"). Building 1, Building 2, Building 3, and the Townhome Building are hereinafter sometimes referred to as the "Residential Buildings".

Building 1 is located on the southern boundary of the Project and contains ninety-two (92) residential condominium units. Building 2 is located on the western boundary of the Project and contains fifty-seven (57) residential condominium units. Building 3 is located on the northern boundary of the Project and contains sixty (60) residential condominium units. The Townhome Building is located on the eastern boundary of the Project and contains ten (10) residential condominium units. The Residential Buildings and the condominium units contained therein are described in more detail in Exhibit "B" attached to this public report. The Residential Buildings will be constructed primarily of reinforced concrete, metal roof, glass, wood, plaster, tile and appropriate trim. No Residential Building or condominium shall contain a basement.

The Clubhouse is located in the center of the Project and contains a club house/lounge area which will include a kitchenette area (containing a refrigerator, sink with disposer, bar sink and an icemaker), storage closets, manager's office, men's and women's toilet rooms, and electrical room. The Clubhouse will have a basement for the storage of equipment, swimming pool pumps and machinery. The Clubhouse will be constructed primarily of reinforced concrete, metal roof, glass, wood, plaster, tile and appropriate trim. A free form swimming pool and whirl pool spa are located adjacent to the Clubhouse.

## EXHIBIT B

UNIT TYPES

<u>Unit Type</u>	<u>Quantity</u>	<u>Bedroom/ Bathroom</u>	<u>Net Living Area (s.f.)</u>	<u>Lanai/ Patio (s.f.)</u>
A-1	9	2/2	1,427.2	265.8
AR-1	17	2/2	1,427.2	265.8
A-2	2	2/2	1,427.2	683.8
AR-2	3	2/2	1,427.2	683.8
A-3	3	2/2	1,427.2	373.4
AR-3	5	2/2	1,427.2	373.4
AR-4	1	2/2	1,427.2	766.8
B-1	14	2/2	1,430.4	263.9
BR-1	18	2/2	1,430.4	263.9
B-2	1	2/2	1,430.4	681.9
BR-2	2	2/2	1,430.4	681.9
Bl-1	10	2/2	1,424.5	263.9
BIR-1	11	2/2	1,424.5	263.9
C-1	22	2/2	1,427.6	265.8
CR-1	15	2/2	1,427.6	265.8
C-2	3	2/2	1,427.6	683.8
CR-3	1	2/2	1,427.6	649.4
C1-1	5	2/2	1,421.9	265.8
C1R-1	4	2/2	1,421.9	265.8
D-1	9	3/2.5	2,210.8	674.7
D-2	1	3/2.5	2,210.8	923.9
E-1	14	3/2.5	1,998.7	589.1
ER-1	17	3/2.5	1,998.7	589.1
E-2	5	3/2.5	1,998.7	587.7
ER-2	4	3/2.5	1,998.7	587.7
E-3	1	3/2.5	1,998.7	1,745.7
E-4	1	3/2.5	1,998.7	922.8
ER-5	1	3/2.5	1,998.7	741.3
TA1-1	2	3/2.5	2,222.3	343.3
TAR-2	3	3/2.5	2,205.4	354.0
TBR-1	1	3/2.5	2,345.5	428.5
TA1R-3	1	3/2.5	2,288.0	304.0
TA-2	1	3/2.5	2,205.4	354.0
TB-1	1	3/2.5	2,345.0	428.5
TA1-3	1	3/2.5	2,222.3	400.6
P-1	4	Loft	3,454.8	856.2
PR-1	4	Loft	3,454.8	856.2
P1-2	1	Loft	3,448.3	854.8
P1R-2	1	Loft	3,448.3	854.8

EXHIBIT B

UNIT SPECIFICATIONS

BUILDING 1 - Southern Boundary of Project

<u>Unit No.</u>	<u>Unit Type</u>	<u>Bed Room</u>	<u>Bath Room</u>	<u>Total No. of Rooms</u>	<u>Net Living Area (\$s.f.)</u>	<u>Lanal (\$s.f.)</u>	<u>Total (\$s.f.)</u>	<u>% Common Interest</u>	<u>Parking Stall No.</u>	<u>Boat Mooring</u>
1101	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	199, 252c	
1102	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	251c, 198	
1103	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	10, 101c	
1104	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	17, 79c	
1105	B-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	179, 266c	
1106	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	181, 182	
1107	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	183, 184	
1108	D-1	3	2.5	7.5	2,210.8	674.7	2,885.5	0.5921	250c, 197	
1110	B1-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	186, 185	
1201	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	249c, 226	
1202	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	227, 246c	
1203	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	188, 187c	

\*Total Rooms - includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
 \*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
 \*\*\*Parking stalls for compact cars are indicated with a "c" after the parking stall number.  
 \*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage no. 3.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanal (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
1204	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	189, 190c	
1205	B-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	191, 192	
1206	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	193, 194	
1207	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	177, 195c	
1208	D-1	3	2.5	7.5	2,210.8	674.7	2,885.5	0.5921	228, 245c	
1210	B-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	196c, 176	
1212	B1R-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	173, 166	
1214	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	172, 262c	
1216	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	169, 225c	
1218	AR-3	2	2	6	1,427.2	373.4	1,800.6	0.3822	168c, 167	
1301	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	229, 244c	
1302	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	234, 243c	
1303	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	165, 206c	
1304	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	171, 263c	

\*Total Rooms - Includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
 \*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
 \*\*\*Parking stalls for compact cars are indicated with a "C" after the parking stall number.  
 \*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage no. 3.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanal (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
1305	B-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	170, 261c	
1306	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	264c, 223	
1307	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	222, 265c	
1308	D-1	3	2.5	7.5	2,210.8	674.7	2,885.5	0.5921	242c, 241	
1309	D-2	3	2.5	7.5	2,210.8	923.9	3,134.7	0.5921	236c, 235	
1310	B1-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	180, 267c	
1311	AR-2	2	2	6	1,427.2	683.8	2,111.0	0.3822	260c, 224	
1312	B1R-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	259c, 209	
1313	AR-2	2	2	6	1,427.2	683.8	2,111.0	0.3822	258c, 208	
1314	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	257c, 207	
1315	C-2	2	2	6	1,427.6	683.8	2,111.4	0.3824	256c, 205	
1316	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	255c, 204	
1317	A-2	2	2	6	1,427.2	683.8	2,111.0	0.3822	203, 254c	
1318	AR-3	2	2	6	1,427.2	373.4	1,800.6	0.3822	202, 253c	

\*Total Rooms - Includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
 \*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
 \*\*\*Parking stalls for compact cars are indicated with a "c" after the parking stall number.  
 \*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage nq.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanal (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
1401	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	247c, 240	
1402	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	248c, 239	
1403	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	230c, 200	
1404	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	201c, 233	
1405	B-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	232, 175	
1406	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	174, 231	
1407	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	29, 30	
1408	D-1	3	2.5	7.5	2,210.8	674.7	2,885.5	0.5921	238, 237c	
1409	D-1	3	2.5	7.5	2,210.8	674.7	2,885.5	0.5921	28, 27	
1410	B1-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	25, 26	
1411	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	23, 24	
1412	B1R-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	21, 22	
1413	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	18, 19	
1414	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	15, 102c	

\*Total Rooms - includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
 \*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
 \*\*\*Parking stalls for compact cars are indicated with a "c" after the parking stall number.  
 \*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage nd.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanal (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
1415	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	13c, 14	
1416	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	12, 52	
1417	A-3	2	2	6	1,427.2	373.4	1,800.6	0.3822	53, 54	
1418	AR-3	2	2	6	1,427.2	373.4	1,800.6	0.3822	50, 51c	
1501	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	75, 88c	
1502	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	74, 89c	
1503	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	48, 49	
1504	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	31, 32c	
1505	B-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	33, 36	
1506	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	73c, 20	
1507	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	37, 38	
1508	D-1	3	2.5	7.5	2,210.8	674.7	2,885.5	0.5921	78c, 72	
1509	D-1	3	2.5	7.5	2,210.8	674.7	2,885.5	0.5921	90c, 71	
1510	B1-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	34, 35c	

\*Total Rooms - Includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
\*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
\*\*\*Parking stalls for compact cars are indicated with a "c" after the parking stall number.  
\*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage nd. 3 respectively.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanai (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
1511	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	46c, 47	
1512	B1R-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	16, 103c	
1513	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	100c, 11	
1514	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	99c, 65	
1515	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	66, 98c	
1516	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	68c, 67	
1517	A-3	2	2	6	1,427.2	373.4	1,800.6	0.3822	45, 93c	
1518	AR-3	2	2	6	1,427.2	373.4	1,800.6	0.3822	44, 92c	
1601	P-1	Loft			3,454.8	856.2	4,311.0	0.9252	178, 80, 81, 307(UC)	
1602	PR-1	Loft			3,454.8	856.2	4,311.0	0.9252	82, 83, 84c, 308(UC)	
1605	B-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	43, 91c	
1606	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	111, 112c	
1607	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	113c, 110	
1608	D-1	3	2.5	7.5	2,210.8	674.7	2,885.5	0.5921	76, 86c	

\*Total Rooms - includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
 \*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
 \*\*\*Parking stalls for compact cars are indicated with a "c" after the parking stall number.  
 \*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage no. 3.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanal (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
1609	D-1	3	2.5	7.5	2,210.8	674.7	2,805.5	0.5921	77, 85c	
1610	B1-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	117c, 114	
1611	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	116c, 69	
1612	B1R-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	115c, 70	
1613	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	97c, 109	
1614	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	39, 40c	
1615	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	42, 41c	
1616	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	96c, 108	
1617	A-3	2	2	6	1,427.2	373.4	1,800.6	0.3822	95c, 107	
1618	AR-3	2	2	6	1,427.2	373.4	1,800.6	0.3822	106, 94c	
<u>BUILDING 2 - Western Boundary of Project</u>										
2110	C1-1	2	2	6	1,421.9	265.8	1,687.7	0.3809	1, 129c	
2111	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	7, 2c	
2112	E-2	3	2.5	7.5	1,998.7	587.7	2,586.4	0.5353	8, 4c	

\*Total Rooms - Includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
\*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
\*\*\*Parking stalls for compact cars are indicated with a "c" after the parking stall number.  
\*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage nd.  
3.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanal (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
2113	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	5c, 6	
2208	B1-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	294, 293c	
2210	C1-1	2	2	6	1,421.9	265.8	1,687.7	0.3809	286c, 295	
2211	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	297, 296c	
2212	E-2	3	2.5	7.5	1,998.7	587.7	2,586.4	0.5353	298, 285c	
2213	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	299, 282c	
2301	E-4	3	2.5	7.5	1,998.7	922.8	2,921.5	0.5353	300, 281c	
2302	ER-5	3	2.5	7.5	1,998.7	741.3	2,740.0	0.5353	301, 280c	
2303	C-2	2	2	6	1,427.6	683.8	2,111.4	0.3824	302, 279c	
2304	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	278c, 303	
2305	BR-2	2	2	6	1,430.4	681.9	2,112.3	0.3831	304, 277c	
2306	B-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	276c, 306	
2307	BR-2	2	2	6	1,430.4	681.9	2,112.3	0.3831	275c, 305	
2308	B1-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	164, 212c	

\*Total Rooms - includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
\*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
\*\*\*Parking stalls for compact cars are indicated with a "c" after the parking stall number.  
\*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage no. 3.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Laanal (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
2309	AR-4	2	2	6	1,427.2	766.8	2,194.0	0.3822	163, 213c	
2310	C1-1	2	2	6	1,421.9	265.8	1,687.7	0.3809	214c, 162	
2311	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	161, 160c	
2312	E-2	3	2.5	7.5	1,998.7	587.7	2,586.4	0.5353	159c, 211	
2313	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	210, 158c	
2401	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	157c, 156	
2402	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	217c, 215	
2403	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	221, 218c	
2404	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	219c, 220	
2405	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	274, 216c	
2406	B-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	268c, 273	
2407	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	272, 269c	
2408	B1-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	270, 284c	
2409	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	139, 128c	

\*Total Rooms - Includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
 \*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
 \*\*\*Parking stalls for compact cars are indicated with a "c" after the parking stall number.  
 \*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage nq.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanal (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
2410	C1-1	2	2	6	1,421.9	265.8	1,687.7	0.3809	283c, 271	
2411	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	289c, 290	
2412	E-2	3	2.5	7.5	1,998.7	587.7	2,586.4	0.5353	288c, 291	
2413	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	287c, 292	
2501	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	133c, 150	
2502	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	134c, 149	
2503	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	135c, 148	
2504	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	147, 136c	
2505	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	146, 137c	
2506	B-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	144, 145c	
2507	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	143, 142c	
2508	B1-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	127, 105c	
2509	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	126, 104c	
2510	C1-1	2	2	6	1,421.9	265.8	1,687.7	0.3809	119c, 123	

\*Total Rooms - includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
\*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
\*\*\*Parking stalls for compact cars are indicated with a "c" after the parking stall number.  
\*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage no. 3.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanal (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
2511	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	55, 57c	
2512	E-2	3	2.5	7.5	1,998.7	587.7	2,586.4	0.5353	56, 58c	
2513	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	9, 59c	
2601	P-1	Loft			3,454.8	856.2	4,311.0	0.9252	3c, 140, 141, 309(UC)	
2602	PR-1	Loft			3,454.8	856.2	4,311.0	0.9252	120c, 124, 125, 310(UC)	
2605	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	121, 122	
2606	B-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	118, 60c	
2607	BR-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	64, 61c	
2608	B1-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	63, 62c	
2609	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	132c, 151	
2612	P1-2	Loft			3,448.3	854.8	4,303.1	0.9235	131c, 152, 153, 311(UC)	
2613	PR-1	Loft			3,454.8	856.2	4,311.0	0.9252	130c, 154, 155, 312(UC)	

\*Total Rooms - includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
 \*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
 \*\*\*Parking stalls for compact cars are indicated with a "c" after the parking stall number.  
 \*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage nd.  
 3.

BUILDING 3 - Northern Boundary of Project

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanal (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
3106	B1R-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	22c-3, 53c-3	
3108	A-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	25-3, 52c-3	
3110	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	45c-3, 46c-3	B1-6, B9-60
3112	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	61-3, 62-3	
3113	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	58-3, 59c-3	
3202	ER-2	3	2.5	7.5	1,998.7	587.7	2,586.4	0.5353	96c-3, 110c-3	
3204	C1R-1	2	2	6	1,421.9	265.8	1,687.7	0.3809	81-3, 82-3	
3206	B1R-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	79-3, 80c-3	
3208	A-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	63-3, 64-3	
3210	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	65-3, 66-3	
3212	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	108c-3, 109c-3	
3213	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	106c-3, 107c-3	
3301	E-3	3	2.5	7.5	1,998.7	1,745.7	3,744.4	0.5353	57-3, 60c-3	
3302	ER-2	3	2.5	7.5	1,998.7	587.7	2,586.4	0.5353	54c-3, 55c-3	

\*Total Rooms - Includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
 \*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
 \*\*\*Parking stalls for compact cars are indicated with a "c" after the parking stall number.  
 \*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage no. 3.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Land (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
3303	C-2	2	2	6	1,427.6	683.8	2,111.4	0.3824	77-3, 78-3	
3304	C1R-1	2	2	6	1,421.9	265.8	1,687.7	0.3809	75C-3, 76-3	
3305	A-2	2	2	6	1,427.2	683.8	2,111.0	0.3822	1-3, 2-3	
3306	B1R-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	125C-3, 126C-3	
3307	B-2	2	2	6	1,430.4	681.9	2,112.3	0.3831	123C-3, 124C-3	
3308	A-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	73-3, 74C-3	
3309	AR-2	2	2	6	1,427.2	683.8	2,111.0	0.3822	71C-3, 72-3	
3310	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	69-3, 70-3	
3311	CR-3	2	2	6	1,427.6	649.4	2,077.0	0.3824	16-3, 17-3	
3312	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	90C-3, 91-3	
3313	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	94-3, 95-3	
3401	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	117C-3, 118C-3	
3402	ER-2	3	2.5	7.5	1,998.7	587.7	2,586.4	0.5353	115C-3, 116C-3	
3403	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	18C-3, 19-3	

\*Total Rooms - Includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
 \*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
 \*\*\*Parking stalls for compact cars are indicated with a "C" after the parking stall number.  
 \*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage no. 3.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanai (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
3404	C1R-1	2	2	6	1,421.9	265.8	1,687.7	0.3809	5-3, 6-3	
3405	A-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	3-3, 4-3	
3406	B1R-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	102C-3, 103C-3	
3407	B-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	20-3, 21-3	
3408	A-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	104C-3, 105C-3	
3409	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	67-3, 68-3	
3410	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	97-3, 98-3	
3411	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	99-3, 100-3	
3412	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	50C-3, 51C-3	
3413	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	23-3, 24-3	
3501	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	113C-3, 114C-3	
3502	ER-2	3	2.5	7.5	1,998.7	587.7	2,586.4	0.5353	111C-3, 112C-3	
3503	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	34-3, 35-3	
3504	C1R-1	2	2	6	1,421.9	265.8	1,687.7	0.3809	39C-3, 40C-3	

\*Total Rooms - includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
 \*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
 \*\*\*Parking stalls for compact cars are indicated with a "C" after the parking stall number.  
 \*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage no. 3.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanal (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
3505	A-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	41c-3, 42c-3	
3506	B1R-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	36-3, 37-3	
3507	B-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	43c-3, 44c-3	
3508	A-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	14-3, 15-3	
3509	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	7-3, 8-3	
3510	C-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	9c-3, 10-3	
3511	CR-1	2	2	6	1,427.6	265.8	1,693.4	0.3824	11-3, 12c-3	
3512	E-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	48c-3, 49c-3	
3513	ER-1	3	2.5	7.5	1,998.7	589.1	2,587.8	0.5353	32-3, 33-3	
3601	P-1	Loft			3,454.8	856.2	4,311.0	0.9252	30-3, 31c-3, 47c-3, 127-3(UC)	
3602	P1R-2	Loft			3,448.3	854.8	4,303.1	0.9235	92-3, 93c-3, 83c-3, 128-3(UC)	
3605	A-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	84c-3, 85-3	
3606	B1R-1	2	2	6	1,424.5	263.9	1,688.4	0.3815	121c-3, 122c-3	
3607	B-1	2	2	6	1,430.4	263.9	1,694.3	0.3831	119c-3, 120c-3	

\*Total Rooms - includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
\*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
\*\*\*Parking stalls for compact cars are indicated with a "c" after the parking stall number.  
\*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage no. 3.

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanal (s.f.)	Total (s.f.)	% Common Interest	Parking Stall No.	Boat Mooring
3608	A-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	88-3, 89C-3	
3609	AR-1	2	2	6	1,427.2	265.8	1,693.0	0.3822	85-3, 87-3	
3612	P-1	Loft			3,454.8	856.2	4,311.0	0.9252	28C-3, 29-3, 13C-3, 129-3(UC)	
3613	PR-1	Loft			3,454.8	856.2	4,311.0	0.9252	26-3, 27C-3, 56C-3, 130-3(UC)	

JOHNHOMES - Eastern Boundary of Project

Unit No.	Unit Type	Bed Room	Bath Room	Total No. of Rooms	Living Area (s.f.)	Lanal (s.f.)	Total (s.f.)	% Common Interest	Garage (s.f.)	Boat Mooring
101	TBR-1	3	2.5	7.5	2,345.5	428.5	2,774.0	0.6282	366.7	
102	TAR-2	3	2.5	7.5	2,205.4	354.0	2,559.4	0.5906	367.2	
103	TA1-1	3	2.5	7.5	2,222.3	343.3	2,565.6	0.5952	367.2	
104	TAR-2	3	2.5	7.5	2,205.4	354.0	2,559.4	0.5906	367.2	
105	TA1-1	3	2.5	7.5	2,222.3	343.3	2,565.6	0.5952	367.2	
106	TAR-2	3	2.5	7.5	2,205.4	354.0	2,559.4	0.5906	367.2	
107	TA1-3	3	2.5	7.5	2,222.3	400.6	2,622.9	0.5952	367.2	
108	TA1R-3	3	2.5	7.5	2,222.3	400.6	2,622.9	0.5952	367.2	
109	TA-2	3	2.5	7.5	2,205.4	354.0	2,559.4	0.5906	367.2	
110	TB-1	3	2.5	7.5	2,345.5	428.5	2,774.0	0.6282	366.7	

\*Total Rooms - includes bedrooms, bathrooms, separate living/dining room, and kitchen.  
 \*\*All parking stalls are covered parking unless otherwise noted with the designation (UC).  
 \*\*\*Parking stalls for compact cars are indicated with a "C" after the parking stall number.  
 \*\*\*\*The designation of -3 after the parking stall number indicates the parking stall is located in parking garage no. 3.

EXHIBIT C

BOUNDARIES OF EACH CONDOMINIUM UNIT

Each condominium unit is designated as a separate freehold estate. The respective condominium units will not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the floors and ceilings surrounding each condominium unit or any pipes, wires, conduits or other utility or service lines running through such condominium unit which are utilized for or serve more than one (1) condominium unit, the same being deemed common elements as hereinafter provided. Each condominium unit will be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, any doors, windows or panels along the perimeters and all fixtures originally installed therein. Each condominium unit will also include the lanai or lanais to which such condominium unit has direct, exclusive access, and each condominium unit in the Townhome Building shall also include the garage to which such condominium unit has direct, exclusive access.

The square foot floor area of each condominium unit shown on the attached Exhibit "B" is measured from the undecorated or unfinished surfaces of the interior face of perimeter walls and includes all the walls and partitions within the perimeter walls, including any glass windows or panels along the perimeter and the outer edge of the floor slab.

Each condominium unit in Building 1, Building 2, and Building 3 shall have immediate access to a corridor which shall be a common element of the Project. Each condominium unit in the Townhome Building shall have immediate access to the grounds of the Project which shall be a common element of the Project or to a courtyard which shall be a limited common element appurtenant to that condominium unit and then to the grounds of the Project.

NOTE: The Penthouse condominium units (unit type "P") do not contain any fixtures, appliances or interior (non-load bearing) walls. It is the responsibility of the owner of each Penthouse condominium unit to, in its sole discretion and personal choice, to install fixtures and appliances, and construct the interior layout and design of the Penthouse condominium unit in accordance with any

condition or covenant contained in this Declaration or the Bylaws; provided that said owner shall not relocate or modify any utility connections or load or non-load bearing walls. Developer is only providing the Penthouse condominium unit with connections to utilities, water and wastewater disposal.

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EXHIBIT D

PERMITTED ALTERATIONS TO CONDOMINIUM UNITS

The buyer of a condominium unit shall not, except as specifically permitted in the Declaration or Bylaws, make any structural alterations in or additions to the condominium unit or make any alterations or additions to the exterior of the condominium unit (including awnings, jalousies or screens) or to any other portion or portions of the common elements. Additions to or alterations made within a condominium unit shall be permitted so long as such additions or alterations do not jeopardize the structural soundness or safety of the condominium unit and building. Additions to or alterations made within a limited common element appurtenant to and for the exclusive use of such condominium unit shall require the prior written approval of the Board and prior written consent of the owners of condominium units immediately adjacent to such limited common element. No work, additions or alterations to the water, electrical, air conditioning or any system servicing or affecting more than one condominium unit shall be permitted without the prior written consent of the Association and any owner who will be affected by such work, additions or alterations. No work shall be done which would jeopardize the soundness or safety of the Project, reduce the value therefor, violate the uniform external appearance of the condominium unit, or impair any easement, without in every such case the prior consent of seventy-five percent (75%) of the owners, together with the consent of all owners whose condominium units or limited common elements appurtenant thereto are directly affected and the mortgagees of such condominium unit.

Except as otherwise expressly set forth and reserved in the Declaration or Bylaws, any additions or alterations to the exterior of condominium units and to their lanais and structures and landscaping in common elements shall be undertaken only upon the review and approval by the Board and the Building Department, City and County of Honolulu after the written consent of the Association is obtained by the affirmative vote of not less than seventy-five percent (75%) of the condominium unit owners and accompanied by the written consent of holders of all liens affected thereby.

Subject to conditions set forth in Paragraph 17(d) of the Declaration, the owner of two (2) adjoining condominium units may, with the prior written approval of the Board and the consent of any mortgagee of any such condominium units, alter or remove all or portions of the intervening wall (not load bearing) which separates such condominium units if the structural soundness and safety of the building in which the condominium units are located is not thereby affected and if the finish of the common element then remaining is restored to a condition substantially comparable to that of the common elements prior to such alteration of a common element.

Subject to the conditions set forth in Paragraph 17(e) of the Declaration, the owner of a Penthouse condominium unit may construct the initial interior layout and design of the loft space in accordance with the conditions and covenants of the Declaration or Bylaws and the owner shall not be required to obtain the prior consent of the Board of Directors or any other owner.

Subject to the conditions set forth in Paragraph 17(e) of the Declaration and the prior written approval of the Board of Directors and the consent of any mortgagee, the owner of a Penthouse condominium unit may construct a demising or intervening wall (not load-bearing) to separate such Penthouse condominium unit into no more than two (2) condominium units. The demising or intervening wall must be located directly above the demising wall of the two (2) condominium units located on the floor below. The common interest and parking stalls appurtenant to the Penthouse condominium unit shall be reapportioned solely between the two (2) condominium units; provided that the two (2) new condominium units shall have initially have a minimum of two (2) parking stalls appurtenant thereto.

Any provision of the Declaration and Bylaws to the contrary notwithstanding, the Developer, in its sole and absolute discretion, shall have the right to separate any unsold Penthouse condominium unit into two (2) condominium units at any time but not later than June 1, 1998. Nothing in the Declaration or Bylaws shall be interpreted as requiring Developer to obtain the prior consent of any owner, the Association or the Board. The separation of the Penthouse condominium unit into two (2) condominium units shall not affect the percentage common interest of any other condominium unit or the parking stalls appurtenant to any other condominium unit or guest parking stalls of the Project. Any amendment to the Declaration, the Bylaws, if

necessary, the public report, if necessary, and the Condominium Map to reflect at a minimum the increase in the total number of condominium units, shall require only the signature of the Developer and recordation in the Bureau, if applicable. Buyer shall have no statutory, legal or equitable right to rescind any purchase of a condominium unit or the obligation to purchase a condominium unit as a result of the amendment or creation of any instrument to effectuate the separation of any Penthouse condominium unit into two (2) condominium units nor the Developer's issuance of supplementary public reports disclosing the separation of the Penthouse condominium unit into two (2) condominium units.

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EXHIBIT E

COMMON ELEMENTS

One freehold estate is hereby designated in all of the remaining portions and appurtenances of the Project (hereinafter referred to as the "common elements"), including specifically, but not limited to:

- (a) The fee interest in land;
- (b) All structural components such as foundations, beams, supports, main walls, roofs, stairs, stairways, entrances, exits, floor slabs, unfinished perimeter party and load-bearing walls, lanai railings, awnings, corridors and walkways of said buildings;
- (c) All walkways, including the boat mooring walkways, and interior roadways located upon the Land;
- (d) All yards, grounds, landscaping, retaining walls, perimeter courtyard walls, planters located upon the Land, the Clubhouse including all amenities therein and the swimming pool and whirlpool spa adjacent thereto, as described above;
- (e) All ducts, electrical equipment, central water heating systems, wiring, pipes and other central and appurtenant transmission facilities and installations on, over, under and/or across the property which serve more than one (1) condominium unit for services such as power, light, hot water, cold water, incineration, sewage, gas, telephone and television and radio signal distribution, if any;
- (f) Any apparatus and installation existing for common use such as elevators, elevator shafts and pits, tanks, pumps, motors, fans, compressors, ducts, vents and other installations and apparatus;
- (g) Lobbies, elevator lobbies, storage rooms, machine rooms, parking areas (other than parking stalls), ramps, deck areas, loading areas and refuse facilities;
- (h) Any and all facilities for distribution and storage of mail, except for the mail box appurtenant to each condominium unit, as described hereinbelow;

(i) A total of thirty-one (31) parking stalls (designated "Guest" on the Condominium Map) shall be designated for guest parking, of which four (4) parking stalls (designated "HDCP Guest" on the Condominium Map) shall be designated for handicap parking for guests. There shall also be four (4) additional covered parking stalls (designated 38-3, 87c, 101-3, 138c on the Condominium Map), which shall be deemed to be common elements of the Project, which shall be designated for handicap parking and used by disabled owners or occupants of the Project on such terms and conditions as may be agreed upon between the Association of Owners of Kalele Kai (hereinafter referred to as the "Association") through its Board of Directors (hereinafter referred to as the "Board") and such owner or occupant; provided, however, that such parking stalls may be used as additional parking for the manager and/or security and/or maintenance personnel whenever such parking stalls are not being used by a disabled owner or occupant. The Association shall retain ownership of said handicap parking stalls and shall adopt rules for the assignment and use of said handicap parking stalls. All remaining parking stalls of the Project shall be designated as "limited common elements" appurtenant to designated condominium units as discussed in more detail below;

(j) Two (2) boat moorings (designated B7 and B8 on the Condominium Map). All remaining boat moorings of the Project shall be designated as "limited common elements" appurtenant to designated condominium units as described in more detail hereinbelow;

(k) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance, and safety, or normally in common use.

EXHIBIT F

LIMITED COMMON ELEMENTS

The following common elements, (hereinafter referred to and designated as "limited common elements"), are hereby set aside and reserved for the exclusive use of certain condominium units, and such condominium units shall have appurtenant thereto exclusive easements for use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(a) Each non-Penthouse condominium unit shall have exclusive use of two (2) parking stalls and each Penthouse condominium unit shall have exclusive use of four (4) parking stalls as designated on the Condominium Map and designated in Exhibit "B". Notwithstanding any provision of this Declaration, owners shall have the right to transfer and change the designation of parking stalls which are appurtenant to their respective condominium units by execution and recordation in the Bureau of an amendment to the Declaration and an appropriate conveyance document; provided that at least one (1) parking stall shall be appurtenant to each non-Penthouse condominium unit and at least two (2) parking stalls shall be appurtenant to each Penthouse condominium unit, but in the event a Penthouse condominium unit is separated into two (2) condominium units, as permitted in Paragraph 17(e) hereinbelow, at least two (2) parking stalls shall be originally appurtenant to each such condominium unit. The amendment to effectuate a change in the designation of a parking stall appurtenant to a condominium unit shall need only the signature and approval of the owners of the condominium units whose parking stalls are being changed and their respective mortgagees, if any. The amendment shall be effective only upon recordation with the Bureau.

(b) All boat moorings shall be identified by the letter "B" and a number. Condominium unit 3110 initially shall have appurtenant thereto boat moorings B1 through 6 and B9 through 60 as designated on the Condominium Map. Notwithstanding any provision of this Declaration, the Developer, as the initial owner of condominium unit 3110, shall have the right to amend this Declaration (1) prior to conveyance of condominium unit 3110, to transfer and redesignate any unsold boat moorings from condominium unit 3110 to any other condominium

unit(s), and (2) as often as is necessary thereafter, to transfer and redesignate any unsold boat moorings from any condominium units owned by the Developer to any other condominium unit(s). Such transfers and redesignations shall be effectuated by amendments to the Declaration signed by the Developer and recorded in the Bureau. Such condominium units shall enjoy the exclusive use of the boat moorings appurtenant thereto, subject to that certain Declaration of Protective Provisions dated January 30, 1991 recorded in the Bureau as Document No. 91-026955, as amended (hereinafter referred to as the "Declaration of Protective Provisions (Hawaii Kai Marina)") and any rules and regulations promulgated thereunder, this Declaration, and any house rules adopted by the Board. Notwithstanding any provision of this Declaration, owners shall have the right to transfer and change the designation of boat moorings which are appurtenant to their respective condominium units by recordation in the Bureau of an amendment to this Declaration and appropriate conveyance document, both signed by the seller and the buyer of the boat mooring, and their respective mortgagees, if any.

The owner of a condominium unit to which a boat mooring is appurtenant, at such owner's sole expense, shall maintain and repair the boat mooring in a good, safe and clean condition; provided, that if owner fails to maintain and/or repair the boat mooring in a good, safe and clean condition, the Association may arrange for the maintenance and/or repair work to be performed and the actual cost of such work plus a reasonable administrative fee as may be levied by the Board shall be charged to the owner so long as the Association (i) has provided the owner with written notice of the maintenance and/or repair work, the estimated cost of such work and the estimated administrative fee for arranging for such work on behalf of the owner, and (ii) the owner fails to notify the Association in writing within seven (7) days of owner's receipt of the Association's notice that owner has made arrangements for such maintenance and/or repair work to be performed, the person or persons who will perform such work, and the date such work will begin.

A boat mooring may be leased for a minimum period of thirty (30) days to another owner or tenant of a condominium unit within the Project, subject to the terms and conditions of the Declaration of Protective Provisions and any rules and regulations promulgated thereunder, this Declaration, and any house rules adopted by the Association, provided that said lease of the boat mooring

shall be in writing and all assessments, charges, fees or penalties arising from said boat mooring shall be levied against the owner of the condominium unit to which the boat mooring is an appurtenant limited common element. The use of a boat mooring may not be granted orally or by license, agreement or any other means to a person who is not an owner or tenant of a condominium unit within the Project.

(c) The entry courtyards adjacent to condominium unit 101 and condominium unit 110 in the Townhome Building shall be appurtenant to and for the exclusive use of the condominium unit to which such entry courtyard is adjacent.

(d) Each condominium unit shall have for its exclusive use one (1) mail box located in the lobby of the building in which the condominium unit is located.

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**EXHIBIT G –**

**ENCUMBRANCES AGAINST TITLE**

1. Real Property Taxes for the Fiscal Year July 1, 1994 - June 30, 1995; see Director of Finance, City and County of Honolulu.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and the effect, if any, upon the area of the land described herein.

4. Unilateral Agreement and Declaration for Conditional Zoning dated July 3, 1986, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 19645, at Page 696.

5. Designation of a portion of Easement "1" for drainage purposes, as shown on File Plan No. 1910.

6. Grant in favor of Hawaiian Electric Company, Inc. dated November 19, 1987, recorded as aforesaid in Liber 21453, at Page 84, granting a perpetual right and easement to build, construct, rebuild, reconstruct, repair, maintain, operate and remove transformer vaults, etc., for the transmission and distribution of electricity.

7. Grant in favor of the City and County of Honolulu dated May 22, 1989, recorded as aforesaid in Liber 23752, at Page 466; granting an easement over said Easement "1".

8. That certain Lease No. 28,587 dated October 9, 1990, by and between Trustees under the Will and of the Estate of Bernice Pauahi Bishop, Deceased, as Lessor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, as Lessee, recorded as aforesaid as Document No. 90-158696, for a term of 57 years commencing January 1, 1990; said Lease being Amended by that certain instrument dated February 13, 1991, recorded as aforesaid as Document No. 91-026956, regarding the addition of new Exhibits to said Lease, etc; said Lease, as amended, is subject to the following:

(A) Mortgage, Security Agreement and Financing Statement dated July 23, 1991, from **KAPALELE ASSOCIATES**, a Hawaii limited partnership, as Mortgagor, to The Mitsui Trust & Banking Co., Ltd., a Japan corporation acting through its Los Angeles Agency, as Mortgagee, recorded as aforesaid as Document No. 91-101524, to secure the payment of \$76,790,000.00

Consent of Lessor to Mortgage of Lease and Estoppel Certificate dated July 22, 1991, recorded as aforesaid as Document No. 91-101525, given by the Trustees of the Estate of Bernice Pauahi Bishop.

(B) Memorandum of Assignment of Sale Proceeds dated July 31, 1992, entered into by and between Bedford Properties Holdings, Ltd., a California corporation f/k/a Bedford Properties Inc. general partner of Kapalele Associates, recorded as aforesaid as Document No. 92-145203.

9. Terms, provisions, covenants, conditions and reservations contained in that certain Declaration of Protective Provisions dated January 30, 1991, recorded as aforesaid as Document No. 91-026955.

10. Terms, provisions, covenants, conditions and reservations contained in Declaration of Restrictive Covenants (Private Park) dated June 3, 1991, recorded as aforesaid as Document No. 91-119313; said Declaration being amended by that certain instrument dated August 11, 1993, recorded as aforesaid as Document No. 93-162598.

11. Easement "1" (area 10,688 square feet) for access and utility purposes, as shown on the map prepared by Roy T. Yama, Registered Professional Land Surveyor, with Paren, Inc., dba Park Engineering, dated September 3, 1991, and as shown on File Plan Number 2064.

12. Easement "2" (area 453 square feet) for waterline and water meter purposes, as shown on the map prepared by Roy T. Yama, Registered Professional Land Surveyor, with Paren, Inc., dba Park Engineering, dated September 3, 1991, and as shown on File Plan Number 2064.

13. Grant in favor of the City and County of Honolulu, dated February 12, 1992, recorded as aforesaid as Document No. 92-123720; granting an easement over said Easement "2"; Joinder and Confirmation thereof being given by **KAPALELE ASSOCIATES**, a Hawaii limited partnership; Consent thereto being given by The Mitsui Trust & Banking Co., Ltd., a corporation formed under the laws of Japan.

14. Mortgage, Security Agreement and Financing Statement dated May 25, 1993, from **KAPALELE ASSOCIATES**, a Hawaii limited partnership, as Mortgagor, to Trustees under the Will and of the Estate of Bernice Pauahi Bishop, Deceased, as Mortgagee, recorded as aforesaid as Document No. 93-086945, to secure the payment of \$21,900,000.00 - covers the fee simple and leasehold interests.

15. Terms, provisions, covenants, conditions and reservations contained in that certain Declaration of Condominium Property Regime for "**KALELE KAI**" Condominium Project dated May 20, 1993, recorded as aforesaid Document No. 93-087469, as the same may hereafter be amended in accordance with law or with said Declaration (Project covered by Condominium Map No. 1865); said Declaration being amended by those certain instruments dated July 9, 1993, recorded as aforesaid as Document No. 93-118375, and dated October 9, 1993, recorded as aforesaid as Document No. 93-168809.

16. Terms, provisions, covenants, conditions and reservations contained in By-Laws of the Association of Apartment Owners of said Condominium Project dated May 20, 1993, recorded as aforesaid as Document No. 93-087470, as the same may hereafter be amended.

17. Application For Mechanics' and Materialmen's Lien dated October 7, 1993, by and between BCI General Contractors, a California corporation (Attorney(s) - John P. Manaut P. Ledger), as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, et al., as Lienee, filed as M. L. No. 93-0122 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$3,148,100.08, etc.

18. Application for Mechanics' and Materialmen's Lien dated November 19, 1993, by and between Amazon Construction Co., Inc. (Attorney(s) - Reid A. Nakamura and Diane K. Taira),

as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii Limited Partnership, et al., as Respondents, filed as M. L. No. 93-0173 in the Circuit Court of the First Circuit State of Hawaii, for the amount of \$57,948.00, etc.

19. Application for Mechanics' and Materialmen's Lien dated November 23, 1993, by and between Takashimaya Pacific, Inc. (Attorney(s) - Michael R. Marsh and Lea O. Hong), as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, and Juanita Faye Lee, as Owners, et al., filed as M. L. No. 93-0175 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$1,264,606.86, etc.

20. Application for Mechanics' and Materialmen's Lien dated December 8, 1993, by and between Hawaii Laborers' Trust Funds (Attorney(s) - Wesley H. Ikeda and Reynaldo D. Graulty), as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, as Owner, et al., filed as M. L. No. 93-0185 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$14,257.08, etc.

21. Application for Mechanics' and Materialmen's Lien dated December 8, 1993, by and between Kalu Glass Co., a Hawaii corporation (Attorney(s) - Gilbert D. Butson and Cid H. Inouye), as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, et al., as Respondents, filed as M. L. No. 93-0186 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$212,783.68, etc.

22. Application for Mechanics' and Materialmen's Lien dated December 10, 1993, by and between Island Flooring Company, Inc., a Hawaii corporation (Attorney(s) - Herbert K. Tom), as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, et al., as Respondents, filed as M. L. No. 93-0189 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$141,572.00, etc.

23. Application for Mechanics' and Materialmen's Lien dated December 13, 1993, by and between Ono Construction, Inc. (Attorney(s) - Michael L. Lam and Alan K. Lau), as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, as Owner/Lessee, et al., filed as M. L. No. 93-0191 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$33,391.80, etc.

24. Application for Mechanics' and Materialmen's Lien dated December 13, 1993, by and between Mecon Hawaii Limited, a Hawaii corporation, dba Continental Mechanical of the Pacific (Attorney(s) - Gerald S. Clay and Robert E. Chapman), as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, as Owners, et al., filed as M. L. No. 93-0192 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$854,969.00, etc.

25. Application for Mechanics' and Materialmen's Lien dated December 14, 1993, by and between Pacific Partition Systems, Inc. (Attorney(s) - Gerald S. Clay and Robert E. Chapman), as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, as Owners, et al., filed as M. L. No. 93-0193 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$623,713.19, etc.

26. Application for Mechanics' and Materialmen's Lien dated December 15, 1993, by and between Rebar, Inc., a Hawaii corporation (Attorney(s) - Kerry M. Komatsubara), as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, and Juanita Faye Lee, as Owners, et al.,

filed as M. L. No. 93-0194 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$156,772.00 for Building 1 and \$67,188.00 for Building 2.

27. Application for Mechanics' and Materialmen's Lien dated December 16, 1993, by and between Living Enterprises, Inc., dba Hawaii Roofing Company (Attorney(s) - Stephen D. Tom and Marie E. Riley), as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, and Juanita Faye Lee, as Owners, et al., filed as M. L. No. 93-0195 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$186,576.50, etc.

28. Application for Mechanics' and Materialmen's Lien dated December 16, 1993, by and between R.R.S., Inc., a Hawaii corporation (Attorney(s) - Preston A. Gima), as Lienor, and **KAPALELE ASSOCIATES**, et al., as Respondents, et al., filed as M. L. No. 93-0196 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$27,563.96, etc.

29. Application for Mechanics' and Materialmen's Lien dated December 16, 1993, by and between BCI General Contractors, a California corporation (Attorney(s) - John P. Manaut and David P. Ledger), as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, et al., as Respondents, filed as M. L. No. 93-0198 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$5,128,307.00, etc.

30. Application for Mechanics' and Materialmen's Lien dated December 17, 1993, by and between Monarch Building Supply, Inc., a Hawaii corporation (Attorney(s) - Stephen A. Jones), as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, et al., as Respondents, filed as M. L. No. 93-0199 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$53,203.20, etc.

31. Application for Mechanics' and Materialmen's Lien dated December 17, 1993, by and between Hawaii Carpenters Trust Funds and The United Brotherhood of Carpenters and Joiners of America, Local 745, AFL-CIO (Attorney(s) - James K. Tam and Ashley K. Ikeda), as Lienor, and **KAPALELE ASSOCIATES**, a Hawaii limited partnership, as Fee Owner, et al., filed as M. L. No. 93-0201 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$10,460.45, etc.

32. Application for Mechanics' and Materialmen's Lien dated January 14, 1994, by and between M.A.N. & Associates f/k/a Lusk Interiors, Inc. (Attorney(s) - Vernon F.L. Char and Charles E. McKay), as Lienor, and BCI General Contractors, a California corporation, et al., as General Contractor, filed as M. L. No. 94-0012 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$36,545.90.

33. Application for Mechanics' and Materialmen's Lien dated February 15, 1994, by and between Montgomery Elevator Co., a Delaware corporation (Attorney(s) - Sidney K. Ayabe and Rodney S. Nishida), as Lienor, and BCI General Contractors, a California corporation, et al., as General Contractors, filed as M. L. No. 94-0025 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$40,063.00.

34. Notice of Pendency of Action dated February 23, 1994, by and between Green Thumb, Inc. (Attorney(s) - Jason N. Baba and Paul M. Saito), and **KAPALELE ASSOCIATES**, a Hawaii limited partnership; BCI General Contractors; et al., as Respondents, filed in the Circuit Court of the First Circuit, State of Hawaii, on February 24, 1994, recorded as aforesaid as Document No. 94-033180 on February 24, 1994.

35. Application for Mechanics' and Materialmen's Lien dated February 23, 1994, Green Thumb, Inc. (Attorney(s) - Jason N. Baba and Paul M. Saito), as Lienor, and KAPALELE ASSOCIATES, a Hawaii limited partnership, BCI General Contractors, et al., as Respondents, filed as M. L. No. 94-0028 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$193,687.11.

35. Application for Mechanics' and Materialmen's Lien dated March 10, 1994, by and between The Continental Insurance Company, a New Hampshire corporation (Attorney(s) - Gaylord G. Tom and Gerald S. Clay), as Lienor, and BCI General Contractors, a California corporation, et al., as General Contractor, filed as M. L. No. 94-0036 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$217,022.95.

36. Application for Mechanics' and Materialmen's Lien dated March 23, 1994, by and between Johnson Tsushima Luersen Lowrey Inc. (Attorney(s) - Steven J. T. Chow), as Lienor, and BCI General Contractors, a California corporation, et al., as General Contractor, filed as M. L. No. 94-0039 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$50,626.09.

37. Application for Mechanics' and Materialman's Lien dated April 5, 1994, by and between WASA Electrical Services, Inc., a Hawaii corporation (Attorney(s) - Sidney K. Ayabe and Rodney S. Nishida), as Lienor, and BCI General Contractors, a California corporation, as General Contractor, filed as M. L. No. 94-0056 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$370,434.00, etc.

38. Application for Mechanics' and Materialman's Lien dated April 8, 1994, by and between Jade Painting, Inc., a Hawaii corporation (Attorney(s) - Howard J. Graveline, James H. Wright and Edward D. Magauran), as Lienor, and Trustees under the Will and of the Estate of Bernice Pauahi Bishop, Deceased, KAPALELE ASSOCIATES, a Hawaii limited partnership, and BCI General Contractors, a California corporation, et al., as Respondents, for the amount of \$253,707.23, etc.

39. Application for Mechanics' and Materialman's Lien dated December 17, 1993, by and between Commercial Sheetmetal Co., Inc., a Hawaii corporation (Attorney(s) - Robert M. Ehrhorn, Jr., Dickson C. H. Lee and Christine E. Murai), as Lienor, and BCI General Contractors, a California corporation, as General Contractor, filed as M. L. No. 94-0063 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$178,162.01, etc.

40. Application for Mechanics' and Materialman's Lien dated May 5, 1994, by and between Jayco Hawaii, Inc., a Hawaii corporation (Attorney(s) - Steven K. S. Chung and Timothy N. Tack), as Lienor, and BCI General Contractors, a California corporation, as General Contractor, filed as M. L. No. 94-0069 in the Circuit Court of the First Circuit, State of Hawaii, for the amount of \$52,676.00, etc.

41. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land.

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## EXHIBIT H

### CONSTRUCTION WARRANTIES

2. **Paragraph 19, Exhibit "B"**. Paragraph 19 of Exhibit "B" of the Kalele Kai Condominium Sales Contract sets forth the warranties available to the buyer. These warranties have been modified, so Paragraph 19 is hereby amended by deleting the first paragraph of Paragraph 19 and by substituting in its place and stead, the following paragraphs:

The execution, delivery and recordation of the conveyance document shall constitute the assignment by Seller to Buyer of any and all warranties including any guaranties against faulty material or workmanship, given Seller under the construction contract for the Project, as amended by the Takeover Agreement described below (the "Prime Contract") and the benefit of such warranties shall accrue to Buyer on closing without further instruments or documents. Seller agrees to cooperate with Buyer during the effective period of any of such warranties in asserting any claims based on such warranties. If closing occurs after the expiration of said warranties under the Prime Contract, Seller will also give to Buyer a construction warranty from the Seller which shall last for a period of ninety (90) days from the date of closing; provided, however, that if closing occurs within ninety (90) days before the expiration of said warranties under the Prime Contract, Seller's warranty shall extend for a certain period after said expiration date so that the total period for Seller's warranty shall be ninety (90) days. Buyer shall also have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the condominium unit. Buyer acknowledges that Seller has made no other warranties, expressed or implied, with respect to the Property or any common element or anything installed therein. At Seller's option, an inspection program may be instituted and, if so, Buyer agrees to inspect Buyer's condominium unit on a date and at a time to be specified by Seller and upon completion of such inspection, to sign an inspection sheet to be furnished by Seller which shall list all defects or damages to the property, if any. Buyer agrees to accept possession of the property despite the existence of such defects or damages to the Property regardless of extent, including but not limited to any defects in appliances and fixtures, which may be listed in said inspection sheet, but which do not render the Property uninhabitable. Seller will cooperate with and assist Buyer in having legitimate listed defects or damages corrected or repaired within a reasonable time thereafter by the warrantor. This guarantee shall survive the closing. Buyer agrees to indemnify Seller for any damages or losses, including interest and attorneys' fees, resulting from any refusal to make such inspection, to sign such inspection sheet or to accept possession of the Property upon request by Seller and if Buyer shall make any such refusal Buyer shall be deemed to be in default under this Agreement and Seller at its option

shall be entitled to cancel this Agreement and keep all payments made hereunder as liquidated damages. Buyer hereby waives all rights of inspection and rights to Seller's cooperation and assistance with the warrantors if Buyer fails to inspect Buyer's unit on the date and time specified by Seller and Buyer acknowledges that such waiver shall not in any way affect Buyer's obligations hereunder including without limitation the making of Payments C and performance of Buyer's closing obligations.

Lumbermens Mutual Casualty Company, the bonding company for BCI General Contractors, Inc., the original General Contractor for the Project, has taken over the obligation to complete the Project pursuant to that certain Surety-Takeover Agreement. Modification to Prime Contract and Modification to Performance Bond dated July 12, 1994 (the "Takeover Agreement"). The Takeover Agreement provides for warranties as follows:

Warranties for the work to be performed . . . shall commence upon substantial completion of (i) the remaining work under the Prime Contract and (ii) the remedial work described [in the Takeover Agreement] on a building-by-building basis. Warranties for the work to be performed . . . for Building 3 shall commence upon substantial completion of such work.

Substantial completion shall be the date when each building is sufficiently complete so that it can be used for its intended purpose. The dates of Substantial Completion and Final Completion shall be certified by the project architect.

Surety shall be liable under this Agreement, or under the Performance Bond to the Owner, any other obligee, or others, only with respect to claims or defects (i) actually discovered and (ii) written notice of which is given to Surety, on or before the following dates: (i) as to claims or defects arising, out of compressed drywall due to deflected slabs, 5 years from the Date of Completion (as defined in HRS Sec. 507 43 (f)); as to all other claims or defects, the earlier of (a) 2 years from the date of sale of a unit or (b) 3 years from the Date of Completion (as defined in HRS Sec. 507 43(f)). All other claims known or unknown and whether discovered or discoverable, shall be forever barred.

Any proceeding against the Surety, legal or equitable, under either this Agreement, the Prime Contract or the Performance Bond must be instituted no later than one year after the date(s) set forth above or be forever barred as to each category of claims or defects.

**EXHIBIT I -**

**SUMMARY OF SALES CONTRACT**

A specimen Condominium Sales Contract ("Sales Contract") has been submitted to the Real Estate Commission as part of the registration. The following is a brief summary of the pertinent provisions of the Sales Contract:

(a) Seller shall offer for sale fee simple condominium units and Buyer must purchase the fee simple interest together with the condominium unit and percentage common interest. Buyer shall have the option of financing the purchase of the fee simple interest by entering into a purchase money mortgage. If Buyer elects to finance the purchase of the fee simple interest by way of a purchase money mortgage, Buyer shall be required to pay a fee deposit equivalent to ten percent (10%) of the fee price and execute a promissory note and purchase money mortgage for the full fee price at pre-closing. Seller may assign the promissory note and purchase money mortgage to the Trustees without the consent of Buyer. If Buyer defaults under the purchase money mortgage, Buyer shall become obligated to make lease rent payments to Seller. A specimen copy of the purchase money mortgage setting forth the terms and conditions will be available from the Seller;

(b) All monies paid by Buyer shall be held in escrow pursuant to an escrow agreement. Buyer shall not be entitled to any interest earned from the deposit of such monies;

(c) If Buyer intends to obtain a loan from a lending institution to purchase the unit, Buyer shall apply for a loan within five (5) days of Seller's acceptance of the Sales Contract. If Buyer does not obtain a mortgage commitment within fifty (50) days after the date of Seller's acceptance of the Sales Contract, the Seller may elect to cancel the Sales Contract upon written notice to the Buyer and, upon such cancellation, all monies paid by the Buyer less the cost of any credit report, escrow cancellation fees, if any, and other costs actually incurred by the Seller or lending institution in processing such loan application, shall be refunded to Buyer. If the Seller ascertains that the Buyer has failed to qualify for the mortgage loan due to the failure to use his best efforts to obtain such mortgage loan in good faith or to do or perform all acts necessary to obtain such loan, then such failure shall constitute a default by the Buyer entitling Seller to retain all sums paid as liquidated damages;

(d) All expenses in connection with Buyer's purchase of a unit shall be paid by Buyer, including but not limited to, the cost of drafting the conveyance document; the State of Hawaii conveyance tax (Note: In connection with the conveyance tax, the Seller and Buyer will appoint Escrow Agent as their agent for the purpose of filing the affidavit in respect thereto); recording fees; the escrow fee; the cost of obtaining financing or a financing commitment; the expense of credit reports; the drafting of mortgages, etc. (which costs shall be paid directly to Buyer's mortgagee and shall in no event be reimbursed by Seller); the drafting of the purchase money mortgage (if Buyer elects finance the Fee Balance); acknowledgments of the Buyer on all instruments; and any costs incurred for title insurance shall be payable by Buyer;

(e) Buyer shall be required to pay at pre-closing prepaid maintenance fees for a period of up to two (2) months, prepaid insurance premiums for up to one (1) year, prepaid real property taxes for the remainder of the tax year prorated as of the date that a certificate of occupancy for the

condominium unit has been issued by the City and County of Honolulu and pay a non-refundable start-up fee in an amount equal to two (2) months maintenance fees. Such start-up fee shall be a one-time non-transferable non-refundable assessment at sale in addition to the normal monthly maintenance fees, shall be held, accounted for and expended as funds of the Association of Owners of Kalele Kai for the benefit of all of the condominium unit owners by Seller and the managing agent, all of which shall be paid at pre-closing. All maintenance, other taxes, assessments and other expenses shall also be prorated between Seller and Buyer as of such proration date for real property taxes which shall be the date that a certificate of occupancy for the condominium unit has been issued by the City and County of Honolulu. Buyer may be required to pay a one-time non-transferable non-refundable fee for the maintenance and preservation of Kuapa Pond and the waterways and such fee shall be paid at pre-closing. (NOTE: This amount, together with other amounts required, are in addition to and are not part of the total purchase price and shall be paid at pre-closing);

(f) If the development and construction of the Project is delayed due to governmental restrictions or regulations, or if said delay is caused by fire, earthquake, tidal wave, acts of God, the elements, war or civil disturbances, strikes or other labor disturbances, or economic controls making it impossible to obtain the necessary labor or material, or any other event, matters of conditions including any litigation or threat of litigation concerning the Project, and Seller determines in its sole discretion that increases in development and construction costs have or will occur, then and in any such event, Seller may increase the Unit Price and Boat Mooring Price by an amount not in excess of the Property's proportionate share (approximately based on the percentage common interest specified above) of the total amount of such increases in development and construction and/or interest costs; provided that Seller shall provide prior notice to Buyer;

(g) Seller has made no representations with respect to the possibility or probability of rental or other income from the condominium unit or other economical benefit to be derived from the rental of the condominium unit, including but not limited to, any representations to the effect that Seller or the managing agent of the project by a third party will provide services relating to the rental or sale of the condominium unit nor representations as to the possible advantages from the rental of the condominium unit under Federal and State tax laws. If Buyer wishes to rent the condominium unit to third persons, Buyer must make his own arrangements. Buyer further agrees and acknowledges that in the event that the offer to sell and the purchase of the condominium unit or the activities of Buyer with respect to the condominium unit are determined to be or alleged to give rise to any violation of any Federal or State securities laws or regulations, Seller may obtain an injunction enjoining such acts of the Buyer and Seller may, in addition, pursue any other remedies and Buyer shall pay the Seller's costs and attorneys' fees in connection therewith. In the event that the Buyer or anyone claiming by or through him alleges that the offer to sell or the purchase of the condominium unit gives rise to any violation of any Federal or State disclosure laws or regulations, the Buyer covenants not to sue for any remedy other than to sue for refund of the purchase price and actual closing cost plus interest at ten percent (10%) per annum from the date of closing to the date of repayment. Buyer agrees to absorb any additional charges incurred with respect to the condominium unit as the reasonable use value of the condominium unit.

(h) Seller makes no warranties, expressed or implied, with respect to the condominium units or any common elements or anything installed therein. Seller shall assign to Buyer any and all warranties, including any guaranties against faulty material or workmanship, given to Seller under the Prime Contract, as amended by the Takeover Agreement described below. Buyer shall receive direct warranties given by dealers, contractors or manufacturers on appliances installed in the condominium unit and common elements. The fixture and appliance warranties shall not apply to the Penthouse

condominium unit. The construction warranties shall only apply to the materials and workmanship existing in the Penthouse condominium unit as of the date of conveyance of the Penthouse condominium unit to Buyer.

(i) Buyer understands and acknowledges that Seller has obtained a loan from The Mitsui Trust & Banking Co., Ltd. for the construction of the Project, and an acquisition loan from The Trustees of the Estate of Bernice Pauahi Bishop for the acquisition of the fee interest to the land underlying the Project (hereinafter collectively referred to as the "Seller's Loans"). Buyer understands and acknowledges that the mortgages securing repayment of Seller's Loans (together with the interest rates and any increase in interest rates provided in said mortgages) shall be and remain at all times superior liens on all unsold condominium units and the undivided percentage interest in the common elements appurtenant to such unsold condominium units, and Buyer intentionally waives and subordinates the priority of any interest Buyer may have arising under this Agreement in favor of the liens of the mortgages securing repayment of Seller's Loans, and waives any claims which Buyer may have against Seller for breach of this Agreement in the event that said mortgages are foreclosed;

There are limited number of boat moorings available for purchase. If Buyer elects to purchase a boat mooring, Buyer shall be required to execute a Boat Mooring Sales Contract which shall provide that:

(a) The Boat Mooring Sales Contract shall be attached to and become a part of the Kalele Kai Condominium Sales Contract as Exhibit "C"; and

(b) The purchase of the boat moorings shall be restricted to the owners of condominium units in the Project. A boat mooring may be rented or leased to any other owner or tenant of the project;

(c) The payment of the Boat Mooring Price shall be paid in cash and in accordance with the payment schedule of the Unit Price.

(d) If Buyer does not consummate the purchase of the condominium unit for any reason, Buyer shall have no right to purchase a boat mooring separate and apart from a condominium unit.

The addendum to Sales Contract discloses that Buyer shall not pay at pre-closing a one-time, non-transferable, non-refundable fee for improvements to the traffic and transportation facilities servicing Hawaii Kai. Rather, this fee may be assessed in the future and, upon assessment, the current owner shall be required to pay the fee as assessed.

The addendum to Sales Contract further discloses that Lumbermens Mutual Casualty Company, the bonding company for BCI General Contractors, Inc., the original General Contractor for the Project, has taken over the obligation to complete the Project pursuant to that certain Surety-Takeover Agreement, Modification To Prime Contract and Modification To Performance Bond dated, July 12, 1994. Relevant portions of said Agreement are summarized in EXHIBIT L of this Public Report.

EXHIBIT J

SUMMARY OF ESCROW AGREEMENT

An executed Escrow Agreement has been submitted to the Real Estate Commission as part of the registration. The Escrow Agreement dated March 2, 1993, identified Title Guaranty Escrow Services, Inc. as the escrow agent. The Escrow Agreement provides that the Escrow Agent shall refund to purchaser all of purchaser's funds less a cancellation fee of not less than \$25.00, if purchaser shall request refund of his funds and any one of the following shall have occurred:

(a) Developer and purchaser have requested Escrow Agent in writing to return to purchaser the funds or purchaser then held under the Escrow Agreement by Escrow Agent; or

(b) Developer has notified Escrow Agent of Developer's exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report,

(i) upon receiving a true copy of the Final Report, purchaser elects to cancel the sales contract before the earlier of (1) the conveyance of the condominium unit to the purchaser, or (2) midnight of the thirtieth day following the date of delivery of the final public report to such purchaser, or

(ii) there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) the purchaser's condominium unit or limited common elements appurtenant thereto, or (2) those amenities of the Project available for purchaser's use, except for any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of the Project made pursuant to the terms of the Declaration.

Escrow shall promptly and diligently close the transactions and perform such services as are necessary or proper therefor including the recordation of all documents. If purchaser fails to make any payment on or before the due date or fails to perform in any matter which is being handled by Escrow, Escrow shall promptly notify Developer of any such failure on the part of purchaser.

Exhibit J  
Final CPR Public Report  
Kalele Kai  
5185n

**EXHIBIT K -**

**DISCLOSURE ABSTRACT**

**NAME OF PROJECT:**

**KALELE KAI**  
One Keahole Place  
Honolulu, Hawaii 96825

**DEVELOPER AND SELLER:**

**KAPALELE ASSOCIATES**  
One Keahole Place, Unit 3110  
Honolulu, Hawaii 96825

**MANAGING AGENT:**

**HAWAIIANA MANAGEMENT COMPANY**  
1270 Ala Moana Boulevard  
Honolulu, Hawaii 96814

**ESTIMATED ANNUAL COMMON EXPENSES AND MONTHLY MAINTENANCE FEES FOR EACH CONDOMINIUM UNIT TYPE:**

The estimated annual common expenses and monthly maintenance fees for each unit type as disclosed in the Final Public Report has been superseded by the estimated annual common expenses and monthly maintenance fees for each unit type for 1993 and 1994 attached hereto and incorporated herein as Exhibits "A" and "B" respectively.

In accordance with HRS Section 514A-61(a)(2) the estimated annual common expenses and monthly maintenance fees for each unit type for 1993 and 1994 as disclosed in Exhibits "A" and "B" respectively shall be revised and updated at least every twelve (12) months and each owner shall be obligated to pay his/her/its proportionate share of the updated estimates.

**DEVELOPER TO PAY ACTUAL COMMON EXPENSES OF PROJECT:**

Pursuant to HRS Section 514A-15(b), Developer hereby notifies all owners and purchasers that Developer shall assume the payment of the actual common expenses for Kalele Kai and all owners and Buyers shall not be obligated to pay his/her/its respective share of the common expenses until \_\_\_\_\_; PROVIDED THAT, Developer may extend such date by an amended Disclosure Abstract delivered by mail or hand delivery to all owners and Buyers; PROVIDED, HOWEVER, that pursuant to Paragraph 8, Exhibit "B" of the Kalele Kai Condominium Sales Contract, Escrow Agent shall collect, at a minimum, at closing an amount equivalent to two (2) months maintenance fees which shall be a one-time, non-transferable, non-refundable assessment at sale and not as a common expense;

PROVIDED, FURTHER, that the monies collected may be used by the managing agent for the start-up costs of the association.

Developer shall file an amended Disclosure Abstract with the Real Estate Commission at least thirty (30) days in advance of the date when all owners and purchases shall become obligated to commence paying his/her/its proportionate share of the common expenses of Kalele Kai and a copy of the amended Disclosure Abstract shall be delivered by mail or hand delivery to each of the owners whose maintenance fees were assumed by Developer. The amended Disclosure Abstract shall disclose the date upon which each owner of Kalele Kai shall be required to pay his/her/its proportionate share of the common expenses.

The assumption of the actual common expenses for Kalele Kai by Developer do not include nor apply to the Hawaii Kai Marina Community Association fees, any fees assessed by the association created to maintain the private park, or the one-time, non-transferable, non-refundable fee for improvements to the traffic and transportation facilities servicing Hawaii Kai. Each owner and Buyer shall continue to be obligated to pay these fees as assessed.

#### **DESCRIPTION OF WARRANTIES:**

Paragraph 19 of the Condominium Sales Contract, as modified by the Addendum thereto, states:

The execution, delivery and recordation of the conveyance document shall constitute the assignment by Seller to Buyer of any and all warranties given Seller under the construction contract for the Project, as amended by the Takeover Agreement described below (the "Prime Contract"), including but not limited to said contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the condominium unit, as that term is defined in the Prime Contract, and the benefit of such warranties shall accrue to Buyer on closing without further instruments or documents. Seller agrees to cooperate with Buyer during the effective period of any of such warranties in asserting any claims based on such warranties. If closing occurs after the expiration of said warranties under the Prime Contract, Seller will also give to Buyer a construction warranty from the Seller which shall last for a period of ninety (90) days from the date of closing; provided, however, that if closing occurs within ninety (90) days before the expiration of said warranties under the Prime Contract, Seller's warranty shall extend for a certain period after said expiration date so that the total period for Seller's warranty shall be ninety (90) days. Buyer shall also have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the condominium unit. Buyer acknowledges that Seller has made no other warranties, expressed or implied, with respect to the Property or any common element or anything installed therein. At Seller's option, an inspection program may be instituted and, if so, Buyer agrees to inspect Buyer's condominium unit on a date and at a time to be specified by Seller and upon completion of such inspection, to sign an inspection sheet to be furnished by Seller which shall list all defects or damages to the property, if any. Buyer agrees to accept possession of the property despite the existence of such defects or damages to the Property regardless of extent, including but not limited to any defects in appliances and fixtures, which may be listed in said inspection sheet, but which do not render the Property uninhabitable. Seller will cooperate with and assist Buyer in having legitimate listed defects or damages corrected or repaired

within a reasonable time thereafter by the warrantor. This guarantee shall survive the closing. Buyer agrees to indemnify Seller for any damages or losses, including interest and attorneys' fees, resulting from any refusal to make such inspection, to sign such inspection sheet or to accept possession of the Property upon request by Seller and if Buyer shall make any such refusal Buyer shall be deemed to be in default under this Agreement and Seller at its option shall be entitled to cancel this Agreement and keep all payments made hereunder as liquidated damages. Buyer hereby waives all rights of inspection and rights to Seller's cooperation and assistance with the warrantors if Buyer fails to inspect Buyer's unit on the date and time specified by Seller and Buyer acknowledges that such waiver shall not in any way affect Buyer's obligations hereunder including without limitation the making of Payments C and performance of Buyer's closing obligations.

Lumbermens Mutual Casualty Company, the bonding company for BCI General Contractors, Inc., the original General Contractor for the Project, has taken over the obligation to complete the Project pursuant to that certain Surety-Takeover Agreement. Modification To Prime Contract and Modification To Performance Bond dated July 12, 1994 (the "Takeover Agreement"). The Takeover Agreement provides for warranties as follows:

Warranties for the work to be performed . . . shall commence upon substantial completion of (i) the remaining work under the Prime Contract and (ii) the remedial work described [in the Takeover Agreement] on a building-by-building basis. Warranties for the work to be performed . . . for Building 3 shall commence upon substantial completion of such work.

Substantial completion shall be the date when each building is sufficiently complete so that it can be used for its intended purpose. The dates of Substantial Completion and Final Completion shall be certified by the project architect.

Surety shall be liable under this Agreement, or under the Performance Bond to the Owner, any other obligee, or others, only with respect to claims or defects (i) actually discovered and (ii) written notice of which is given to Surety, on or before the following dates: (i) as to claims or defects arising, out of compressed drywall due to deflected slabs, 5 years from the Date of Completion (as defined in HRS Sec. 507 43(f); as to all other claims or defects, the earlier of (a) 2 years from the date of sale of a unit or (b) 3 years from the Date of Completion (as defined in HRS Sec. 507 43(f). All other claims known or unknown and whether discovered or discoverable, shall be forever barred.

Any proceeding against the Surety, legal or equitable, under either this Agreement, the Prime Contract or the Performance Bond must be instituted no later than one year after the date(s) set forth above or be forever barred as to each category of claims or defects.

#### **PENTHOUSE CONDOMINIUM UNIT DISCLOSURE:**

The Penthouse condominium unit does not contain any fixtures, appliances or interior (non-load bearing) walls. It is the responsibility of the Buyer, in its sole discretion and personal choice, to purchase and install fixtures and appliances and construct the interior layout and design of the Penthouse condominium unit in accordance with any conditions and covenants contained in the

Declaration and Bylaws. Seller is only providing the capability to connect to utilities, water and wastewater disposal. THE FIXTURE AND APPLIANCE WARRANTIES SET FORTH IN THE SALES CONTRACT SHALL NOT APPLY TO THE PENTHOUSE CONDOMINIUM UNIT. THE CONSTRUCTION WARRANTIES SET FORTH HEREINABOVE SHALL ONLY APPLY TO THE MATERIALS AND WORKMANSHIP EXISTING IN THE PENTHOUSE CONDOMINIUM UNIT AS OF THE DATE OF CONVEYANCE OF THE PENTHOUSE CONDOMINIUM UNIT TO BUYER. THE CONSTRUCTION WARRANTIES SET FORTH HEREINABOVE SHALL NOT APPLY TO ANY DAMAGE TO MATERIALS OR WORKMANSHIP ARISING FROM WORK PERFORMED BY THE BUYER, ITS AGENTS, CONTRACTORS AND SUBCONTRACTORS.

**USE:**

The project will contain two hundred and nineteen (219) condominium units which shall be used only for residential purposes. The project will also contain one (1) recreational facility (hereinafter referred to as the "Clubhouse").

**BOAT MOORINGS:**

A boat mooring may be appurtenant to and for the exclusive use of a designated condominium unit upon the original conveyance thereof, or as may be made appurtenant thereto by subsequent conveyance. The use of a boat mooring shall be subject to that certain Declaration of Protective Provisions and any rules and regulations promulgated thereunder, the Declaration of Condominium Property Regime (hereinafter referred to as the "Declaration") and any house rules adopted by the Association. The Developer shall have the right to amend the Declaration as often as necessary to redesignate and transfer all unsold boat moorings from condominium unit 3110 to any other condominium unit owned by Developer and/or effectuate the initial attachment of unsold boat mooring(s) to any condominium unit originally purchased from Developer and said amendment(s) to the Declaration shall only require the signature of Developer. Once a boat mooring has been attached to a condominium unit as a limited common element, the owner may transfer the boat mooring upon amendment to the Declaration; provided that the amendment to effectuate a transfer and change in the designation of a boat mooring appurtenant to a condominium unit shall need only the signature and approval of the owner transferring the boat mooring, the owner accepting the transference of the boat mooring and their respective mortgagees, if any.

In addition, a boat mooring may be leased for a minimum period of thirty (30) days to another owner or tenant of a condominium unit within the Project, subject to the terms and conditions of the Declaration and the Declaration of Protective Provisions and any rules and regulations promulgated thereunder; provided that said lease of the boat mooring shall be in writing and all assessments, charges, fees or penalties arising from said boat mooring shall be levied against the owner of the condominium unit to which the boat mooring is an appurtenant limited common element.

\_\_\_\_\_, 199\_\_\_\_.

EXHIBIT A  
KALELE KAI  
ESTIMATED COMMON EXPENSES  
1993

	<u>MONTHLY</u>	<u>YEARLY</u>
<b>RECEIPTS</b>		
MAINTENANCE FEES	84,428	1,013,136
INTEREST	<u>100</u>	<u>1,200</u>
TOTAL	84,528	1,014,336
<b>DISBURSEMENTS</b>		
<b>UTILITIES</b>		
ELECTRICITY	29,902	358,824
WATER	3,443	41,316
SEWER	5,869	70,428
TELEPHONE	<u>273</u>	<u>3,276</u>
TOTAL	39,487	473,844
 <b>MAINTENANCE</b>		
AIR CONDITIONING/MECH. MAINTENANCE	969	11,628
CLEANING SUPPLIES	350	4,200
ELEVATOR	2,061	24,732
GROUNDS	4,000	48,000
LIGHTING	494	5,928
PLUMBING	364	4,368
POOL	250	3,000
MISCELLANEOUS REPAIRS & PURCHASES	1,095	13,140
PAINTING	219	2,628
PEST CONTROL	420	5,040
SECURITY	3,263	39,396
REFUSE	1,700	20,400
ELECTRONIC SYSTEMS	<u>500</u>	<u>6,000</u>
TOTAL	15,705	188,460
 <b>ADMINISTRATION</b>		
ADMINISTRATIVE SUPPLIES & SERVICES	175	2,100
MANAGEMENT SERVICES	710	8,520
LEGAL FEES	250	3,000
AUDIT	<u>100</u>	<u>1,200</u>
TOTAL	1,235	14,820

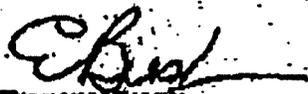
KALELE KAI  
 ESTIMATED COMMON EXPENSES -- 1993  
 PAGE 2

	<u>MONTHLY</u>	<u>YEARLY</u>
<b>PAYROLL &amp; BENEFITS</b>		
PAYROLL MANAGER	2,000	24,000
PAYROLL CLEANING	3,900	46,800
PAYROLL MAINTENANCE	1,700	20,400
WORKER'S COMPENSATION	826	9,912
TDI	35	420
HEALTH CARE	672	8,064
PAYROLL TAXES	775	9,300
PAYROLL PREPARATION	100	1,200
RENT APARTMENT	<u>1,400</u>	<u>16,800</u>
TOTAL	11,486	137,832
 <b>OTHER EXPENSES</b>		
INSURANCE	13,485	161,820
MISCELLANEOUS	100	1,200
GENERAL EXCISE TAX	<u>30</u>	<u>360</u>
TOTAL	13,615	163,380
 <b>RESERVE TRANSFERS</b>	3,000	36,000
 <b>TOTAL DISBURSEMENTS AND RESERVES</b>	84,528	1,014,336

Hawaii Kai Marina fees and fees to maintain a private park are not included in the Association maintenance fees.

It is hereby certified that the foregoing estimate of the monthly common expenses and the estimated maintenance fees per unit type were calculated based upon generally accepted accounting principles using current cost data as of September 29, 1993.

HAWAIIANA MANAGEMENT COMPANY, LTD.

  
 Emory Bush  
 Executive Vice President

(Revised 9/29/93)

KALELE KAI

1993

MONTHLY MAINTENANCE FEES

<u>TYPE APARTMENT</u>	<u>% COMMON INTEREST</u>	<u>MONTHLY MAINT. FEE</u>	<u># OF UNITS</u>	<u>TOTAL MAINT. FEE BY TYPE</u>
A-1, A-2, AR-1, AR-2, AR-3, AR	0.3822	322.68	40	12,907.20
B-1, B-2, BR-1, BR-2	0.3831	323.44	34	10,996.96
B1R-1, B1-1	0.3815	322.09	22	7,085.98
C-1, C-2, CR-1, CR-3	0.3824	322.85	41	13,236.85
C1R-1, C1-1	0.3809	321.59	9	2,894.31
E-1, E-3, ER-1, ER-2, E-4	0.5353	451.94	43	19,433.42
P-1, PR-1	0.9252	781.13	8	6,249.04
P1R-2, P1-2	0.9235	779.69	2	1,559.38
D-1, D-2	0.5921	499.90	10	4,999.00
T/H AR-2, A-2	0.5906	496.63	4	1,994.52
TH A1-1, A1-3, A1R-3	0.5952	502.52	4	2,010.08
T/H BR-1, B-1	0.6282	530.38	2	1,060.76
			<u>219</u>	<u>84,427.50</u>

EXHIBIT B  
KALELE KAI  
ESTIMATED COMMON EXPENSES  
1994

	<u>MONTHLY</u>	<u>YEARLY</u>
RECEIPTS		
MAINTENANCE FEES	85,983	1,031,796
INTEREST	<u>100</u>	<u>1,200</u>
TOTAL	86,083	1,032,996
DISBURSEMENTS		
UTILITIES		
ELECTRICITY	31,028	372,336
WATER	3,443	41,316
SEWER	6,160	73,920
TELEPHONE	<u>273</u>	<u>3,276</u>
TOTAL	40,904	490,848
MAINTENANCE		
AIR CONDITIONING/MECH. MAINTENANCE	969	11,628
CLEANING SUPPLIES	350	4,200
ELEVATOR	2,061	24,732
GROUNDS	4,000	48,000
LIGHTING	494	5,928
PLUMBING	364	4,368
POOL	250	3,000
MISCELLANEOUS REPAIRS & PURCHASES	1,095	13,140
PAINTING	219	2,628
PEST CONTROL	420	5,040
SECURITY	3,283	39,396
REFUSE	1,700	20,400
ELECTRONIC SYSTEMS	<u>500</u>	<u>6,000</u>
TOTAL	15,705	188,460
ADMINISTRATION		
ADMINISTRATIVE SUPPLIES & SERVICES	175	2,100
MANAGEMENT SERVICES	710	8,520
LEGAL FEES	250	3,000
AUDIT	<u>100</u>	<u>1,200</u>
TOTAL	1,235	14,820

KALELE KAI

1994  
MONTHLY MAINTENANCE FEES

<u>TYPE APARTMENT</u>	<u>% COMMON INTEREST</u>	<u>MONTHLY MAINT. FEE</u>	<u># OF UNITS</u>	<u>TOTAL MAINT. FEE BY TYPE</u>
A-1, A-2, AR-1, AR-2, AR-3, AR	0.3822	327.10	40	13,084.00
B-1, B-2, BR-1, BR-2	0.3831	327.87	34	11,147.58
B1R-1, B1-1	0.3815	326.50	22	7,183.00
C-1, C-2, CR-1, CR-3	0.3824	327.27	41	13,418.07
C1R-1, C1-1	0.3809	325.99	9	2,933.91
E-1, E-3, ER-1, ER-2, E-4	0.5353	458.13	43	19,699.59
P-1, PR-1	0.9252	791.81	8	6,334.48
P1R-2, P1-2	0.9235	790.36	2	1,580.72
D-1, D-2	0.5921	506.74	10	5,067.40
T/H AR-2, A-2	0.5906	505.45	4	2,021.80
TH A1-1, A1-3, A1R-3	0.5952	509.39	4	2,037.56
T/H BR-1, B-1	0.6282	537.63	2	1,075.26
				<u>85,563.37</u>

**EXHIBIT L -**

**TAKEOVER AGREEMENT PERTINENT PROVISIONS**

**[NOTE: A copy of the Takeover Agreement identified below can be reviewed at the office of the Developer at the Project Sales Office. A copy of said Takeover Agreement has been filed with the Real Estate Commission of the State of Hawaii].**

1. Lumbermens Mutual Casualty Company, the bonding company for BCI General Contractors, Inc. (the "**Prime Contractor**") has taken over the obligations under the Construction Contract between Kapalele Associates and the Prime Contractor to complete the Project (the "**Prime Contract**") pursuant to that certain Surety-Takeover Agreement, Modification To Prime Contract and Modification To Performance Bond dated July 12, 1994 (the "**Agreement**"), between Lumbermens Mutual Casualty Company (the "**Surety**") and Kapalele Associates (the "**Owner**").

2. Pertinent provisions of the Agreement which are relevant to the Purchaser are as follows:

a. Paragraph 1 of the Agreement provides for the Surety's undertaking and obligation as follows:

Surety agrees that it will . . . furnish and pay for all necessary labor, materials, tools, apparatus, supplies, equipment, services and all other things necessary to perform and fully complete the work originally required to be done by Prime Contractor, under the Prime Contract, including, but not limited to the correction to any defective work performed by the Prime Contractor, and such repairs as may be necessary as a result of vandalism, theft, wear and tear or deterioration which may have occurred as a result of work at the project being suspended. Surety further agrees that it will perform and complete said work in the manner required by the Prime Contract and all modifications thereof to the satisfaction of Owner.

b. Paragraph 1 of the Agreement further provides that the Surety shall be bound by all provisions and conditions of the Prime Contract, except as amended by the Agreement and an escrow letter executed in conjunction with the Agreement.

c. Paragraph 1 of the Agreement further provides as follows:

Surety further agrees to perform all guaranty, warranty and maintenance obligations under the Prime Contract, including such obligations arising out of work performed by the Prime Contractor during performance of the Prime Contract.

d. Paragraph 2 of the Agreement further provides for the performance of remedial work for the work done under the Prime Contract prior to the Agreement, as follows:

In addition, Surety agrees to finance . . . the performance of remedial work to the extent and as described in [ANNEX L attached

hereto], relating to (i) compressed drywall and deflected slabs, (ii) installation of expansion joints in the lanai tile at certain locations, and (iii) application of elastomeric paint on ceilings in certain of the units. . . Surety warrants that the aforesaid remedial work shall be subject to and shall fully comply with the warranties set forth in Paragraph 3.5 of the General Conditions of the Contract for Construction (AIA Document A201-1987 Edition). Surety further agrees, with respect to such remedial work, that it will perform or cause the performance of all guaranty, warranty, corrective or maintenance obligations required under 12.2 of [said General Conditions].

e. Paragraph 4 of the Agreement provides for the quality standard of the work to be performed as follows:

Surety and Owner agree that the quality standard of the work to be performed under Paragraphs 1 and 2 above shall be the same as established by the project architect for Building No. 3, except as set forth in [said ANNEX L] and except as may be agreed by a modification to the Prime Contract. . .

f. Paragraph 4 of the Agreement further provides for the commencement of the warranty period as follows:

Warranties for the work to be performed under Paragraphs 1 and 2 above for Building Nos. 1, 2 and the Townhouses and the common elements shall commence upon substantial completion of (i) the remaining work under the Prime Contract and (ii) the remedial work described on [ANNEX L] on a building-by-building basis. Warranties for the work to be performed under Paragraph 2 above for Building 3 shall commence upon substantial completion of such work.

g. Paragraph 11 of the Agreement provides for dates for the completion of portions of the Project as follows:

Surety agrees to use its best efforts to cause substantial completion of the remaining work under the Prime Contract and the remedial work described on [ANNEX L] to occur on or before the following dates:

Building 3 (warranty repairs only)	September 15, 1994
Building 1	December 31, 1994
Building 2	January 31, 1995
The Townhouses and the Project's Common Elements	December 31, 1994

h. Paragraph 11 of the Agreement defines "**substantial completion**" as follows:

Substantial completion shall be the date when each building is sufficiently complete so that it can be used for its intended purpose. The dates of Substantial Completion and Final Completion shall be certified by the project architect.

i. Paragraph 12 of the Agreement provides that the Surety has agreed to discharge within thirty (30) days of attachment, any mechanic's lien which may attach to the improvements being constructed and any leasehold or fee interest in the underlying land.

j. Paragraph 17 of the Agreement places an upper limit on the Surety's obligation as follows:

Surety agrees to expend such of its own funds as may from time to time be necessary to pay for the performance of the Completing Contract, provided, however, that Surety's obligation shall in no event exceed, as it is hereby expressly limited to, the penal sum of its bond aforesated.

k. Paragraph 20 of the Agreement further provides for certain limitation dates related to construction defect claims as follows:

Surety shall be liable under this Agreement, or under the Performance Bond to the Owner, any other obligee, or others, only with respect to claims or defects (i) actually discovered and (ii) written notice of which is given to Surety, on or before the following dates: (i) as to claims or defects arising out of compressed drywall due to deflected slabs, 5 years from the Date of Completion (as defined in HRS Sec. 43(f)); as to all other claims or defects, the earlier of (a) 2 years from the date of sale of a unit or (b) 3 years from the Date of Completion (as defined in HRS Sec. 507 43(f)). All other claims known or unknown and whether discovered or discoverable, shall be forever barred.

Any proceeding against the Surety, legal or equitable, under either this Agreement, the Prime Contract or the Performance Bond must be instituted no later than one year after the date(s) set forth above or be forever barred as to each category of claims or defects.

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## ANNEX L -

### Testing

Five live load tests designed and observed by Wiss, Janney, Elstner Associates, Inc. ("WJE"), a national consulting firm and testing laboratory retained by Owner, and paid for by Surety, were performed by Charles Pankow Builders, Inc. in Building 2. The test consisted of placing a live load of 40 pounds per square foot over the areas of longest structural spans. The load was imposed by filling 55 gallon drums with water. The loads were placed for a maximum of twelve hours. A wall ceiling trim piece from Building 3 was replicated in the fifth test. No deflection of significance was detected. See Summary and Recommendations of Report dated April 8, 1994 (as amended), attached hereto as Table L-2 (hereinafter "WJE Report") [NOTE: Only the Summary and Recommendations page of the WJE Report has been attached. A full copy of the WJE Report can be reviewed at the office of the Developer at the Project Sales Office. A copy of the WJE Report has been filed with the Real Estate Commission of the State of Hawaii].

### Drywall

The repair of drywall due to slab deflection will follow the recommendations of the WJE Report, which are as follows. This remedial work is not intended to substitute for ordinary punchlist work which may pertain to the drywall:

1. All three non-demising partition walls in all first-floor E-Units and the two partition walls in all first-floor C-Units as shown on the attached floor plan sketch shall be removed and reinstalled making sure that a gap above the studs is no less than 1/4 inch.
2. For all other non-demising partition walls exhibiting bowing exceeding 1/8 inch using a six foot straight edge, remove and replace the partition wall.
3. On all floors except the sixth floor, there shall be a gap installed, if one does not already exist, of not less than 1/4 inch between the top of the drywall and the bottom of the slab. A trim piece shall be installed at the top of the partitions on all floors except the sixth floor. Installation shall follow the procedures already established in Building 3. As to the units in Building 3 that already have a trim piece installed, a gap shall be cut, without removing the trim piece, between the trim piece and the bottom of the slab.
4. Prior to acceptance, any other wall that is visibly distressed on account of slab deflection shall be repaired or replaced as necessary. All repaired/replaced walls will be finished and repainted.
5. At any time up to five years from the Date of Completion as defined in HRS sec. 507-43 (f), the Surety agrees to come back to the Project at the request of either the Owner or a Purchaser and repair or replace any drywall which exhibits visible distress caused by deflection in excess of 1/8 inch using a six foot straight edge.

### Slabs

Floor slabs in those units listed on Table L-1, attached, shall be adjusted with fill where needed to reasonably ameliorate extreme deviation in interior floor surfaces and to eliminate the feeling of or appearance of a sloped floor. The work that will be performed will be done in accordance with the criteria shown on Table L-1.

### Punchlist Work

JTLL shall provide to the Surety the punchlist, a list of unfinished work, and a list of non-conforming work. In the event of a dispute, claim, or disagreement regarding punchlist work, aesthetics of the work, or conformance of the work to the contract documents, the dispute shall be submitted to and decided by James Reinhardt, whose decision shall be final and binding upon all parties. The standard which Mr. Reinhardt will apply in deciding any dispute should take into account the following considerations: (1) requirements of the Contract Documents pertaining to safety and compliance with applicable laws, regulations and codes at permit date shall be strictly adhered to; (2) with regard to other requirements of the Contract Documents pertaining to scope and quality of the work, substantial, not literal, compliance shall be the standard and no work shall be required which would result in economic waste; (3) the quality standard developed for Building 3 shall still be followed with the understanding that Mr. Reinhardt has the flexibility stated in item (2) above; (4) in any decision, Mr. Reinhardt shall take into account the standard of quality of workmanship that a prospective purchaser could expect in a condominium project on the Island of Oahu of comparable design quality.

### Other

Owner shall provide all utilities for Building 3 and common areas, and shall maintain the landscaping. Surety shall provide all utilities for Buildings 1, 2 (including parking garages and corridors for Buildings 1 and 2) and the Townhomes until substantial completion of Buildings 1, 2 and the Townhomes, respectively, and shall provide daily and final construction clean-up. In addition to the remedial work to the drywall and slabs as stated above, the Surety agrees to install expansion joints at the extended lanai tiles at the third floor of all buildings, and cover cracks in the ceiling plaster with elastomeric paint for those units which did not previously receive the elastomeric coat and now exhibit cracks.

### Acceptance of Existing Work

The following work is accepted in place as built:

1. All conditions where drywall abuts to a concrete surface.
2. All conditions where curbs have been created where interior slabs meet exterior walls.
3. All concrete walkways and decks.
4. All concrete and masonry surfaces within the garages except where patching and grinding is required to prevent a safety hazard, and provided that the garages have a completed garage look that a prospective purchaser could expect in a condominium project on the Island of Oahu of comparable design quality.
5. All (except obviously mismatched tile) tile and all grout (except obviously stained grout).
6. All exterior lanai surfaces and walls except those units specifically listed on presently existing punchlist.
7. Uniformity of cabinet finishes shall be determined on a unit by unit basis.

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## KALELE KAI TABLE L-1

A. Per Charles Pankow Builders, Ltd. Proposal of April 27, 1994

UNITS 1312, 1512, 1514, 1516, & 1518

[These units have wavy floors, the floors will be rehabilitated to provide flat surfaces]

B. FLOOR FILL REQUIRED		
1	1202	Living Room
2	1302	Living Room
3	1304	Living Room
4	1311	Living Room
5	1401	Living Room, bedroom #3
6	1402	Living Room, bedroom #3 & master
7	1404	Master bedroom
8	1501	Living room, Bedrooms 2 & 3
9	1505	Bedroom #2
10	1608	Living room
11	1615	Master bedroom

C. FLOOR FILL OR ALUMINUM TRIM REQUIRED		
1	2212	Living room
2	2301	Living room & all bedrooms
3	2302	Living room & master bedroom
4	2312	Living room & all bedrooms
5	2313	Living room & all bedrooms
6	2401	Living room & all bedrooms
7	2402	Living room & bedrooms 2 & 3
8	2412	Living room & all bedrooms
9	2413	Living room & all bedrooms
10	2501	Living Room
11	2502	Living room & all bedrooms
12	2512	Bedrooms 2 & 3
13	2612	Penthouse loft

D. ALUMINUM TRIM REQUIRED		
1	1301	Living Room, Bedrooms 2 & 3
2	1308	Bedroom 3
3	1309	Master bedroom
4	1312	Bedroom #2
5	1313	Master bedroom
6	1317	Master bedroom
7	1411	Living Room
8	1414	Master bedroom
9	1415	Living Room
10	1502	Living room & all bedrooms
11	1509	Living room
12	1516	Master bedroom
13	1610	Master bedroom
14	1613	Living room

E. FILL-IN TROUGH		
1	1318	Master bedroom - trough
2	1403	Bedroom # 2 - trough
3	1508	Dining room - trough
4	1601	Dining room - trough
5	1602	Dining room - trough
6	2513	Trough
7	2605	Trough
8	2606	Trough
9	2607	Trough
10	2608	Trough
11	2609	Trough

Work on Floors in Buildings 1 & 2 is based upon the following criteria which are to be applied to all the units listed above.

- A. If the total height of the curb and shim varies by more than 1/2" in any single run, fill will be required.
- B. If the total height of the curb and shim  $\leq 3/4"$ , the shim space will be caulked.  
If the total height of the curb and shim  $> 3/4"$ , aluminum trim will be installed.
- C. If the curb height  $> 3/4"$ , install aluminum trim.

SUMMARY AND RECOMMENDATIONS

Load tests on four partitions show that the differential movement between slabs produced by a live load of 40 psf is significantly less than calculated deflection.

Also, visual observations indicate screwing the studs and/or gypsum panel to the top runner does not produce a rigid connection, and the tests show that movement resulting from a live load of 40 psf will be limited to local buckling of the leg of the top runner or local buckling of the flange of the stud.

Except for first-floor units, future bowing of the partition is unlikely if the partition presently has no visible bowing. Excessive bowing and buckling has occurred the three partitions of first-floor E-Units. Mathematical analysis finds these partitions are subjected to the most severe differential vertical movements. Therefore, if future failures occur, it will most likely be in first-floor E-Units and C-Units.

We recommend that the three partitions in all first-floor E-Units and the two partitions in all first-floor C-Units be removed and reinstalled making sure that the gap above studs is no less than 1/4 in.

For other partitions exhibiting bowing exceeding 1/8 in. using a six-foot straightedge, remove and replace the partition.

We recommend the installation of trim at tops of the partitions on all floors except the sixth floor. Installation should follow procedures already established in Building 3, making sure a 1/4 in. gap exists between the top of the wallboard and the bottom of the ceiling slab. This fix will eliminate local crushing and will obscure local buckling caused by screwing gypsum panels and/or studs to the top runner.

Where aesthetically objectionable, cracks and humped joints should be repaired to restore acceptability.