

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer Kuakini Support Services, Inc.
Address 347 North Kuakini Street, Honolulu, Hawaii 96817

Project Name(*): Kuakini Physicians Tower
Address: 347 North Kuakini Street, Honolulu, Hawaii 96817

Registration No. 2816

Effective date: May 5, 1993

Expiration date: June 5, 1994

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

— FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with _____

— SUPPLEMENTARY: This report updates information contained in the:
(pink)
[] Preliminary Public Report dated: _____
[] Final Public Report dated: _____
[] Supplementary Public Report dated: _____

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

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[x] 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.

[X] No prior reports have been issued by the developer.

[] Changes made are as follows:

SUMMARY OF THE EXISTING STATE OF DEVELOPER'S INTEREST IN THE LAND UNDERLYING THE KUAKINI PHYSICIANS TOWER (THE "PROJECT")

The purchaser should be aware that as of the date of this public report the Developer does not yet have any recorded interest in the land on which the Project covered by this public report will be built. Several things must happen before the Developer will be able to deliver good leasehold title to any unit described in this public report.

The Project Site is presently located within another existing condominium property regime which is known as the Kuakini Health System Complex. A new apartment to be called the "Ewa Parking Apartment" will be created within the Kuakini Health System Complex and this apartment will be leased to the Developer so that the Developer can build the Project covered by this public report. The Kuakini Health System Complex is owned by an entity called the Kuakini Medical Center, which is a Hawaii nonprofit corporation. The Developer is also a Hawaii nonprofit corporation. Both the Developer and the Kuakini Medical Center are corporations which are wholly owned subsidiaries of Kuakini Health System, a Hawaii nonprofit corporation.

The Developer will be permitted to build the medical office building which will comprise the Project within the Project Site. The Developer will also have the right to subdivide a separate lot out of the Project Site. When this has been done, the Developer will have the right to withdraw the Project Site and any improvements which the Developer has built from the Kuakini Health System Complex project and to submit the withdrawn property to a new condominium property regime which is described in this public report, which will be called the Kuakini Physicians Tower.

The Developer will be able to deliver to a purchaser good leasehold title to a unit in the Kuakini Physicians Tower only when the Project has been built and all of the steps described above have been completed.

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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: Kuakini Support Services, Inc. Phone: 547-9231
Name (Business)
347 North Kuakini Street
Business Address
Honolulu, Hawaii 96817

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

Richard Suehiro - Chairman
Allan S. Totoki - Secretary/Treasurer

Real Estate Broker: Roberta K. Brown, Realtor Phone: 524-7552
Name (Business)
725 Kapiolani Blvd., C-309
Business Address
Honolulu, Hawaii 96813

Escrow: Island Title Corporation Phone: 531-0261
Name (Business)
1132 Bishop Street, Suite 400
Business Address
Honolulu, Hawaii 96813
Attn: Lynne Kaneshiro

General Contractor: To be determined Phone: _____
Name (Business)

Business Address

Condominium Managing Agent: Monroe & Friedlander Management, Inc. Phone: 521-2611
Name (Business)
220 South King Street, Suite 1800
Business Address
Honolulu, Hawaii 96813
Attn: Miles Kamimura

Attorney for Developer: Foley Maehara Judge Nip & Chang Phone: 526-3011
Name (Business)
737 Bishop Street, Suite 2700
Business Address
Honolulu, Hawaii 96813
Attn: Wesley Y.S. Chang, Esq.

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

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

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

The Declaration for this condominium is:

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

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

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

The Condominium Map for this condominium project is:

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

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

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

The Bylaws for this condominium are:

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

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>By the Board</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:

See Exhibit A

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

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

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

Lease Term Expires: Fifty-five (55) years from commencement of the lease term

Rent Renegotiation Date(s): Remaining two (2) ten (10) year periods and the last five (5) year period

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 347 North Kuakini Street Tax Map Key: 1st Div., 1-7-17-2 (portion)
Honolulu, Hawaii 96817 (TMK)

Address TMK is expected to change because the underlying land will be subdivided from other property.

Land Area: 23,075 square feet acre(s) Zoning: See Exhibit D

Lessor
 (Fee Owner): Kuakini Medical Center
Name
347 North Kuakini Street
Address
Honolulu, Hawaii 96817

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: 1 Floors Per Building 12, including a basement floor

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
		See Exhibit D			
<input checked="" type="checkbox"/> Commercial	<u>75</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

Yes No

5. Special Use Restrictions:

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

[] Pets: _____

[] Number of Occupants: _____

[X] Other: See Exhibit E

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 4 Stairways: 3 Trash Chutes: 0

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

Total Apartments: 75

*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: Each unit shall include all the walls and partitions which are not load-bearing within its perimeter or party walls, any glass windows or panels within its perimeter, the inner decorated or finished surfaces of all walls, floors and ceilings and any fixtures and appliances originally installed therein.

Permitted Alterations to Apartments: See Exhibit G

7. Parking Stalls:

Total Parking Stalls: 206

	<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>72</u>	<u>None</u>	<u>28</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>100</u>
Guest Unassigned	<u>73</u>	<u>None</u>	<u>33</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>106</u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>145</u>		<u>61</u>		<u>None</u>		

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

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities: See Exhibit H

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute

Other: _____

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

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):

NA

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted. See Exhibit D

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

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

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

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

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

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

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

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

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

described in Exhibit I.

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 J.

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 K.

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 L describes the encumbrances against the title contained in the title report dated January 6, 1993 and issued by Island Title Corporation.

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. See Exhibit M

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.

Type of Lien

**Effect on Buyer's Interest and Deposit if Developer Defaults
or Lien is Foreclosed Prior to Conveyance**

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:

The closing of the sale of the unit shall constitute the assignment by Developer to the Buyer of any and all warranties given the Developer by the Contractor for the Project and by any subcontractors or materialmen, including the Contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" (as defined in the construction contract for the Project) of the unit and the benefit of such warranties shall accrue to Buyer on closing without further instruments or documents.

2. Appliances: N/A

G. Status of Construction and Estimated Completion Date:

Construction of the Project is expected to begin in June, 1993 and the estimated completion date of the Project is anticipated to be December, 1994,

H. Project Phases:

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

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

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 the Developer or the Developer's affiliate.
- self-managed by the Association of Apartment Owners other _____

B. Estimate of Initial Maintenance Fees: SEE DISCLOSURE ABSTRACT

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 _____ 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:

- (Common elements only)
- None Electricity * Gas Water
- Sewer Television Cable Other _____

* Electricity charges for lighting and power usage for each unit will be billed separately to such unit. Electricity charges for the Project other than lighting and power usage for each unit will be included in the maintenance fees.

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit N contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated January 5, 1993
Exhibit O contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

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

This Public Report is a part of Registration No. 2816 filed with the Real Estate Commission on February 12,
19

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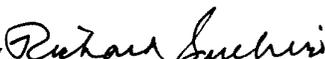
C. **Additional Information Not Covered Above**

See Exhibit P

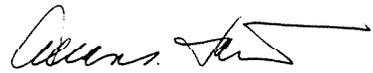
- D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Kuakini Support Services, Inc.

Name of Developer

By 
RICHARD SUEHIRO
Its Chairman

02-12-93
Date

By 
~~QUINTIN UY~~ ALLAN S. TODOKI
Its Secretary/Treasurer

02-12-93
Date

Distribution:

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

EXHIBIT A

DEVELOPER'S RESERVED RIGHTS TO CHANGE THE
DECLARATION OF CONDOMINIUM PROPERTY REGIME,
CONDOMINIUM MAP, BY-LAWS OR HOUSE RULES

The following are excerpts from the Declaration, By-Laws and the Sales Contract:

I. DECLARATION.

Paragraph S. entitled "Amendment of Declaration" provides in pertinent part that:

... Developer may, at any time prior to the recordation of a condominium conveyance document in the Bureau conveying a unit to a party not a signatory hereto, on obtaining the written consent of the Fee Owner (which consent shall be in the Fee Owner's sole discretion) amend this Declaration and the By-Laws in any manner as Developer may deem fit; provided, further, that Fee Owner and Developer reserve the right to amend this Declaration, without the consent or joinder of any other person then having an interest in a unit, by filing an amendment to this Declaration pursuant to the provisions of Section 514A-12, Hawaii Revised Statutes, as amended, after completion of the building described herein, to which amendment shall be attached a verified statement of a licensed, registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, unit numbers and dimensions of the units as built.

II. BY-LAWS.

A. Section 2 of Article II entitled "Qualification" provides in pertinent part that:

Notwithstanding anything to the contrary provided herein, the Developer shall be entitled to exercise the powers, vote and/or act for the Association and the Board on all

matters until such time as the first conveyance of a unit of the Project to a party not a signatory hereto. Thereafter, the Developer, as the owner of any unsold units, shall be entitled to vote the interest of each such unit.

B. The last paragraph of Section 12. of Article XIII entitled "Amendment" provides that:

"Notwithstanding anything herein to the contrary, Developer may, at any time prior to the recordation of a condominium conveyance document in the Bureau conveying a unit to a party not a signatory hereto, on obtaining the written consent of the Fee Owner (which consent shall be in the Fee Owner's sole discretion) amend these By-Laws in any manner as Developer may deem fit."

III. SALES CONTRACT.

Paragraph 14 entitled "Changes in Documents and Units" provides as follows:

Seller shall have, and hereby reserves, the right to modify all documents related to the Project, including the Declaration, By-Laws, Condominium File Plan, the Condominium Conveyance Document, the House Rules, the Disclosure Abstract, and any exhibits to any such document, to make alterations of the Project (and to modify any of said documents accordingly) to change the configurations of, or to alter the number of rooms of or to decrease or increase the size of, or to change the location of any unit in accordance with complete plans and specifications therefor prepared by a licensed architect, and to make other changes in the Unit and other units and in the common elements, and to increase or decrease the purchase price of the Unit or any other unit in the Project. Seller shall disclose to Buyer all material changes in the Project which directly, substantially and adversely affect the use or value of the Unit or the common elements.

EXHIBIT B

EXPLANATION OF CALCULATION OF
RENEGOTIATED LEASE RENTS AND
DESCRIPTION OF SURRENDER CLAUSE

Excerpts from the Condominium Conveyance Document for
Kuakini Physicians Tower:

1. Calculation of Renegotiated Lease Rent:

a. Subparagraph 1.(d) of paragraph IV entitled
"Rental" provides as follows:

(d) Such net annual rent for and during the
remaining two (2) ten-year periods and
the last five-year period of said term
as shall equal Unit Owner's
proportionate share of the net annual
rental established for the Land as shall
be determined for said period by written
agreement of the Association of Unit
Owners of Kuakini Physicians Tower and
Lessor or, if they fail to reach such
agreement at least ninety (90) days
before the commencement of each period,
by appraisal as hereinafter provided.

b. Paragraph V.A. entitled "Appraisal" provides as
follows:

"A. Appraisal. Whenever it is provided
hereunder that the net annual rental shall be
determined by appraisal for computation of
any rent hereunder, the said rental shall be
determined by three appraisers, one to be
appointed by the Lessor, one to be appointed
by the Association acting by and through its
Board of Directors, and the third to be
appointed by the two so appointed. In case
the Lessor or the Association within fifteen
(15) days after written demand by the other
(which written demand may be given at any
time following the ninetieth (90th) day
before the beginning of said period), fails
or neglects to appoint an appraiser (and to
notify in writing the other party thereof),
such failure or neglect by the party failing
so to appoint an appraiser may be construed
by the non-defaulting party as an agreement
on the part of the defaulting party to allow

and irrevocably authorize the other to make the appointment of an appraiser for the defaulting party. In the event the appraiser appointed by the Lessor and Association fail or neglect to appoint a third appraiser within twenty (20) days after the appointment of the second of them, then either the Lessor or the Association may apply to any judge of the Circuit Court of the First Judicial Circuit of the State of Hawaii (or, if such Court does not exist, then to any judge of an existing Court of comparable jurisdiction) for the designation or appointment of an appraiser.

The annual rental shall be determined by said three appraisers who shall ascertain the fair market value of said Land only (in the manner hereinafter provided) and multiply the value so ascertained by a percentage which shall be equal to the prevailing rate of return on similar properties in the State of Hawaii. The product so found shall be the aggregate net rental for the ensuing rental period. The fair market value of the Land shall be determined as of the first day of the period for which rent is being determined, and the appraiser or appraisers shall, furthermore, assume for purposes of this appraisal that said Land, enhanced by street improvements (other than those paid for by the Association through improvement district assessments), contributing benefits, betterments and other related economic influences and value factors, is vacant of all buildings, unencumbered by lease or the subsistence of any right to or interest in said Land in a person other than the Lessor, and is available for immediate development and utilization to the then highest and best use therefor. Subject to the assumptions stated above, the process or method of appraisal shall be that receiving general acceptability among competent, experienced and recognized appraisers in the field of real estate valuation in the State of Hawaii.

The decision as to rental so determined shall be binding upon the Lessor, the Association and the Unit Owner; provided, however, that in no event shall the annual rent be less than the annual rent specified

during the immediately preceding period. Each party shall pay for its own appraiser, and all other costs and expenses of such appraisal, including the fee of the third appraiser, shall be paid equally by the Lessor and the Association (the Unit Owner hereby agreeing to pay his proportionate share of such costs). In the event either party fails to appoint his own appraiser, then all costs and expenses of such appraisal, including the fees of all three appraisers, shall be paid equally by the Lessor and the Association.

If and whenever the net annual rental is to be determined by appraisal, Unit Owner, pending the determination thereof, shall continue to pay the same rental which such Unit Owner had been paying during the previous rental period, and shall promptly pay the deficiency, if any, upon the conclusion of the appraisal.

2. Surrender Clause Provision:

Paragraph IV.19. entitled "Surrender" provides as follows:

19. Surrender. At the end of said term or upon sooner termination, the Unit Owner will peaceably deliver up to the Lessor the undivided interest in the Land demised hereunder, it being understood that the Unit Owner, with the approval of and together with all of the other unit owners of the building situate on the Land, may during the term hereof or within thirty (30) days of sooner termination remove or dispose of said building. If said building shall not be so moved or disposed of, then the Unit Owner shall join with all the other unit owners in delivering or in causing the Association of Unit Owners to deliver up to the Lessor possession of the building in good order, repair and condition, reasonable wear and tear excepted. Regardless of whether said building shall be so moved or disposed of, Unit Owner shall properly execute and deliver to Lessor a document conveying Unit Owner's unit (including all voting rights and other rights and privileges appurtenant thereto) and undivided interest in the common elements

of the Project to the Lessor. If said building shall not have been so moved or disposed of, the Developer shall pay to the Unit Owner his proportionate share of \$25,000.00 upon delivery to Lessor of such document. If and in the event the Unit Owner should fail to execute such a document, and regardless of whether said building shall be so moved or disposed of, it shall be deemed to have been executed thirty (30) days from the termination of the term hereof, or upon removal of the building, whichever shall first occur; and in either such event, the Lessor is hereby irrevocably appointed the attorney in fact of the Unit Owner with power in the name of the Unit Owner to execute such document and to effectually convey said unit and said undivided interest, including the power to cause such document to be recorded in said Bureau of Conveyances.

EXHIBIT C

SCHEDULE OF LEASE RENT FOR EACH UNIT

<u>Unit No.</u>	<u>Annual Lease Rent</u>		
	<u>First 10-year Period</u>	<u>Second 10-year Period</u>	<u>Third 10-year Period</u>
601	2303.56	3224.98	4514.97
602	1411.95	1976.74	2767.43
603	1411.95	1976.74	2767.43
604	1434.85	2008.78	2812.30
605	2296.05	3214.46	4500.25
606	1110.72	1555.00	2177.00
607	2058.64	2882.10	4034.94
608	981.35	1373.89	1923.46
609	1386.15	1940.62	2716.86
610	1386.15	1940.62	2716.86
611	2288.41	3203.78	4485.29
612	712.09	996.93	1395.70
701	2303.56	3224.98	4514.97
702	1411.95	1976.74	2767.43
703	1411.95	1976.74	2767.43
704	1434.85	2008.78	2812.30
705	2296.05	3214.46	4500.25
706	1110.72	1555.00	2177.00
707	2058.64	2882.10	4034.94
708	981.35	1373.89	1923.46
709	1386.15	1940.62	2716.86
710	1386.15	1940.62	2716.86
711	2376.59	3327.23	4658.12
712	1106.11	1548.55	2167.98
801	2303.56	3224.98	4514.97
802	1411.95	1976.74	2767.43
803	1411.95	1976.74	2767.43
804	1434.85	2008.78	2812.30
805	2296.05	3214.46	4500.25
806	1110.72	1555.00	2177.00
807	2058.64	2882.10	4034.94
808	981.35	1373.89	1923.46
809	1386.15	1940.62	2716.86
810	1386.15	1940.62	2716.86
811	2376.59	3327.23	4658.12
812	1106.11	1548.55	2167.98
901	2303.56	3224.98	4514.97
902	1411.95	1976.74	2767.43

<u>Unit No.</u>	<u>Annual Lease Rent</u>		
	<u>First 10-year Period</u>	<u>Second 10-year Period</u>	<u>Third 10-year Period</u>
903	1411.95	1976.74	2767.43
904	1434.85	2008.78	2812.30
905	2296.05	3214.46	4500.25
906	1110.72	1555.00	2177.00
907	2058.64	2882.10	4034.94
908	981.35	1373.89	1923.46
909	1386.15	1940.62	2716.86
910	1386.15	1940.62	2716.86
911	2376.59	3327.23	4658.12
912	1106.11	1548.55	2167.98
1001	2303.56	3224.98	4514.97
1002	1411.95	1976.74	2767.43
1003	1411.95	1976.74	2767.43
1004	1434.85	2008.78	2812.30
1005	2296.05	3214.46	4500.25
1006	1110.72	1555.00	2177.00
1007	2058.64	2882.10	4034.94
1008	981.35	1373.89	1923.46
1009	1386.15	1940.62	2716.86
1010	1386.15	1940.62	2716.86
1011	2376.59	3327.23	4658.12
1012	1106.11	1548.55	2167.98
1101	2303.56	3224.98	4514.97
1102	1411.95	1976.74	2767.43
1103	1411.95	1976.74	2767.43
1104	1434.85	2008.78	2812.30
1105	2296.05	3214.46	4500.25
1106	1110.72	1555.00	2177.00
1107	2058.64	2882.10	4034.94
1108	981.35	1373.89	1923.46
1109	1386.15	1940.62	2716.86
1110	1386.15	1940.62	2716.86
1111	2376.59	3327.23	4658.12
1112	1106.11	1548.55	2167.98
Commercial Unit 1	4313.65	6039.10	8454.71
Commercial Unit 2	546.41	764.96	1070.94
Commercial Unit 3	1162.72	1627.75	2278.86

EXHIBIT D

ZONING

The zoning district classification for the land underlying the Project (the "Project Site") is A-1 Low Density Apartment District, with a height limit of 125 feet. The Project Site is a portion of certain real property situate at 347 North Kuakini Street, Honolulu, Hawaii, and more particularly identified on the tax maps of the State of Hawaii as Tax Map Key No.: 1st Div., 1-7-17-2, owned by Kuakini Medical Center and which real property is used as a hospital (such real property, inclusive of the Project Site, shall be referred to as the "Hospital Property"). With respect to the Hospital Property, Kuakini Medical Center is subject to the provisions of Section 3.160 of the Land Use Ordinance of the City and County of Honolulu governing plan review use (PRU) approval. Use of the Hospital Property, any structures constructed thereon, density, height, yards, parking and other applicable regulations are reviewed and established under the procedures set forth for plan review use approval.

The development of the Kuakini Physicians Tower Condominium Project is shown and described in the 5-year master plan for the Hospital Property, of which the Project Site will be subdivided out therefrom. The 5-year master plan showing the development of the Kuakini Physicians Tower, together with the application for the plan review use approval, submitted by Kuakini Medical Center to the Director of Land Utilization of the City and County of Honolulu on July 25, 1988, was approved by City Council Resolution No. 89-124 C.D.-1 on May 2, 1989, as required by Section 3.160-2 of the Land Use Ordinance of the City and County of Honolulu.

EXHIBIT E

SPECIAL USE RESTRICTIONS

Excerpt from Declaration of Condominium Property Regime of Kuakini Physicians Tower:

Subparagraphs 1. entitled "Commercial Units" and 2. entitled "Office Units" of paragraph J. entitled "Use" provide in pertinent part as follows:

J. USE. The building and each of the units are intended and restricted as to use, and shall be used only for purposes which are consistent with and appropriate to the design of the building and for which adequate elevators, stairs, ventilation, plumbing and similar facilities exists, and in accordance with all applicable laws, ordinances and regulations. In addition to and without limiting the generality of the foregoing:

1. Commercial Units. The Commercial Units are intended and shall be used only for general office purposes, for the sale and/or consumption of food or drinks, for hospital ancillary services, including, without limitation, laboratory, pharmacy and radiology services, and for postal sales and services and for no other purpose unless Fee Owner consents in writing to some other use.

2. Office Units. The Office Units are intended and shall be used and occupied only as professional office space for licensed physicians with medical staff privileges at Kuakini Medical Center, including osteopathic physicians with such medical staff privileges (herein referred to as "Unit Occupant"), and for no other purpose. Except for the use of x-ray or laboratory equipment for diagnostic purposes in connection with the treatment of a Unit Occupant's patients, the installation and operation of x-ray, CT scanners, magnetic resonance imaging and other laboratory equipment and facilities, or any other equipment which might overload the floors of the building, are expressly prohibited in the Office Units of the Project. No Unit Occupant shall operate a pharmacy or dispense

or provide pharmaceutical products to persons
other than such Unit Occupant's patients.

EXHIBIT F

6. Interior:

<u>Apt. Type</u>	<u>Quantity</u>	<u>Net Area (sf)</u>
A	6	1,514.00
B	12	928.00
C	6	943.00
D	6	1,509.00
E	6	730.00
F	6	1,353.00
G	6	645.00
H	12	911.00
I	5	1,562.00
J	5	727.00
II	1	1,504.00
JJ	1	468.00
Commercial-1	1	2,835.00
Commercial-2	1	359.00
Commercial-3	1	764.00

Total Apartments: 75

All apartment types consist of one room. None of the apartments have lanais or patios.

EXHIBIT G

PERMITTED ALTERATIONS TO APARTMENTS

Excerpt from Declaration of Condominium Property Regime
of Kuakini Physicians Tower:

Paragraph Q. entitled "Completion of Units; Alteration
of Units" provides as follows

Q. Completion of Units; Alteration of
Units.

1. Each unit owner shall, at such unit owner's cost, in accordance with plans and specifications therefor first approved in writing by Developer's architect, construct and install such improvements and fixtures and provide such equipment and do all other things required to complete the unit in a finished condition ready for the conduct of such unit owner's business in the unit. Each unit owner will, before commencing any such construction, post with Fee Owner a contract performance and labor and material payment bond or bonds with corporate surety satisfactory to Fee Owner in the penal sum equal to one hundred percent (100%) of the cost of construction, guaranteeing the completion thereof free from any mechanics' or materialmen's lien. The initial construction of any unit owner shall strictly comply with all applicable laws, ordinances, codes and regulations; and each unit owner shall furnish to Fee Owner a true copy of such unit owner's building permit for such construction prior to the commencement of such work. All fixtures installed by each unit owner will be new or completely reconditioned.

2. Subsequent to the initial completion of the units described above, and subject to prior written notice to Fee Owner and to the prior written consent of the holders of all liens affecting such unit (if the lien holders require such consent and approval), the owner of any unit shall have the right at any time and from time to time, at his sole cost and expense, to install, maintain, remove, and rearrange partitions

and other structures from time to time within his unit, and may paint, paper, panel, plaster, tile, finish, and do such other work on the interior surfaces of the ceilings, floors and walls within any such unit and may finish, alter or substitute any plumbing, electrical or other fixtures attached to said ceilings, floors and walls as shall be appropriate for the utilization of such unit; provided, that any construction or alteration shall strictly comply with all applicable laws, ordinances, codes and regulations and the owner of such unit furnishes to Fee Owner a true copy of the building permit for such construction or alteration and, if Fee Owner requests the same within ten (10) days of Fee Owner's receipt of such permit, a contract performance and labor and material bond or bonds with corporate surety satisfactory to Fee Owner in the penal sum equal to one hundred percent (100%) of the cost of construction, guaranteeing the completion hereof free from any mechanics' or materialmen's lien, prior to the commencement of such work; and provided, further, that such plumbing and electrical alterations and/or substitutions shall not adversely affect the structural integrity of the building or the plumbing and electrical systems contained therein or interfere with the use and enjoyment of the common elements by the other owners.

Any owner of a unit which shall be divided by a common element which is a wall shall have the right at any time, and from time to time, to alter or remove all or portions of the intervening wall (whether or not load-bearing) so long as such alteration or removal shall not interfere with the use or enjoyment of any other unit, if the structural integrity of the Project is not thereby affected and if the finish of the common element then remaining is restored to the condition substantially comparable to that of the common element prior to such alterations, and such owner may install in and attach to such opening or openings in such common elements, doors, and other service devices and may remove and retain ownership of the installed equipment; provided, that any alteration of a common

element shall be performed under the supervision of a licensed architect. Prior to commencing any alteration of a common element, such owner shall present to the Board of Directors of the Association of Unit Owners the signed statement of a professional engineer certifying that the proposed alteration will not affect the structural integrity of the Project and shall secure a performance and payment bond naming as obligees such owner, the mortgagee of the unit, the Fee Owner, and collectively, the owners and mortgagees of all other units, as their interests may appear, in a penal sum of not less than one hundred percent (100%) of the cost of the construction, guaranteeing completion of construction free and clear of all mechanic's and materialmen's liens. Upon the completion of any alteration which results in a change in the Project as depicted in the Condominium File Plan, said owner, shall, in connection with the alteration and to the extent required by law, execute and file an amendment to the Declaration and said Condominium File Plan to accurately describe and depict said alteration.

3. Each conveyance, lease and mortgage or other lien made or created on any unit in the Project and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph Q.

EXHIBIT H

DESCRIPTION OF COMMON FACILITIES

The common facilities of the Project are described below:

<u>Floor</u>	<u>Common Facility</u>
Basement	Storage Area
Ground Floor	Service Parking Area Trash Dumpster Area Manager's Office Maintenance/Storage Area Janitor's Room Women's Restroom Men's Restroom Storage Area
Sixth Floor	Women's Restroom Men's Restroom
Seventh through Eleventh Floors	Women's Restroom Men's Restroom

EXHIBIT I

COMMON ELEMENTS

Excerpt from Declaration of Condominium Property Regime of Kuakini Physicians Tower:

Paragraph E. entitled "Common Elements" provides as follows:

E. Common Elements. One freehold estate is hereby designated in all of the remaining portions of the Project (the "common elements"), which shall include the limited common elements described in paragraph F hereinbelow and all portions of the land and improvements other than the units, the land on which the units are located and all common elements mentioned in the Act which are actually constructed on the land described herein. Said common elements shall include, but shall not be limited to the following:

1. The land described in Exhibit "A".
2. All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls (except for the inner decorated surface within each unit), roof, stairways, corridors, walkways, and entrances and exits of the building;
3. All yards, grounds, sidewalks, landscaping, and refuse facilities and trash dumpster area;
4. All driveways, loading zones, service parking area, ramps, parking area entryways and exitways, and the two hundred six (206) parking stalls designated on the Condominium File Plan, of which a minimum of one hundred (100) parking stalls shall at all times be designated for use by visitors of the Project;
5. The elevators and their appurtenant housings and equipment;
6. All electrical panels, transformer boxes, electrical and electrical panel rooms and enclosures, storage rooms, trash rooms, mechanical equipment room, communication equipment rooms, all air conditioning units and air handler rooms, all central and appurtenant installations for services such as power, lights, telephone, gas, hot and cold water lines,

television lines, sewage disposal and other utilities (including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in units), and all tanks, pumps, motors, fans, ducts and other apparatus and installations existing for common use;

7. The elevator lobbies, maintenance/storage areas, storage rooms, the men's and women's restrooms, and the janitor's room, the manager's office, the mailboxes, the mail chute, the main lobby and reception area on the ground floor;

8. 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, and normally in common use and which are not part of any unit.

EXHIBIT J

LIMITED COMMON ELEMENTS

A. Excerpt from Declaration of Condominium Property Regime of Kuakini Physicians Tower:

Paragraph F. entitled "Limited Common Elements" provides as follows:

F. Limited Common Elements. Certain parts of the common elements (the "limited common elements") are hereby set aside and reserved for the exclusive use of certain units, which units shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside for each unit are as follows:

1. The parking stall(s) designated for each unit in Exhibit "1" attached hereto.

2. One (1) mailbox located on the Project grounds, bearing the same number as the number of the apartment.

Notwithstanding any provision herein or in the By-Laws to the contrary, all costs of every kind pertaining to each limited common element, including but not limited to, costs of maintenance, repair, replacements, additions and improvements, shall be charged to and borne entirely by the owner(s) of the unit(s) to which it is appurtenant. Any expense which cannot be separately identified or attributed to a limited common element shall be charged as a common expense.

B. The parking stall(s) designated for each unit in the Project is set forth in Exhibit J-1 attached hereto.

EXHIBIT J-1

Limited Common Element - Parking Stalls

<u>Unit No.</u>	<u>Designated Parking Stall(s)</u>
601	89 and 70C
602	90
603	91
604	92
605	93 and 71C
606	94
607	101 and 82C
608	102
609	103
610	104
611	105 and 95C
612	106
701	74 and 60C
702	75
703	76
704	77
705	78 and 61C
706	79
707	83 and 68C
708	84
709	85
710	86
711	87 and 69C
712	88
801	49 and 56C
802	50
803	51
804	52
805	53 and 57C
806	54
807	55 and 58C
808	62
809	63
810	64
811	72 and 59C
812	73
901	36 and 21C
902	37
903	38
904	39
905	40 and 22C
906	41

<u>Unit No.</u>	<u>Designated Parking Stall(s)</u>
907	42 and 28C
908	44
909	45
910	46
911	47 and 43C
912	48
1001	23 and 9C
1002	24
1003	25
1004	26
1005	27 and 10C
1006	29
1007	30 and 11C
1008	31
1009	32
1010	33
1011	34 and 20C
1012	35
1101	2 and 1C
1102	3
1103	4
1104	5
1105	12 and 6C
1106	13
1107	14 and 7C
1108	15
1109	16
1110	17
1111	18 and 8C
1112	19
Commercial-1	98C and 99C
Commercial-2	96C
Commercial-3	97C

EXHIBIT K

COMMON INTEREST APPURTENANT TO EACH UNIT

<u>Unit No.</u>	<u>Common Interest</u>
601	1.9018%
602	1.1657%
603	1.1657%
604	1.1846%
605	1.8956%
606	.917%
607	1.6996%
608	.8102%
609	1.1444%
610	1.1444%
611	1.8893%
612	.5879%
701	1.9018%
702	1.1657%
703	1.1657%
704	1.1846%
705	1.8956%
706	.917%
707	1.6996%
708	.8102%
709	1.1444%
710	1.1444%
711	1.9621%
712	.9132%
801	1.9018%
802	1.1657%
803	1.1657%
804	1.1846%
805	1.8956%
806	.917%
807	1.6996%
808	.8102%
809	1.1444%
810	1.1444%
811	1.9621%
812	.9132%
901	1.9018%
902	1.1657%
903	1.1657%
904	1.1846%
905	1.8956%

<u>Unit No.</u>	<u>Common Interest</u>
906	.917%
907	1.6996%
908	.8102%
909	1.1444%
910	1.1444%
911	1.9621%
912	.9132%
1001	1.9018%
1002	1.1657%
1003	1.1657%
1004	1.1846%
1005	1.8956%
1006	.917%
1007	1.6996%
1008	.8102%
1009	1.1444%
1010	1.1444%
1011	1.9621%
1012	.9132%
1101	1.9018%
1102	1.1657%
1103	1.1657%
1104	1.1846%
1105	1.8956%
1106	.917%
1107	1.6996%
1108	.8102%
1109	1.1444%
1110	1.1444%
1111	1.9621%
1112	.9132%
Commercial-1	3.5613%
Commercial-2	.4511%
Commercial-3	.9599%

EXHIBIT L

ENCUMBRANCES AFFECTING THE LAND UNDERLYING THE PROJECT

1. Title to all minerals and metallic mines reserved to the State of Hawaii.

2. Any streams and/or underground streams or auwais running through the said property.

*3. Condominium Map No. 897, filed in the Bureau of Conveyances, State of Hawaii.

*4. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions and easements set forth in the Declaration of Horizontal Property Regime dated March 29, 1984, recorded April 2, 1984, in the Bureau of Conveyances, State of Hawaii, in Book 17770, Page 764.

Said Declaration was amended by an instrument dated May 25, 1984, recorded May 31, 1984, in said Bureau, in Book 17910, Page 344.

*5. Terms and provisions contained in the By-Laws of the Association of Apartment Owners of Kuakini Health System Complex, dated March 29, 1984, recorded April 2, 1984, in the Bureau of Conveyances, State of Hawaii, in Book 17771, Page 1.

6. A Financing Statement covering certain fixtures as therein described, recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 92-157139.

Date Recorded: September 28, 1992
Debtor: Kuakini Medical Center
Secured Party: Comdisco Medical Leasing
Group, Inc.

7. Any facts, rights, interests, claims, liens or encumbrances which may arise by virtue of any Apartment Unit Conveyances affecting Apartment Units created by said Declaration of Horizontal Property Regime, or by virtue of parties in possession.

*The Project will not be encumbered by these documents when the Project Site is subdivided out and removed from the land which is presently subject to these documents.

EXHIBIT M

There are presently no blanket liens affecting title to the individual units. However, Developer anticipates arranging for construction financing for the Project, and the Developer's Sales Contracts with a buyer will require that the buyer subordinate the buyer's rights and lien to the rights and lien of the construction lender for the Project. This means that if the Developer defaults in its obligations to its construction lender prior to conveying the unit to a buyer, the buyer's rights under the Sales Contract could be terminated and the buyer's deposits would be refunded as set forth in the Sales Contract.

EXHIBIT N

SUMMARY OF PERTINENT PROVISIONS OF THE SALES CONTRACT

Developer has filed a Deposit Receipt and Sales Contract with the Hawaii Real Estate Commission. The terms of the Deposit Receipt and Sales Contract include the following provisions:

6. PERMITTED UNIT USES.

Buyer acknowledges that the Office Units in the Project, including the Unit which is the subject matter of this Agreement, may be used and occupied only as professional office space for licensed physicians with medical staff privileges at Kuakini Medical Center, including osteopathic physicians with such medical staff privileges (herein referred to as "Unit Occupant"), and for no other purpose. Except for the use of x-ray or laboratory equipment for diagnostic purposes in connection with the treatment of a Unit Occupant's patients, the installation and operation of x-ray, CT scanners, magnetic resonance imaging and other laboratory equipment and facilities, or any other equipment which might overload the floors of the building, are expressly prohibited in the Office Units of the Project. No Unit Occupant shall operate a pharmacy or dispense or provide pharmaceutical products to persons other than such Unit Occupant's patients. By initialling below, Buyer accepts and agrees to the foregoing restriction.

7. BUYER'S ACKNOWLEDGEMENTS; SUBORDINATION.

a. Buyer does hereby acknowledge that Buyer has examined and does hereby approve the form of the Condominium Conveyance Document, Declaration and any amendments thereto, By-Laws, House Rules and any amendments thereto, Seller's Disclosure Abstract, Condominium Escrow Agreement, the proposed Final Public Report to be issued by the Commission, as set forth, and the Condominium File Plan, true copies of these documents being on file in the office of the Commission. Buyer acknowledges that the Condominium File Plan is intended to show only the layout, location, unit numbers and dimensions of the units and the same is not intended by Seller to contain or to be any other representation or warranty.

b. Buyer acknowledges the reservation by Seller of the right for Seller and its agents, until the sale of the last unit, to maintain development facilities and conduct sales of units on and at the Project, including, but not limited to, maintaining model units, operating a construction office, a sales office, conducting advertising, placing signs, using parking spaces and erecting lighting in connection with such sales; provided, however, that Seller shall not use any unit (or the

limited common elements thereof) with respect to which a condominium conveyance document has been recorded (other than in the name of Seller as grantee); provided, further, that in exercising such right, Seller shall not interfere with the rights of any unit owner to the use of, or access to, such owner's unit or any of the common elements or limited common elements appurtenant thereto.

c. (1) Buyer acknowledges the reservation by Lessor of the following rights, to be exercised in its sole discretion at any time and from time to time, and without the approval, consent or joinder of any unit owner, mortgagee, lender, lien holder or any other person who may have an interest in the Land, Project or any unit, other than Seller' mortgagee:

(a) To grant to any public utility or governmental authority or any other person as Lessor shall determine in its sole discretion, easements for roadway, sewer, drainage, water and other utility facilities over, under, along, across and through the Land of the Project;

(b) To consolidate, subdivide, dedicate, grant and convey to any governmental authority as may be required by such governmental authority for easements, roadways, or other public purposes, or any other person as Lessor shall determine in its sole discretion, any portion of the Land;

(c) To withdraw from the Project, the Declaration and the provisions of the Act any subdivided lot (the "Removed Land") dedicated or conveyed to a governmental authority or to such other person as Lessor shall determine in its sole discretion;

(d) To relocate, realign, terminate and to substitute therefor, any and all roadway access easements which are appurtenant to the Land (the "Roadway Access Easements"), and any and all easements located over, under, along, across and through the Land of the Project;

provided, however, that the Lessor shall not exercise the foregoing rights in any manner that shall materially damage the Project or materially interfere with the use of the remaining Land by the unit owners and their successors and assigns. Each unit owner agrees that such unit owner, and any person claiming an interest in said portion of Land granted, dedicated or conveyed to a governmental authority or such other person as Lessor shall determine in its sole discretion (the "Removed Land"), by, through or under such unit owner, hereby irrevocably appoints Lessor as such unit owner's attorney-in-fact with all powers and authority to execute, deliver, file and/or record any and all documents on his behalf, needed to effectuate the actions contemplated and to exercise the rights reserved by the Lessor

herein and further shall, upon request of Lessor, join in and execute any and all documents necessary to effect the foregoing.

(2) In connection with the foregoing rights reserved by Lessor, Lessor without the joinder of any owner or any other person may execute and deliver (on behalf of all of the Buyers and their respective mortgagees, if necessary) all applications, petitions, amendments to the Declaration, deeds and other instruments which Lessor deems necessary or desirable (including without limitation documents to be filed or recorded with the Department of Land Utilization of the City and County of Honolulu, the Recording Office, other governmental agencies or private parties). Lessor shall have the right also without the consent or joinder of any other person to take such actions in connection therewith. The form and content of such instruments or the taking of such actions shall be in the sole and absolute discretion of Lessor, and Lessor's delivery of such instrument or the taking of such action shall be sufficient determination.

(3) Lessor shall have the right, without being required to obtain the consent or joinder of any person, including any Unit owner or any lien holder, or any other person who may have any interest in the Land or the Project, (i) to amend the Declaration and the Condominium Map to describe and depict the Land as modified by removal of the Removed Land, to create additional common and limited common elements and easements as appurtenances to the Units in the Project, to reflect the relocation, realignment, termination and substitution of the Roadway Access Easements, and to set forth such other matters necessary or desirable to effect any such alteration in the Project; and (ii) to amend any prior instrument of conveyance of an apartment and undivided interest so as to confirm the same to the Declaration, as so amended.

(4) To the extent that joinder of any Buyer or lien holder or other person who may have any interest in the Land or the Project may be required in order to validate any amendment of the Declaration or the Condominium Map or any such instrument of conveyance for the limited purposes set forth in subparagraph c. above, such joinder shall be accomplished by power-of-attorney in favor of Lessor from each of the owners, lien holders or such other parties, the acquiring or acceptance of ownership in a Unit or of a lien covering a Unit or of any other interest in the Project or Land subject to the Declaration being a grant of such power, and the grant being coupled with an interest, being irrevocable.

(5) By accepting or acquiring any right, title or interest in the Project or the Land subject to the Declaration, each Unit Owner, lien holder or other person having any interest in the Project or Land agrees that he shall, if required by law or by Lessor, join in, consent to, or execute all

instruments or documents necessary or desirable to effectuate the actions contemplated in this subparagraph c. and the amendment of the Declaration and Condominium Map as provided for in this subparagraph c. and for the exercise of the Lessor of the reserved rights described herein.

d. Buyer acknowledges that Seller may enter into an agreement with one or more responsible financial institutions (the "Construction Lender") pursuant to which the Construction Lender may loan an aggregate of up to THIRTY-THREE MILLION AND NO/100 DOLLARS (\$33,000,000.00) at an interest rate not to exceed ten percent (10%) per annum for a period of not more than five (5) years for construction and other associated costs of the Project. To secure this loan, Seller may grant to the Construction Lender security interests covering the Seller's interests in the Project, including this Agreement and the property covered by this Agreement. Buyer acknowledges and agrees that all security interests obtained by the Construction Lender in connection with such loan as well as any extensions, renewals or modifications thereof shall be and remain at all times a lien or charge on the Project, including the Agreement and the property covered by this Agreement, prior and superior to any and all liens and charges on the Project arising from this Agreement or any prior reservation agreement. Buyer hereby intentionally waives, relinquishes and subordinates the priority or superiority of any lien under this Agreement and Buyer's rights hereunder or under any prior reservation agreement in favor of the lien or charge on the Project of the security interests and the rights of the Construction Lender. Buyer further undertakes and agrees to execute any such further documents as might be reasonably required by the Construction Lender to effectuate such subordination.

9. ACTUAL POSSESSION. Delivery of actual possession of the Unit to Buyer under this Agreement shall be made on or after the Closing Date, subject to the right of Seller to delay Buyer's moving-in for a reasonable time to promote the orderly occupation of the Project. Buyer acknowledges that Buyer has been informed that Buyer may not receive actual possession of the Unit until Buyer has made all the aforementioned deposits and until after Buyer has commenced to pay maintenance fees, real property taxes and monthly payments with respect to Buyer's mortgage, if any. The delivery of actual possession shall, at Seller's option, be made to unit purchasers in the order of and according to the dates on which they executed their respective sales contracts. If Buyer fails to confirm the date of delivery of actual possession within five (5) days after notification thereof, Seller, at Seller's sole election, may assign the date for Buyer's taking actual possession to the purchaser next in order of preference.

11. COMPLETION OF UNIT. Buyer acknowledges and agrees that the Unit being purchased by Buyer hereunder consists of "loft space" in the Project, and that Buyer shall be responsible for installing, at Buyer's sole cost and expense, all improvements and all furniture, fixtures and equipment required to put the Unit in a finished condition suitable for use and occupancy by Buyer. Such improvements, furniture, fixtures and equipment shall be subject to the review and approval of Walter Tagawa, AIA, as the architect for the Project (the "Project Architect"), and shall comply in all respects with the requirements of applicable law, the design standards set forth in Part III of Exhibit "A" and the terms and conditions of the Condominium Conveyance Document. Buyer shall construct and install, at Buyer's sole expense, the improvements listed in Part I of Exhibit "A" attached hereto and hereby made a part hereof for all purposes. Seller shall provide the items listed in Part II of Exhibit "A".

15. CONDITION TO BINDING EFFECT OF AGREEMENT.

(a) Anything herein to the contrary notwithstanding, this Agreement shall not be binding upon Buyer and any obligation to purchase the Unit under this Agreement shall not be enforceable against Buyer until:

(1) A true copy of the Commission's Final Public Report on the Project has been delivered to Buyer, either personally or by certified mail with return receipt requested, together with a true copy of all other public reports on the Project, if any, issued prior to the date of such delivery and not previously delivered to Buyer (unless the Final Public Report supersedes all prior public reports or a supplementary public report has been issued which supersedes the Final Public Report and any other public reports, in which case a true copy of the Commission's supplementary public report shall be delivered instead);

(2) Buyer has been given an opportunity to read the aforementioned reports; and

(3) Two (2) copies of the form of the receipt and notice set forth in Section 514A-62 of the Hawaii Revised Statutes, as amended, have been delivered to Buyer and Buyer (i) executes the receipt and notice, and (ii) waives Buyer's right to cancel; provided, however, that if Buyer does not execute and return the receipt and notice within thirty (30) days from the date of delivery of such reports, or if the Unit is conveyed to Buyer prior to the expiration of such thirty-day period, Buyer shall be deemed to have accepted for the reports and to have waived Buyer's right to cancel.

(b) Unless such right has previously been waived pursuant to subparagraph (a) hereinabove, Buyer shall have the right to cancel this Agreement at any time prior to the earlier of (1) the conveyance of the Unit to Buyer or (2) midnight of the thirtieth (30th) day following the date of delivery of said Final Public Report to Buyer, and, upon any such cancellation, shall be entitled to a prompt and full refund of all monies paid, less any escrow cancellation fee and other costs associated with the purchase up to a maximum of TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$250.00).

16. DEFAULT.

(a) Time is of the essence of this Agreement, and if Buyer shall default in any payment when required or fail to perform any other obligations required of Buyer hereunder and shall fail to cure such default within ten (10) days after receipt of written notice thereof from Seller, Seller may, at Seller's option, terminate this Agreement by written notice to Buyer. In the event of such default, the parties hereto understand and agree that in view of (i) Seller's financial commitments with respect to the Project, (ii) the connection between sales, cancellation or default with respect to one (1) unit and the sale, cancellation or default with respect to other units in the Project, and (iii) the nature of the real estate market in Hawaii, the injury to Seller will be uncertain as to nature and amount and difficult to ascertain. As a reasonable estimate of Seller's damages resulting from such default, the parties agree that the sums deposited by Buyer hereunder prior to such default shall belong to Seller as liquidated damages. At Seller's option, Seller may also pursue any other remedy at law or in equity for specific performance, damages or otherwise. All costs, including reasonable attorneys' fees, incurred by reason of default by Buyer shall be borne by Buyer.

(b) If Seller shall default in the performance of any obligation required of Seller hereunder, Buyer shall be entitled to specific performance of this Agreement or Buyer shall have the right to cancel and terminate this Agreement. In the event of such cancellation and termination, Seller shall return to Buyer all sums deposited by Buyer to Seller or Escrow Agent pursuant to the provisions hereof, and, in addition, Seller shall pay Buyer ONE HUNDRED AND NO/100 DOLLARS (\$100.00) as liquidated damages for Seller's default. Buyer expressly waives any right or remedy against Seller which now exists or which hereafter may exist for the default of Seller under this Agreement, except for the foregoing right to specific performance or to cancel and terminate this Agreement, and to receive all sums paid to Seller and Escrow Agent and the sum of ONE HUNDRED AND NO/100 DOLLARS (\$100.00).

17. SELLER'S CANCELLATION RIGHTS. In addition to any other rights of cancellation or termination reserved to Seller herein, if (a) Buyer's initial deposit check is returned for insufficient funds or (b) Buyer (or any one (1) of them if Buyer is more than one (1) person) should die prior to closing, (c) Buyer fails to communicate accurately the status of Buyer's loan application, if applicable, or (d) Buyer makes any misrepresentation to Seller hereunder, THEN, in any such event, Seller reserves the right to instruct Escrow Agent to return Buyer's check or deposits, together with interest accrued thereon, and less the processing and cancellation fee imposed by Escrow Agent and any other actual expenses incurred by reason of Buyer's execution of this Agreement. Until Seller so elects to cancel this Agreement, it shall remain in full force and effect.

18. BUYER'S RIGHT TO RESCIND. Notwithstanding anything contained in paragraph 14 hereinabove:

(a) Except for any additions, deletions, modifications and reservations made pursuant to the terms of the Declaration, if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) Buyer's Unit or appurtenant limited common elements, or (2) those amenities of the Project available for Buyer's use, Buyer shall have the right to rescind the sale made under this Agreement and to receive a prompt and full refund of any monies paid or deposited.

(b) Buyer's right of rescission under subparagraph (a) above shall be waived upon (1) delivery to Buyer, either personally or by registered or certified mail, return receipt requested, of a disclosure document which describes the material change and contains a provision for Buyer's written approval or acceptance of such change, and (2) Buyer's written approval or acceptance of the material change, or the lapse of ninety (90) days since Buyer has accepted the Unit or the occupancy of the Unit by Buyer; provided, however, that if Buyer does not rescind this Agreement or execute and return the written approval or acceptance of such change as provided in the disclosure document within thirty (30) days from the date of delivery of such disclosure document in the aforementioned manner, Buyer shall be deemed to have approved and accepted such change; provided, further, that the deemed approval and acceptance shall be effective only if at the time of delivery of the disclosure document, Buyer is notified in writing of the fact that Buyer will be deemed to have approved and accepted the change upon Buyer's failure to act within the thirty (30) day period; provided, further, that if, prior to delivery of such disclosure document, ninety (90) days have lapsed since Buyer has accepted the Unit or Buyer has occupied the Unit, then Buyer's right of rescission under subparagraph (a) above shall not be waived unless Buyer shall execute the written approval or

acceptance of such change as provided in the disclosure document within thirty (30) days from the date of delivery of such disclosure document or Buyer is deemed to have approved and accepted such change as set forth above. A copy of the form of disclosure document shall be delivered to the Commission prior to delivery to Buyer.

22. PRE-PAID ITEMS. Buyer acknowledges that Buyer will be required to prepay: (a) maintenance fees for a period of two (2) months, which amount shall constitute a non-refundable start-up fee to be transferred to the Association for use in paying the initial operating costs of the Project, (b) maintenance fees for a period of two (2) months, which amount shall constitute a contribution to the maintenance reserve fund for the Project pursuant to the Declaration, (c) real property taxes for a period of six (6) months, and (d) insurance premiums to the extent required by any first mortgage lender. Real property taxes, insurance and maintenance expenses shall be prorated by Escrow Agent as of the Closing Date or the date of actual possession, whichever sooner occurs. Buyer further agrees that all insurance, maintenance, assessments and other expenses shall also be prorated between Seller and Buyer as of such proration date for real property taxes. Buyer understands and agrees that any amount to be paid by Buyer under this paragraph 22 is in addition to, and is not part of the total purchase price set forth hereinabove.

26. AGENCY DISCLOSURE. Roberta K. Brown, Realtor (the "Broker") and all licensees employed by or associated with Broker represent Seller. Buyer acknowledges that oral or written disclosure of such representation was provided to Buyer prior to the execution hereof. In the event that Buyer is represented by a cooperating broker or salesperson, Buyer agrees and acknowledges that Broker is not an agent or sub-agent of Buyer's cooperating broker or salesperson. In no event shall Broker's sharing of a commission with a cooperating broker or salesperson create a sub-agency with the cooperating broker or salesperson, and all cooperating brokers and salespersons shall be deemed agents of the Buyer, and not of Seller.

EXHIBIT O

SUMMARY OF PERTINENT PROVISIONS OF THE ESCROW AGREEMENT

Developer and Island Title Corporation executed a Condominium Escrow Agreement dated January 5, 1993, for the Project. Among other provisions, the Escrow Agreement provides that a purchaser shall be entitled to a return of his funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Public Report, the purchaser has exercised his right to cancel the sales contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) A purchaser has exercised his right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

(e) In any of the foregoing events, Escrow shall, upon the occurrence of the event described in subparagraph (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in subparagraph (c) or (d) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee to Escrow of not less than FIFTY AND NO/100 DOLLARS (\$50.00) plus all costs incurred by Escrow per unit or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

The Escrow Agreement also provides that no disbursements of purchasers' funds held in escrow shall be made unless and until the condominium conveyance documents relating to the disbursement have been filed.

EXHIBIT P

ADDITIONAL INFORMATION

A. RESERVED RIGHTS OF FEE OWNER:

Pursuant to paragraph V. of the Declaration, the Fee Owner has reserved the following rights:

V. RESERVED RIGHTS OF FEE OWNER.

1. In addition to any other rights reserved in this Declaration and notwithstanding any other provision in this Declaration to the contrary, Fee Owner reserves the following rights, to be exercised in its sole discretion at any time and from time to time, and without the approval, consent or joinder of any unit owner, mortgagee, lender, lien holder or any other person who may have an interest in the Land, Project or any unit, other than Developer's mortgagee:

a. To grant to any public utility or governmental authority or any other person as Fee Owner shall determine in its sole discretion, easements for roadway, sewer, drainage, water and other utility facilities over, under, along, across and through the Land of the Project;

b. To consolidate, subdivide, dedicate, grant and convey to any governmental authority as may be required by such governmental authority for easements, roadways, or other public purposes, or any other person as Fee Owner shall determine in its sole discretion, any portion of the Land;

c. To withdraw from the Project, this Declaration and the provisions of the Act any subdivided lot (the "Removed Land") dedicated or conveyed to a governmental authority or to such other person as Fee Owner shall determine in its sole discretion;

d. To relocate, realign, terminate and to substitute therefor, any and all roadway access easements which are appurtenant to the Land (the "Roadway Access Easements"), and any and all easements located over, under,

along, across and through the Land of the Project;

provided, however, that the Fee Owner shall not exercise the foregoing rights in any manner that shall materially damage the Project or materially interfere with the use of the remaining Land by the unit owners and their successors and assigns. Each unit owner agrees that such unit owner, and any person claiming an interest in said portion of Land granted, dedicated or conveyed to a governmental authority or such other person as Fee Owner shall determine in its sole discretion (the "Removed Land"), by, through or under such unit owner, hereby irrevocably appoints Fee Owner as such unit owner's attorney-in-fact with all powers and authority to execute, deliver, file and/or record any and all documents on his behalf, needed to effectuate the actions contemplated and to exercise the rights reserved by the Fee Owner herein and further shall, upon request of Fee Owner, join in and execute any and all documents necessary to effect the foregoing.

2. In connection with the foregoing rights reserved by Fee Owner, Fee Owner without the joinder of any owner or any other person may execute and deliver (on behalf of all of the Unit Owners and their respective mortgagees, if necessary) all applications, petitions, amendments to this Declaration, deeds and other instruments which Fee Owner deems necessary or desirable (including without limitation documents to be filed or recorded with the Department of Land Utilization of the City and County of Honolulu, the Recording Office, other governmental agencies or private parties). Fee Owner shall have the right also without the consent or joinder of any other person to take such actions in connection therewith. The form and content of such instruments or the taking of such actions shall be in the sole and absolute discretion of Fee Owner, and Fee Owner's delivery of such instrument or the taking of such action shall be sufficient determination.

3. Fee Owner shall have the right, without being required to obtain the consent or joinder of any person, including any Unit owner or any lien holder, or any other person who may have any interest in the Land or the Project, (i) to amend this Declaration and the Condominium Map to describe and depict the Land as modified by removal of the Removed Land, to create additional common and limited common elements and easements as appurtenances to the Units in the Project, to reflect the relocation, realignment, termination and substitution of the Roadway Access Easements, and to set forth such other matters necessary or desirable to effect any such alteration in the Project; and (ii) to amend any prior instrument of conveyance of an apartment and undivided interest so as to confirm the same to the Declaration, as so amended.

4. To the extent that joinder of any Unit Owner or lien holder or other person who may have any interest in the Land or the Project may be required in order to validate any amendment of this Declaration or the Condominium Map or any such instrument of conveyance for the limited purposes set forth in Paragraph V.3., such joinder shall be accomplished by power-of-attorney in favor of Fee Owner from each of the owners, lien holders or such other parties, the acquiring or acceptance of ownership in a Unit or of a lien covering a Unit or of any other interest in the Project or Land subject to this Declaration being a grant of such power, and the grant being coupled with an interest, being irrevocable.

5. This paragraph V. may not be amended without the consent of Fee Owner.

6. By accepting or acquiring any right, title or interest in the Project or the Land subject to this Declaration, each Unit Owner, lien holder or other person having any interest in the Project or Land agrees that he shall, if required by law or by Fee Owner, join in, consent to, or execute all instruments or documents necessary or desirable to effectuate the actions contemplated herein and the amendment of the

Declaration and Condominium Map as provided for in this paragraph V and for the exercise of the Fee Owner of the reserved rights herein.

B. OTHER DISCLOSURES:

1. Developer does not guarantee the availability of parking in the Project during peak business hours.

2. Access to the basement level of the Project will be through Kaluhikai Lane, which is a private lane. The use of Kaluhikai Lane is limited to local traffic, and maintenance of Kaluhikai Lane is the responsibility of the properties adjoining Kaluhikai Lane, including, the Project.

3. Direct access to the Project from Kuakini Street is not allowed. The Project shall have access to and from Kuakini Street by way of access easements over a portion of the property adjacent to the Project and owned by Kuakini Medical Center.

4. The building is equipped with an emergency power generator which will provide power in the specific areas identified in Exhibit "P-1" attached hereto and hereby made a part hereof for all purposes.

EXHIBIT P-1

ITEMS COVERED BY EMERGENCY POWER GENERATORS

1. Exhaust Fans - Basement
2. Color Monitors/Sensors
3. Receipts - Energy Management
4. Receipts - Security/Closed Circuit Television
5. Lights - Lobby/Entrance
6. Parking Gate Equipment
7. Air Condition - Manager's Office
8. Roll-up Gates/Grills
9. Elevator Status
10. Automatic Door Openers
11. Flush Sensors
12. Exhaust Fans - Ground Floor
13. Some Garage Fixtures - Basement thru 5th Floors
14. Water Booster Pumps #1 and #2
15. Jockey Pump
16. Fire Pump
17. Sewage Pumps
18. Supply Fan - 2
19. Dump Pumps
20. Exhaust Fans - Second thru 8th Floors
21. Lights Corridors - Typical Office Floors
22. Telephone Equipment - Typical Office Floors
23. 1 Panel Per Floor for Tenant's Use - Typical Office Floors
24. Lights - Roof Exterior

25. Lights/Recepts - Roof Exterior, Electric Room, General Room
26. Exhaust Fans - Electric Room, General Room
27. Lights - Exit Stairs
28. Remote Radiator Fan
29. Elevators - Cab Lights, Regenerative Motors