

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer ONE KALAKAUA PARTNERS
Address 1314 Kalakaua Ave, Honolulu, HI 96826

Project Name(*): ONE KALAKAUA SENIOR LIVING
Address: 1314 Kalakaua Ave, Honolulu, HI 96826

Registration No. 2881

Effective date: July 7, 1995

Expiration date: August 7, 1996

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

 X FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
[] No prior reports have been issued.
[X] 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:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

THIS CONDOMINIUM PROJECT is a SENIOR LIVING condominium project with additional services and amenities that are not usually provided in a typical condominium project.

1. This project has as part of the services to the apartment owners provided for the following: Senior living conveniences and services including the physical upkeep of the building, landscaping, senior living administration and maid service in the apartments. The common elements have facilities which the association owns and may lease or operate including dining room, cocktail lounge and bar, game room, arts & craft room, exercise room, swimming pool and spa, library multi-purpose room, conference rooms, beauty salon, administrative offices, and Skilled Nursing Facility.

2. The expanded services which are mandatory for the apartment owners have resulted in two (2) basic categories of maintenance fees:

a) The maintenance fees allocated on the percentage of interest in the common elements which includes the maintenance of the building, landscaping, lobby, parking, corridors, multi-purpose room, library, exercise room, swimming pool and spa, game room, arts & craft room, conference rooms, administrative offices, dining room, cocktail lounge and bar. Also included is maid service and a senior living administrative staff.

b) The maintenance fees that are allocated on a per person usage (the "One Kalakaua Club") includes meals at the dining room, wellness program, arts & craft program, social and recreational programs.

3. To provide for the maintenance of the Project including the facilities, the Project Documents require the apartment owners to participate in and pay for the expanded services to the extent of the percentage of common interest and a minimum of one person for the "One Kalakaua Club" program described in 2b above. See exhibit "E" for estimate of Maintenance Fees)

4. Optional services that are provided for the convenience of apartment owners.

- a. Beauty Salon
- b. Skilled nursing care
- c. Any other additional services provided or arranged by the senior living administration.

5. To insure prompt payment in the maintenance fees, assessments and charges the Bylaws of the Project have a stringent 5-day default notice, a 10-day curative period, a 14-day notice to foreclose and a 5% collection fee.

6. THE ACQUISITION AND DEVELOPMENT OF THIS SENIOR LIVING CONDOMINIUM PROJECT IS BEING CONVERTED FROM ITS INITIAL CONCEPT OF A LEASEHOLD CONDOMINIUM PROJECT TO A FEE SIMPLE INTEREST IN THE LAND AND THE APARTMENT.

a. To implement the conversion from a leasehold condominium the Developer has entered into as amended and Restated Option Agreement ("Option Agreement") effective December 31, 1994 with the lessors of the fee simple interest in the land ("Fee") underlying the Project with the lessors ("Owners"). See summary exhibit "K".

b. The Owners are legally obligated to sell to the Developer at a predetermined sum all of the Fee to the Developer and the Developer is legally entitled to purchase the Fee from the Owners.

c. The Developer has secured a Loan commitment dated December 24, 1994 from Central Pacific Bank and its participants ("Lender") under which the Lender is obligated to lend Developer under a construction loan upon meeting the preconditions of the loan commitment with a down payment for the purchase of one hundred percent (100%) of the Fee from the Owners with the balance to be paid from the buyer's funds after the individual closing of apartments upon the completion of the Project.

d. The sales contract provides for the purchase of a fee simple condominium apartment by each Buyer and after the issuance of the Final Public Report and the fulfillment of the preconditions including the receipt of the Final Public Report and the securing of binding sales contracts of a predetermined number of Buyers, the Lender shall close the interim construction loan and together with funds previously expended by the Developer and the buyers funds, proceed with the development and construction of the Project as a fee simple project.

e. THE BUYERS ARE ADVISED THAT UPON EXECUTION OF THE RECEIPT OF THE FINAL PUBLIC REPORT THAT THEY HAVE COMMITTED THEMSELVES TO PURCHASE A FEE SIMPLE CONDOMINIUM APARTMENT IN THE PROJECT AND THE LENDER IS PROCEEDING TO CLOSE AND FUND THE INTERIM CONSTRUCTION LOAN ON THAT BASIS.

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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

ONE KALAKAUA PARTNERS
a Hawaii General Partnership

Phone: (808) 947-1264
(Business)

Developer:

Name
1314 Kalakaua Avenue
Business Address
Honolulu, HI 96826

Names of officers or general partners of developers who are corporations or partnerships:
Amusement Park Hawaii, Inc. (Ira Young, President)

412249 B.C. Ltd.

Real Estate
Broker:

One Kalakaua Realty, Inc.

Phone: (808) 949-1111
(Business)

Name
1314 Kalakaua Avenue
Business Address
Honolulu, HI 96826

Escrow:

Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211

Name
235 Queen St.
Business Address
Honolulu, HI 96813

General
Contractor:

Kraus-Anderson Construction Co.

Phone: (612) 332-7281
(Business)

Name
525 South Eight Street
Business Address
Minneapolis, MN 55404

Condominium
Managing
Agent:

Self managed by the Association until
a registered condominium management
agent is obtained.

Phone: (808) 947-1264
(Business)

Name
1314 Kalakaua Ave.
Business Address
Honolulu, HI 96826

Attorney for
Developer:

Hiroshi Sakai, Attorney At Law

Phone: (808) 531-4171
(Business)

Name
201 Merchant Street, Suite 902
Business Address
Honolulu, HI 96813

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

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

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 95-078929
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. 2249
 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. 95-078930
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]:

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. See exhibit "K". Option to purchase fee will be exercised by Developer at construction loan closing.
- 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 N/A contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: N/A

Rent Renegotiation Date(s): N/A

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually
 N/A

Exhibit N/A contains a schedule of the lease rent for each apartment per Month Year

For Subleaseholds:

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

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

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 1314 Kalakaua Ave Tax Map Key: (1) 2-4-5: 20
Honolulu, HI 96826 (TMK)

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

Land Area: 51,861 [X] square feet [] acre(s) Zoning: BMX-3

Lessor (Fee Owner): See Exhibit "J"
c/o Timothy Harris
 Name
11500 Olympic Blvd Ste 425
 Address
Los Angeles, CA 90064-1528

Sublessor: One Kalakaua Partners
 Name
1314 Kalakaua Ave
 Address
Honolulu, HI 96826

C. Buildings and Other Improvements:

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

2. Number of Buildings: One Floors Per Building Fourteen

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Steel, glass and allied building materials

4. Permitted Uses by Zoning:

	<u>No. of</u>	<u>Use Permitted</u>		<u>No. of</u>	<u>Use Determined</u>
	<u>Apts.</u>	<u>By Zoning</u>		<u>Apts.</u>	<u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>166</u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Mix Res/Comm	<u>CE</u>	<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

NOTE: CE-Common Elements may be leased by Association to operator to provide services and amenities to owners.

5. Special Use Restrictions:

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

[X] Pets: Not permitted

[X] Number of Occupants: 2 persons: 1 bedroom, 3 persons: 2 bedrooms

[X] Other: Exhibit "H" : House Rules

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 3 Stairways: 4 Trash Chutes: 1

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

Total Apartments: 166

*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:

All walls and partitions, floors and ceilings which are not load bearing within the perimeter walls, including paint and floor coverings; also, the exteriors of doors, windows, glass walls and frames thereof and lanai handrail.

Permitted Alterations to Apartments:

As long as such work doesn't affect load bearing and perimeter walls.

7. Parking Stalls:

Total Parking Stalls: 191

	<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>100</u>	<u>0</u>	<u>66</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>166</u>
Guest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	<u>5*</u>	<u>13**</u>	<u>2</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>23</u>
Extra for Purchase	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other: Loading	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Total Covered & Open	<u>120</u>	<u>0</u>	<u>71</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
 Swimming pool Storage Area Recreation Area
 Laundry Area Tennis Court Trash Chute
 Restaurant, cocktail lounge, game room, arts & craft room,
 Other: fitness center, conference room, multi-purpose room, beauty salon, library, administration offices.

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

- There are no violations. Violations will not be cured.
 Violations and cost to cure are listed below. Violations will be cured by _____

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

*Included are (2)handicap stalls on the B-2 Level and (3)handicap stalls on the B-1 level.
 ** Included are (2) handicap stalls on the ground floor level.

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

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

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

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

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

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

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

described in Exhibit "A" .

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 "B".

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 "C".

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 "D" describes the encumbrances against the title contained in the title report dated April 10, 1995 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

- [] There are no blanket liens affecting title to the individual apartments.
- [X] There are blanket liens which may affect title to the individual apartments.

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	Buyer's interest may be terminated on foreclosure but Buyer will be entitled to a refund of deposit.

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 apartment and the common elements of the Project shall have the benefit of a one-year warranty against defects in materials and workmanship, which warranty shall commence as of the date of the substantial completion for such apartments and common elements.

2. Appliances:

Manufacturer's warranty

G. Status of Construction and Estimated Completion Date:

Construction has not yet commenced. The estimated construction start is Septemeber 1, 1995 and the estimated completion within 2 years after commencement.

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):

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 "F" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated January 20, 1994
Exhibit "G" contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime.
 - 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. 2881 filed with the Real Estate Commission on 5/21/93.

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

yellow paper stock white paper stock pink paper stock

C. Additional Information Not Covered Above

SUMMARY OF Skilled Nursing Facility

The Declarant, has entered into an agreement with Life Care Services Corporation of Hawaii, Inc. ("LCS") to lease the Skilled Nursing Facility ("SNF") on the second floor for a term of 10 years. Declarant, with consultation advice from LCS, will design the SNF and install all furniture, fixture and equipment.

The Association will enter into the lease just before opening of the SNF. The lease provides that residents of the condominium have first priority for bids in the SNF. Meals will be prepared in the One Kalakaua kitchen and will be served in the SNF to patients.

Rates for use of the SNF will be set by LCS at a reasonable relationship with rates set by similar institutions in Honolulu. Residents will not be required to use the services of the SNF but it is expected that most will do so because of convenience.

Since the Association will not have any initial working capital, Declarant will loan the lessee \$50,000 when the SNF opens and will make further loans during the first year of operations in order to make certain that the facility always has working cash. In addition, Declarant will make up any losses during the first year by making further loans. The total amount of money which Declarant has committed is \$600,000.

LCS will be paid SNF's management fee equal to 5% of the gross revenues plus an incentive fee equal to 60% of the net cash flow earned at the SNF. LCS will subordinate its management fee to maintain working cash of \$50,000, if necessary, after Declarant has advanced \$600,000.

All net cash flow will be used first to repay Declarant and LCS the advances they may have made. Thereafter, LCS will pay rent to the Association of 40% of the net cash flow with no minimum or base rent.

LCS will pay a pro rata share for maintenance of the project ("CAM" charges) based on the relative floor areas of the SNF premises and the remainder of the building.

Estimates of maintenance fees and maintenance fee disbursements, attached to this Public Report at exhibit "E-1" include LCS's estimated contributions to maintenance of the project and projected lease rents. The SNF constitutes common elements of the project, and the lease of the SNF to LCS will include certain other common elements of the project (storage area and parking stalls).

Two common element parking stalls, to be later identified by the developer, will be reserved for the exclusive use of LCS in connection with its operation of the SNF.

- 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.

One Kalakaua Partners

Name of Developer

By: 
Duly Authorized Signatory

July 6, 1995
Date

Ira Young

print name & title of person signing above

Distribution:

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

Exhibit "A"

COMMON ELEMENTS

- a. The land described in the Declaration, the landscaped area, driveways and areas exterior of the building.
- b. The lobby, Elevator lobby, game room, arts and crafts, library, beauty shop, conference room, library, beauty shop, employee lounge, personnel and administrative offices, men and women restrooms and 4 common element parking stalls are located on B2 level. The lobby, elevator lobby, maintenance room, housekeeping, laundry, kitchen storage and storage rooms and 3 common element parking stalls are located on the B1 level. The lobby and lounge area, reception desk, mail room, phone and storage area, dining room and kitchen facility, cocktail lounge, bar, exercise room, men and women bathrooms and locker room, multi-purpose and storage room and 16 common element parking stalls and 2 loading docks are located on the ground (first) floor. The skilled nursing facility, patient lounge, recreation and dining area, physical therapy room, beauty shop, nurses station and administrative area are located on the second floor.
- c. The exterior walls, foundations, columns, girders, beams, floor slabs, roofs, supports and load bearing walls (except for the inner finished surfaces within each apartment).
- d. All structural elements, elevator shafts, stairways, walkways, walls, fences and railings.
- e. The loading dock and area, trash room and driveways and ramps in the first, second and ground floor parking levels.
- f. The central water and heater system, sewer lines, electrical equipment, transformer vault, pipes, wiring and other central and appurtenant transmission facilities, and installations which serve the entire Project for services such as power, light, water, gas, refuse, cable televisions and telephone, save and except that through the use of separate meter and/or check meters the usage of such power, electricity, water, light, gas, refuse facilities and the rest of the apartments.
- g. Any and all other structure, apparatus and installations of common use, and all other parts of the Project necessary or convenient to the existence, maintenance and safety, or normally in common use.

Exhibit "B"

LIMITED COMMON ELEMENTS

Certain part of the common elements, herein called the "Limited Common Elements" are hereby designated and set aside for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements together with separate meters wherever practicable.

- a. The lanais for these apartments that are shown as lanais on the Condominium Map are Limited Common Elements.
- b. The parking stalls that are assigned to specific residential apartments in Exhibit "D" are appurtenant limited common elements to such apartments.

Exhibit "C"

One Kalakaua Senior Living
APARTMENT DESCRIPTION AND PERCENT OF COMMON INTEREST

Apartment Type	Qty	BR/Bath	Net Living Area	Total Sq. Ft.	%	
					Common Interest	TOTAL
01	11	2/1	826	9,086	0.66004%	7.26044%
02	11	2/1	832	9,152	0.66483%	7.31318%
03	11	2/1	745	8,195	0.59531%	6.54846%
04	11	2/1	709	7,799	0.56655%	6.23202%
05	12	2/1	703	8,436	0.56175%	6.74103%
06	12	2/1	715	8,580	0.57134%	6.85610%
07	12	2/1	772	9,264	0.61689%	7.40267%
08	12	2/1	771	9,252	0.61609%	7.39308%
09	12	1/1	576	6,912	0.46027%	5.52324%
10	12	2/2	856	10,272	0.68401%	8.20814%
11	12	2/2	864	10,368	0.69040%	8.28486%
12	12	2/2	850	10,200	0.67922%	8.15061%
13	12	2/2	928	11,136	0.74155%	8.89855%
14	12	1/1	477	5,724	0.38116%	4.57393%
1503	1	2/1	768	768	0.61369%	0.61369%
1504	1	2/1	745	745	0.59531%	0.59531%
Total	166			125,144		100.00000%

NOTE: There is no number 13th floor in this building. There are three apartments which have an exterior lanai as follows: Type "10" 43 Sq.Ft., Type "11" 40 Sq. Ft. and type "14" 34 Sq. Ft.. Apartments 1503 and 1504 have roof top lanai which are 846 Sq. Ft.

EXHIBIT "D"

Encumbrances Against Title

1. For Real Property Taxes that may be due and owing reference is made to the Department of Finance for further information.

Tax Key 2-4-005-020 (1).

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

3. -AS TO PARCEL SECOND ONLY:-

(A) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DEED

DATED : January 10, 1930

RECORDED : Liber 1038 Page 251

The foregoing includes, but is not limited to, the following:

Reserving, however, unto the City and County of Honolulu and unto the State of Hawaii, jointly, a perpetual easement under and across said parcel of land for construction and maintenance of a concrete drain along and within the present bed of Makiki Stream through said parcel of land.

(Note: Said Document also provides that the City and County of Honolulu covenants and agrees that it will at all times maintain said drain in good order and condition and so as to not interfere with the use of the surface of said lot.)

(B) Easement as a means of ingress and egress by motor vehicle to and from the premises described in Parcel First:

Being portions of Royal Grant Number 177 to P. J. Gulick and Royal Patent Grant Number 3165 to A. Jaegar, situated on the westerly side of Kalakaua Avenue between Beretania and Young Streets at Kulaokahua, Honolulu, Oahu, Hawaii, containing 214 S.F.

EXHIBIT "D"

(C) Unrecorded GROUND SUBLEASE dated June 22, 1988, a Short Form of which is recorded in Liber 22087 at Page 680, by and between 1314 KALAKAUA PARTNERS, a Hawaii limited partnership, as Sublessor, and PENTAGRAM CORPORATION, a Hawaii corporation, as Sublessee; subleasing and demising the land described in Schedule C, for a term commencing on June 22, 1988, and terminating at 11:59 p.m. on June 30, 2023.

The Sublessee's interest was assigned to AMUSEMENT PARK HAWAII, INC., a Hawaii corporation, by instrument dated and effective July 1, 1990, recorded as Document No. 90-181378; Consent thereto given by PALOMA JAEGER KUHN, widow, KATHLEEN WOLTERS SUKER, wife of James Suker, VICTORIA KAIULANI McMURREN, wife of John O. McMurren, IWALANI WOLTERS HARRIS, formerly known as IWALANI BERNICE WOLTERS, wife of Timothy S. Harris, JAMES WILLIAM ERICH WOLTERS, also known as JAMES WILLIAM ERIC WOLTERS, husband of Nicol Roswell Wolters, and JOHANNA MARI NOELANI WOLTERS, unmarried, by instrument dated November 9, 1990, recorded as Document No. 90-181379.

Said Ground Sublease is subject to the following:

(1) Unrecorded AGREEMENT FOR SUBLEASES dated and effective June 22, 1988, a Short Form of which is recorded in Liber 22087 at Page 672, by and between 1314 KALAKAUA PARTNERS, a Hawaii limited partnership, "Partners", and PENTAGRAM CORPORATION, a Hawaii corporation, "Pentagram"; re: (1) a Ground Sublease from Partners to Pentagram of Lot 1, (2) an agreement concerning right of said parties during any redevelopment of the land by Partners; and (3) a shopping center Space Sublease from Partners to Pentagram within Lot 1 to replace the original Ground Sublease.

EXHIBIT "D"

The interest of PENTAGRAM CORPORATION, a Hawaii corporation, was assigned to AMUSEMENT PARK HAWAII, INC., a Hawaii corporation, by instrument dated and effective July 1, 1990, recorded as Document No. 90-181378; Consent thereto given by PALOMA JAEGER KUHN, widow, KATHLEEN WOLTERS SUKER, wife of James Suker, VICTORIA KAIULANI McMURREN, wife of John O. McMurren, IWALANI WOLTERS HARRIS, formerly known as IWALANI BERNICE WOLTERS, wife of Timothy S. Harris, JAMES WILLIAM ERICH WOLTERS, also known as JAMES WILLIAM ERIC WOLTERS, husband of Nicol Roswell Wolters, and JOHANNA MARI NOELANI WOLTERS, unmarried, by instrument dated November 9, 1990, recorded as Document No. 90-181379.

(2) MORTGAGE

MORTGAGOR : AMUSEMENT PARK HAWAII, INC., a Hawaii corporation

MORTGAGEE : PENTAGRAM CORPORATION, a Hawaii corporation

DATED : July 1, 1990

RECORDED : Document No. 90-181381

AMOUNT : \$425,000.00

CONSENT : Given by PALOMA JAEGER KUHN, widow, KATHLEEN WOLTERS SUKER, wife of James Suker, VICTORIA KAIULANI McMURREN, wife of John O. McMurren, IWALANI WOLTERS HARRIS, formerly known as IWALANI BERNICE WOLTERS, wife of Timothy S. Harris, JAMES WILLIAM ERICH WOLTERS, also known as JAMES WILLIAM ERIC WOLTERS, husband of Nicol Roswell Wolters, and JOHANNA MARI NOELANI WOLTERS, unmarried, by instrument dated November 9, 1990, recorded as Document No. 90-181380

EXHIBIT "D"

(3) MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : AMUSEMENT PARK HAWAII, INC., a Hawaii corporation

MORTGAGEE : FIRST HAWAIIAN BANK, a Hawaii corporation, successor by merger to First Interstate Bank of Hawaii

DATED : March 25, 1993

RECORDED : Document No. 93-076165

Mortgages the interest in said unrecorded Agreement for Subleases dated June 22, 1988, a short form of which is recorded in Liber 22087 at Page 672, and in said unrecorded Ground Sublease dated June 22, 1988, a short form of which is recorded in Liber 22087 at Page 680, both of which cover the premises described in Schedule C, as an essential inducement for extension of the maturity of the promissory note dated March 29, 1990, made by First Interstate Bank of Hawaii, a Hawaii corporation, to Mortgagor, in the sum of \$5,000,000.00

4. LEASE dated August 27, 1980, effective as of July 1, 1980, recorded in Liber 14954 at Page 181, by and between BERNICE JAEGER BLACK, wife of John M. Black, PALOMA JAEGER KUHN, wife of Edwin Ernest Kuhn, KATHLEEN ELIZABETH WOLTERS, unmarried, VICTORIA KAIULANI McMURREN, wife of John O. McMurren, IWALANI WOLTERS HARRIS, formerly known as IWALANI BERNICE WOLTERS, wife of Timothy S. Harris, JAMES WILLIAM ERICH WOLTERS, also known as JAMES WILLIAM ERIC WOLTERS, husband of Nicol Roswell Wolters, and JOHANNA MARI NOELANI WOLTERS, unmarried, as Lessor, and MARKET CENTER, LTD., a Hawaii corporation, as Lessee; leasing and demising the land described in Schedule C, besides other land, for a term of 60 years commencing on July 1, 1980, and ending on June 30, 2040.

The Lessee's interest, by mesne assignments, was assigned to AMUSEMENT PARK HAWAII, INC., a Hawaii corporation, by instrument dated February 24, 1990, recorded as Document No. 90-034293; Consent thereto given by PALOMA JAEGER KUHN, widow, KATHLEEN ELIZABETH WOLTERS SUKER, wife of James A. Suker, VICTORIA KAIULANI McMURREN, wife of John O. McMURREN, IWALANI WOLTERS HARRIS, formerly known as IWALANI BERNICE WOLTERS, wife of Timothy S. Harris, JAMES WILLIAM ERICH WOLTERS, also known as JAMES WILLIAM ERIC WOLTERS,

EXHIBIT "D"

husband of Nicol Roswell Wolters, and JOHANNA MARI NOELANI WOLTERS, unmarried, by instrument dated March 8, 1990, recorded as Document No. 90-034294.

ASSIGNMENT OF TENANT LEASES dated February 24, 1990, recorded as Document No. 90-034295, by and between 1314 KALAKAUA PARTNERS, a Hawaii limited partnership, "Assignor", and AMUSEMENT PARK HAWAII, INC., a Hawaii corporation, "Assignee", assigning all right, title, interest, duties and obligations in, to and under those certain tenant leases described in Exhibit "A" attached thereto.

ASSIGNMENT OF AGREEMENTS dated February 24, 1990, recorded as Document No. 90-034296, by and between 1314 KALAKAUA PARTNERS, a Hawaii limited partnership, "Assignor", and AMUSEMENT PARK HAWAII, INC., a Hawaii corporation, "Assignee", assigning all right, title, interest, duties and obligations in, to and under those certain licenses, contracts and agreements described in Exhibit "A" attached thereto.

Said Lease was amended by instrument dated August 10, 1990, recorded as Document No. 90-170085.

Said Lease, as amended, is subject to the following:

(A) Unrecorded AGREEMENT TO LEASE dated July 1, 1987, by and between 1314 KALAKAUA PARTNERS, a Hawaii limited partnership, and PENTAGRAM CORPORATION, a Hawaii corporation, as mentioned in instrument dated October 7, 1987, recorded in Liber 21209 at Page 594.

(B) MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : AMUSEMENT PARK HAWAII, INC., a Hawaii corporation

MORTGAGEE : FIRST INTERSTATE BANK OF HAWAII, a Hawaii banking corporation, now known as FIRST HAWAIIAN BANK, a Hawaii corporation

DATED : March 29, 1990
RECORDED : Document No. 90-045589
AMOUNT : \$5,000,000.00

EXHIBIT "D"

Said Mortgage was amended by instrument dated June 26, 1992, recorded as Document No. 92-102775.

(C) ASSIGNMENT OF LESSOR'S INTEREST IN LEASES dated March 29, 1990, recorded as Document No. 90-045590, by AMUSEMENT PARK HAWAII, INC., a Hawaii corporation, to FIRST INTERSTATE BANK OF HAWAII, a Hawaii corporation, now known as FIRST HAWAIIAN BANK, assigning all right, title and interest as Lessor in any and all leases or occupancy agreements, if any, now in existence or hereafter made with respect to all or any portion of the property described in Exhibit "A" attached thereto and made a part thereof, etc., to secure the repayment of that certain promissory note in the principal amount of \$5,000,000.00.

(D) The effects, if any, of that certain ASSIGNMENT dated November 9, 1990, made by AMUSEMENT PARK HAWAII, INC., a Hawaii corporation, for the purpose of developing the Project, as mentioned in Declaration of Condominium Property Regime dated April 6, 1992, recorded as Document No. 92-053043.

5. The terms and provisions, including the effect of any failure to comply with the covenants, conditions and reservations, contained in AFFIDAVIT dated December 8, 1987, recorded in Liber 21414 at Page 567, by PHILIP R. BROMS, General Partner of 1314 Kalakaua Partners, in consideration of the issuance by the Building Department, City and County of Honolulu, of a building permit.
6. The terms and provisions, including the effect of any failure to comply with the covenants, conditions and reservations, contained in AFFIDAVIT dated December 10, 1987, recorded in Liber 21419 at Page 567, by PHILIP R. BROMS, General Partner of 1314 Kalakaua Partners, in consideration of the issuance by the Building Department, City and County of Honolulu, of a building permit.

EXHIBIT "D"

7. The effects, if any, of the terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Declaration of Condominium Property Regime for the "ONE KALAKAUA" Condominium Project dated April 6, 1992, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-053043, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1641.)

-Note:- The aggregate total of the common interest set forth in said Declaration of Condominium Property Regime is 99.9999%.

8. The effects, if any, of the terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the By-Laws of the Association of Apartment Owners of said Condominium Project dated April 6, 1992, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-053044.
9. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in The Paloma J. Kuhn Hawaiian Trust dated February 2, 1990, executed by Paloma Jaeger Kuhn, as Trustor.
10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the McMurren Family Intervivos Trust dated July 27, 1990.
11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Iwalani W. Harris Separate Property Trust dated March 16, 1994.
12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Johanna M. N. Wolters Intervivos Trust dated June 15, 1990.

EXHIBIT "D"

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Wolters Family Intervivos Trust dated March 10, 1994.

EXHIBIT "E"

ONE KALAKAUA SENIOR LIVING

REGISTRATION NO: 2881

DISCLOSURE STATEMENT AS OF MAY 31, 1995

1. Name and address of Project: ONE KALAKAUA SENIOR LIVING at 1314 Kalakaua Avenue, Honolulu, Hawaii 96826.
2. Name, Address and Telephone Number of Developer: One Kalakaua Partners, 1314 Kalakaua Avenue, Honolulu, Hawaii 96826. Telephone (808) 949-1111
3. Managing Agent of Project: LIFE CARE SERVICES CORPORATION OF HAWAII, INC., 1314 Kalakaua Avenue, 2nd floor, Honolulu, Hawaii 96826.
4. Maintenance Fees: The Operating Budget effective January 1, 1997 as certified by Life Care Services Corporation of Hawaii, Inc. a management company, is attached hereto as Exhibit "E-1", the breakdown of the various apartment types is as set forth in Exhibit "E-2", and the breakdown by apartments is as set forth in Exhibit "E-3", all of which are attached hereto and incorporated herein by reference.
5. Warranties: The apartments and the common elements of the project shall have the benefit of a one-year warranty against defects in materials and workmanship, which warranty shall commence as of the date of the substantial completion for such apartments and common elements which is estimated to be 23 months after commencement of construction in the 3rd quarter of 1995.
6. Uses: The project will consist of 166 residential apartments. There are additional facilities in the project that are common elements which may be leased by the Association to an operator such as the restaurant, skilled nursing facility, arts and crafts, game room, fitness center, business center, meeting room, beauty salon and sundry.
7. Extent of Non-Residential Development: The Project is in BMX zoning of the City and County of Honolulu and there is a mixture of residential and other uses permitted under the zoning ordinances as noted in paragraph 6.

DATED: Honolulu, Hawaii, this 31st day of
May, 1995.

ONE KALAKAUA PARTNERS, a Hawaii
general partnership

AMUSEMENT PARK HAWAII, INC.

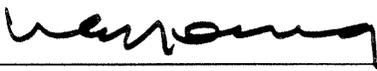
By 
IRA YOUNG, Its President
Managing General Partner

EXHIBIT "E-1"

06/02/95

One Kalakaua Senior Living
 Operating Budget
 Effective January 1, 1997
 Prepared by Life Care Services Corporation of Hawaii, Inc.

RECEIPTS

Maintenance Fees (first persons)	2,853,759
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DISBURSEMENTS AND RESERVES**Building/Facility Related**Utilities:

Water and Sewer	78,507	
Electricity and Gas	352,219	
Phone/Communications	<u>19,096</u>	
Subtotal		449,822

Administrative:

Professional Management	71,478	
Legal	2,546	
Audit and Tax Preparation	2,546	
Dues and Subscriptions	<u>637</u>	
Subtotal		77,207

Contract Services:

Elevator	26,523	
Landscaping	1,485	
Refuse Removal	12,200	
Pest Control	637	
Vent/Pump/AC	20,157	
Cable TV	<u>46,680</u>	
Subtotal		107,681

Repairs & Maintenance:

Building	8,912	
Grounds	1,273	
Electrical	1,273	
Plumbing	4,774	
Fire System	1,273	
Training	<u>1,061</u>	
Subtotal		18,566

Supplies:

Building	5,092	
Janitorial	3,819	
Pool	2,546	
Grounds	<u>2,334</u>	
Subtotal		13,792

Salaries & Wages:

Building Engineer	37,138	
Maintenance	19,860	
Janitorial	56,270	
Security	<u>52,519</u>	
Subtotal		165,787

Payroll Burden:

Payroll Tax	21,552	
Employee Benefits	<u>19,894</u>	
Subtotal		41,446

06/02/95

<u>Insurance:</u>		
Fire/Special Multi-peril	93,359	
Directors & Officers	3,183	
Fidelity Bond	<u>1,061</u>	
Subtotal		97,603
<u>Taxes/Permits/Licenses:</u>		
Taxes	3,183	
Licenses	1,591	
Permits	<u>1,591</u>	
Subtotal		6,365
Total Operating Disbursements		978,269
Reserves @10%		<u>97,603</u>
Total Building/Facility Related (1)		1,075,871
One Kalakaua Senior Living Administration		
Chapel	1,273	
Fitness Center	3,819	
Library	1,273	
Weekly Maid Service	182,289	
Administrator	68,959	
Office Manager	34,755	
Human Resource Director	19,860	
Front Desk	39,389	
Accountant	39,720	
Benefits @25%	50,671	
Marketing	25,462	
Accounting	3,819	
Legal	3,819	
General Office	22,491	
Training, Recruiting, Travel	21,218	
Equipment Leasing	<u>21,218</u>	
Subtotal		540,035
Reserves @5% Administration & Club Services		94,420
CAM Credit from SNF		(117,760)
General Management Fees @ 2.5%		<u>71,478</u>
Total Senior Living Administration (1)		588,174
One Kalakaua Club Services		
Meals	1,051,840	
Wellness Program/Resident Services	85,466	
Arts & Crafts Program	20,581	
Recreation	<u>31,827</u>	
Total One Kalakaua Club Services (2)		1,189,714
TOTAL DISBURSEMENTS AND RESERVES		<u>2,853,759</u>

Note: All receipts and disbursements relate only to the first persons in an apartment. Certain services such as the skilled nursing facility, beauty salon and assisted living are assessed on an as used individual basis.

(1) Assessed on an interest percentage basis.

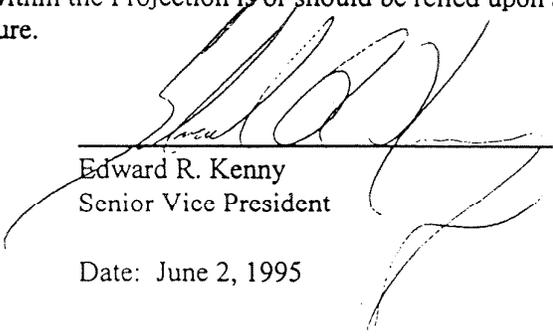
(2) Assessed on a per person basis.

Operating expenses were estimated in 1995 dollars and inflated 3% per year to 1997.

Life Care Services Corporation of Hawaii, Inc., as agent and contracted by One Kalakaua Partners, the developer, for the condominium project One Kalakaua Senior Living hereby certifies that the above estimates of maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

One Kalakaua Senior Living Association ("One Kalakaua") has asked Life Care Services Corporation of Hawaii, Inc. ("LCS") to prepare an operating expense projection for the One Kalakaua Senior Living retirement community (the "Projection"). The Projection should be read in its entirety. The Projection contains, among other things, assumptions and estimates for the year 1997 for a full year of occupancy of a full community.

The information included in the Projection is based on the assumptions stated therein. Such assumptions are based upon present circumstances, LCS's experience in senior housing and information provided by One Kalakaua and other sources. Such assumptions may change after the date of the Projection due to changes in economic conditions and other factors which cannot be predicted or assumed. Therefore, actual results may vary from estimate and such variations may be material. Nothing contained within the Projection is or should be relied upon as a promise or representation as to the future.



Edward R. Kenny
Senior Vice President

Date: June 2, 1995

Exhibit "E-2"

One Kalakaua Senior Living
MONTHLY MAINTENANCE FEES

Apartment			(*)Maintenance	One K Club (**)Maintenance	Total
Type	Qty	Size	Fees	Fees	Maintenance Fees
01	11	826	\$915	\$597	\$1,512
02	11	832	\$922	\$597	\$1,519
03	11	745	\$826	\$597	\$1,423
04	11	709	\$786	\$597	\$1,383
05	12	703	\$779	\$597	\$1,376
06	12	715	\$792	\$597	\$1,389
07	12	772	\$855	\$597	\$1,452
08	12	771	\$854	\$597	\$1,451
09	12	576	\$638	\$597	\$1,235
10	12	856	\$949	\$597	\$1,546
11	12	864	\$957	\$597	\$1,554
12	12	850	\$942	\$597	\$1,539
13	12	928	\$1,028	\$597	\$1,625
14	12	477	\$529	\$597	\$1,126
1503	1	768	\$851	\$597	\$1,448
1504	1	745	\$826	\$597	\$1,423
Total	166				

Maintenance Fees are based on single occupancy.
Each additional person will be charged \$475.00.

(*) Assessed on a percentage interest in common elements.

(**) Assessed on a per person basis

Doc(6) 6/28/95

EXHIBIT "E-3"

One Kalakaua Senior Living
MONTHLY MAINTENANCE FEES

Apartment Number	Interest Percentage	Size	Maintenance Fees	One K Club Maintenance Fees	Total Maintenance Fees
301	0.66004%	826	\$915	\$597	\$1,512
302	0.66483%	832	\$922	\$597	\$1,519
303	0.59531%	745	\$826	\$597	\$1,423
304	0.56655%	709	\$786	\$597	\$1,383
305	0.56175%	703	\$779	\$597	\$1,376
306	0.57134%	715	\$792	\$597	\$1,389
307	0.61689%	772	\$855	\$597	\$1,452
308	0.61609%	771	\$854	\$597	\$1,451
309	0.46027%	576	\$638	\$597	\$1,235
310	0.68401%	856	\$949	\$597	\$1,546
311	0.69040%	864	\$957	\$597	\$1,554
312	0.67922%	850	\$942	\$597	\$1,539
313	0.74155%	928	\$1,028	\$597	\$1,625
314	0.38116%	477	\$529	\$597	\$1,126
401	0.66004%	826	\$915	\$597	\$1,512
402	0.66483%	832	\$922	\$597	\$1,519
403	0.59531%	745	\$826	\$597	\$1,423
404	0.56655%	709	\$786	\$597	\$1,383
405	0.56175%	703	\$779	\$597	\$1,376
406	0.57134%	715	\$792	\$597	\$1,389
407	0.61689%	772	\$855	\$597	\$1,452
408	0.61609%	771	\$854	\$597	\$1,451
409	0.46027%	576	\$638	\$597	\$1,235
410	0.68401%	856	\$949	\$597	\$1,546
411	0.69040%	864	\$957	\$597	\$1,554
412	0.67922%	850	\$942	\$597	\$1,539
413	0.74155%	928	\$1,028	\$597	\$1,625
414	0.38116%	477	\$529	\$597	\$1,126
501	0.66004%	826	\$915	\$597	\$1,512
502	0.66483%	832	\$922	\$597	\$1,519
503	0.59531%	745	\$826	\$597	\$1,423
504	0.56655%	709	\$786	\$597	\$1,383
505	0.56175%	703	\$779	\$597	\$1,376
506	0.57134%	715	\$792	\$597	\$1,389
507	0.61689%	772	\$855	\$597	\$1,452
508	0.61609%	771	\$854	\$597	\$1,451
509	0.46027%	576	\$638	\$597	\$1,235
510	0.68401%	856	\$949	\$597	\$1,546
511	0.69040%	864	\$957	\$597	\$1,554
512	0.67922%	850	\$942	\$597	\$1,539
513	0.74155%	928	\$1,028	\$597	\$1,625
514	0.38116%	477	\$529	\$597	\$1,126

Maintenance Fees based on single occupancy. Each additional person is \$475 per month.

EXHIBIT "E-3"
 One Kalakaua Senior Living
 MONTHLY MAINTENANCE FEES

Apartment Number	Interest Percentage	Size	Maintenance Fees	One K Club Maintenance Fees	Total Maintenance Fees
601	0.66004%	826	\$915	\$597	\$1,512
602	0.66483%	832	\$922	\$597	\$1,519
603	0.59531%	745	\$826	\$597	\$1,423
604	0.56655%	709	\$786	\$597	\$1,383
605	0.56175%	703	\$779	\$597	\$1,376
606	0.57134%	715	\$792	\$597	\$1,389
607	0.61689%	772	\$855	\$597	\$1,452
608	0.61609%	771	\$854	\$597	\$1,451
609	0.46027%	576	\$638	\$597	\$1,235
610	0.68401%	856	\$949	\$597	\$1,546
611	0.69040%	864	\$957	\$597	\$1,554
612	0.67922%	850	\$942	\$597	\$1,539
613	0.74155%	928	\$1,028	\$597	\$1,625
614	0.38116%	477	\$529	\$597	\$1,126
701	0.66004%	826	\$915	\$597	\$1,512
702	0.66483%	832	\$922	\$597	\$1,519
703	0.59531%	745	\$826	\$597	\$1,423
704	0.56655%	709	\$786	\$597	\$1,383
705	0.56175%	703	\$779	\$597	\$1,376
706	0.57134%	715	\$792	\$597	\$1,389
707	0.61689%	772	\$855	\$597	\$1,452
708	0.61609%	771	\$854	\$597	\$1,451
709	0.46027%	576	\$638	\$597	\$1,235
710	0.68401%	856	\$949	\$597	\$1,546
711	0.69040%	864	\$957	\$597	\$1,554
712	0.67922%	850	\$942	\$597	\$1,539
713	0.74155%	928	\$1,028	\$597	\$1,625
714	0.38116%	477	\$529	\$597	\$1,126
801	0.66004%	826	\$915	\$597	\$1,512
802	0.66483%	832	\$922	\$597	\$1,519
803	0.59531%	745	\$826	\$597	\$1,423
804	0.56655%	709	\$786	\$597	\$1,383
805	0.56175%	703	\$779	\$597	\$1,376
806	0.57134%	715	\$792	\$597	\$1,389
807	0.61689%	772	\$855	\$597	\$1,452
808	0.61609%	771	\$854	\$597	\$1,451
809	0.46027%	576	\$638	\$597	\$1,235
810	0.68401%	856	\$949	\$597	\$1,546
811	0.69040%	864	\$957	\$597	\$1,554
812	0.67922%	850	\$942	\$597	\$1,539
813	0.74155%	928	\$1,028	\$597	\$1,625
814	0.38116%	477	\$529	\$597	\$1,126

Maintenance Fees based on single occupancy. Each additional person is \$475 per month.

EXHIBIT "E-3"

One Kalakaua Senior Living
MONTHLY MAINTENANCE FEES

Apartment Number	Interest Percentage	Size	Maintenance Fees	One K Club Maintenance Fees	Total Maintenance Fees
901	0.66004%	826	\$915	\$597	\$1,512
902	0.66483%	832	\$922	\$597	\$1,519
903	0.59531%	745	\$826	\$597	\$1,423
904	0.56655%	709	\$786	\$597	\$1,383
905	0.56175%	703	\$779	\$597	\$1,376
906	0.57134%	715	\$792	\$597	\$1,389
907	0.61689%	772	\$855	\$597	\$1,452
908	0.61609%	771	\$854	\$597	\$1,451
909	0.46027%	576	\$638	\$597	\$1,235
910	0.68401%	856	\$949	\$597	\$1,546
911	0.69040%	864	\$957	\$597	\$1,554
912	0.67922%	850	\$942	\$597	\$1,539
913	0.74155%	928	\$1,028	\$597	\$1,625
914	0.38116%	477	\$529	\$597	\$1,126
1001	0.66004%	826	\$915	\$597	\$1,512
1002	0.66483%	832	\$922	\$597	\$1,519
1003	0.59531%	745	\$826	\$597	\$1,423
1004	0.56655%	709	\$786	\$597	\$1,383
1005	0.56175%	703	\$779	\$597	\$1,376
1006	0.57134%	715	\$792	\$597	\$1,389
1007	0.61689%	772	\$855	\$597	\$1,452
1008	0.61609%	771	\$854	\$597	\$1,451
1009	0.46027%	576	\$638	\$597	\$1,235
1010	0.68401%	856	\$949	\$597	\$1,546
1011	0.69040%	864	\$957	\$597	\$1,554
1012	0.67922%	850	\$942	\$597	\$1,539
1013	0.74155%	928	\$1,028	\$597	\$1,625
1014	0.38116%	477	\$529	\$597	\$1,126
1101	0.66004%	826	\$915	\$597	\$1,512
1102	0.66483%	832	\$922	\$597	\$1,519
1103	0.59531%	745	\$826	\$597	\$1,423
1104	0.56655%	709	\$786	\$597	\$1,383
1105	0.56175%	703	\$779	\$597	\$1,376
1106	0.57134%	715	\$792	\$597	\$1,389
1107	0.61689%	772	\$855	\$597	\$1,452
1108	0.61609%	771	\$854	\$597	\$1,451
1109	0.46027%	576	\$638	\$597	\$1,235
1110	0.68401%	856	\$949	\$597	\$1,546
1111	0.69040%	864	\$957	\$597	\$1,554
1112	0.67922%	850	\$942	\$597	\$1,539
1113	0.74155%	928	\$1,028	\$597	\$1,625
1114	0.38116%	477	\$529	\$597	\$1,126

Maintenance Fees based on single occupancy. Each additional person is \$475 per month.

EXHIBIT "E-3"

One Kalakaua Senior Living
MONTHLY MAINTENANCE FEES

Apartment Number	Interest Percentage	Size	Maintenance Fees	One K Club Maintenance Fees	Total Maintenance Fees
1201	0.66004%	826	\$915	\$597	\$1,512
1202	0.66483%	832	\$922	\$597	\$1,519
1203	0.59531%	745	\$826	\$597	\$1,423
1204	0.56655%	709	\$786	\$597	\$1,383
1205	0.56175%	703	\$779	\$597	\$1,376
1206	0.57134%	715	\$792	\$597	\$1,389
1207	0.61689%	772	\$855	\$597	\$1,452
1208	0.61609%	771	\$854	\$597	\$1,451
1209	0.46027%	576	\$638	\$597	\$1,235
1210	0.68401%	856	\$949	\$597	\$1,546
1211	0.69040%	864	\$957	\$597	\$1,554
1212	0.67922%	850	\$942	\$597	\$1,539
1213	0.74155%	928	\$1,028	\$597	\$1,625
1214	0.38116%	477	\$529	\$597	\$1,126
1401	0.66004%	826	\$915	\$597	\$1,512
1402	0.66483%	832	\$922	\$597	\$1,519
1403	0.59531%	745	\$826	\$597	\$1,423
1404	0.56655%	709	\$786	\$597	\$1,383
1405	0.56175%	703	\$779	\$597	\$1,376
1406	0.57134%	715	\$792	\$597	\$1,389
1407	0.61689%	772	\$855	\$597	\$1,452
1408	0.61609%	771	\$854	\$597	\$1,451
1409	0.46027%	576	\$638	\$597	\$1,235
1410	0.68401%	856	\$949	\$597	\$1,546
1411	0.69040%	864	\$957	\$597	\$1,554
1412	0.67922%	850	\$942	\$597	\$1,539
1413	0.74155%	928	\$1,028	\$597	\$1,625
1414	0.38116%	477	\$529	\$597	\$1,126
1503	0.61369%	768	\$851	\$597	\$1,448
1504	0.59531%	745	\$826	\$597	\$1,423
1505	0.56175%	703	\$779	\$597	\$1,376
1506	0.57134%	715	\$792	\$597	\$1,389
1507	0.61689%	772	\$855	\$597	\$1,452
1508	0.61609%	771	\$854	\$597	\$1,451
1509	0.46027%	576	\$638	\$597	\$1,235
1510	0.68401%	856	\$949	\$597	\$1,546
1511	0.69040%	864	\$957	\$597	\$1,554
1512	0.67922%	850	\$942	\$597	\$1,539
1513	0.74155%	928	\$1,028	\$597	\$1,625
1514	0.38116%	477	\$529	\$597	\$1,126

Maintenance Fees based on single occupancy. Each additional person is \$475 per month.

EXHIBIT "F"

Summary of Sales Contract

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

- (a) A Buyer must obtain his own financing. Buyer acknowledges that this Sales Contract is contingent on any financing before the issuance of the final public report.
- (b) That a Buyer's money will be held in escrow, under the terms of the Escrow Agreement.
- (c) Any interest earned in Buyer's funds deposited in escrow shall accrue to the benefit of the Buyer prior to the receipt of the Final Public Report or the expiration of 30 days after the delivery or sending of the Final Public Receipt to the Buyer and the Buyer fails to acknowledge receipt of the Final Public Report. Thereafter any interest on the buyer's funds shall belong to the Seller.
- (d) That the unit will be subject to various other legal documents which the buyer certifies that he has examined.
- (e) That the Buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
- (f) The Seller has the right of first refusal to purchase the apartment that the Buyer purchases for a period of 30 days under the same terms and conditions as the Buyer proposes to sell the apartment to another purchaser. This agreement to survive for a period of one year after the sale is closed.
- (g) If there are delays which cause increases in the construction costs, the Seller may increase the purchase price and give the buyer 15 days to cancel the contract and have a return of sums paid less escrow cancellation fee. If Buyer does not notify Seller, then this shall constitute an affirmation of the sales at the new contract price.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

EXHIBIT "G"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

(a) Developer will let purchasers know when payments are due.

(b) Escrow will arrange for purchasers to sign all necessary documents.

(c) The Escrow Agreement states the following conditions under which a refund will be made to a purchaser. Developer and Purchaser make a written request to Escrow: (a) To return to purchaser the funds; (b) To notify Developer's exercise of any option to rescind the sales contract or (c) That the conditions provided for a refund under Sections 514A-62 or 514A-63 of the condominium Act have been met.

(d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract, that is, the Purchaser's funds shall be retained by the Seller as liquidated damages.

(e) All moneys from the sales of such apartments, including any payments made on loan commitments from lending institutions, will be deposited by the developer under an escrow arrangement held by the construction lender for disbursement for costs of the project.

(f) Disbursements from such fund or funds may be made, from time to time, to pay for construction costs of the building in proportion to the valuation of the work completed by the contractor as certified by a registered architect or professional engineer, and for architectural, engineering, finance, and legal fees and for other incidental expenses of the condominium project as approved by the mortgagee.

(g) The balance of the moneys remaining in the trust fund shall be disbursed only upon completion of the building, free and clear of all mechanic's and materialmen's liens.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

Note: Section 514A-63, Hawaii Revised Statutes provides for Rescission Rights to a purchaser under a binding contract if there is a material change in the project which directly, substantially and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project available for such purchaser's use.

Exhibit "H"

ONE KALAKAUA SENIOR LIVING HOUSE RULES

The purpose of these Rules and Regulations are to protect all occupants from annoyance and nuisance caused by improper use of the condominium apartments and to promote harmonious living and the maximum enjoyment of the ONE KALAKAUA SENIOR LIVING condominium. The responsibility for enforcement of these Rules may be delegated to a managing agent by the Board of Directors of the Association. All owners and occupants, tenants and their guests shall be bound by these Rules and by standards of reasonable conduct whether covered by these Rules or not.

A. DEFINITIONS

As used in these Rules, the Declaration and the by Laws of One Kalakaua Senior Living condominium are as follows:

1. "Project" shall mean and include the entire improvements located at the One Kalakaua Senior Living condominium located at 1314 Kalakaua Avenue, Honolulu, Hawaii, and shall include all of the residential units and the common and limited common elements located within it.
2. A "person" as used herein shall mean and include an individual and not a legal or governmental entity, an unincorporated association and/or any group of individuals making use of any of the apartments, common and limited common elements of the Project.
3. "Occupants" as used herein shall mean and include an owner, tenant and any other person who occupies an apartment in the Project.
4. "Apartment" or "Unit" as used herein shall include a residential condominium apartment described in the Declaration and By Laws and which is subject to separate ownership and occupancy by a person.
5. "Association" shall mean the ONE KALAKAUA SENIOR LIVING ASSOCIATION, a Hawaii nonprofit corporation, composed of apartment owners of the Project.
6. "Facility" shall mean and include a common element room or space that is not utilized for residential occupancy and may be utilized for restaurant, skilled nursing

care, business center, meeting room, sundry store, beauty salon, library and chapel.

7. "Rules" as used herein shall include these One Kalakaua Senior Living House Rules.

8. "Managing Agent" as used herein shall mean and include the person and subordinate designated as such by the Board of Directors of the Association.

9. "Owner" shall mean and include the owner, his or her heirs and assigns.

B. SENIOR LIVING REQUIREMENTS

1. Until such services are changed by the Association, the maintenance fees shall be included as part of the common maintenance expenses of the residential apartments, maid services on a weekly basis for general clean up of the apartment including disposal of rubbish and garbage once a week and the laundry service for owner's bedroom linens and towels. Any other services requested for by an occupant will be subject to an additional service charge to be paid by the person requesting such additional service.

2. Any requests for special services shall be made to the Managing Agent and not directly to employees or staff employed by the Managing Agent for the Project.

C. OCCUPANCY

1. The occupant shall observe all of the hours during which the various services and amenities that are provided in the Project that are set by Declarant initially and thereafter by the Board of directors of the Association. Such hours shall be observed by all occupants of apartments in the Project.

2. An owner shall keep the Managing Agent advised as to any change in circumstances of the occupant such as death, illness, leasing, moving into a hospital, nursing facility, etc. as such change occurs.

3. No pets, animals, birds, poultry, reptiles, sea animals or any living mammals shall be owned or kept in an apartment in the Project except that a visually handicapped person may be allowed to have a service, guide or signal dog.

4. If an owner does travel or will be absent, such owner will notify the Managing Agent fourteen (14) days in advance of the period of time that they will be absent from the apartment and will provide the name of a person residing in the City and County of Honolulu to contact in the event of any emergency that occurs with respect to the apartment and the managing Agent is authorized to deal with such person to cope with any such emergency. If the owner fails to give such notification, the

managing agent is authorized to take whatever necessary action that is necessary to cope with the emergency.

5. The owners of an apartment shall be provided with two (2) sets of keys for the apartments and elevators. The issuance of any additional keys will be subject to reasonable costs for any such additional key.

D. FACILITIES

1. The Facility shall have posted or provide information through newsletter, the bulletin board or other means the hours when such facilities shall be available to occupants or other persons.

2. The person operating a facility shall not have their customers, guests and invitees use any of those facilities that they are not invited to or given permission to use such facility by the Managing Agent of the Project.

3. The operators of the facilities, their customers, guests and invitees will be required to observe these Rules, Declaration and By-Laws.

E. COMMON AREAS AND ENTRANCE OF THE PROJECT

1. The sidewalks, passages, lobbies, stairways and corridors must not be obstructed or used for any purpose other than ingress and egress.

2. No personal effects shall be allowed to remain in view at any of the front entrances of apartment.

3. No personal effects shall be allowed to remain in view on any lanai except for lanai furniture and plants.

4. The throwing of firecrackers and the explosion of any fireworks anywhere on the project building grounds or within the project buildings is expressly prohibited.

5. All occupants of apartments shall have garbage deposited in either the trash chute or trash cans must be wrapped. Bottles, cans, boxes or any breakable, bulky or inflammable objects shall be separated as required by the garbage collector. All newspapers and magazines are to be bundled before depositing them in the chute. All deposits must be made after 7:00 a.m. and before 9:00 p.m.

6. All operators of the Facilities shall provide for garbage removal and refuse pick up on a regularly scheduled basis that will be notified to the managing Agent so as to have coordination with other types or removal services that are provided for the occupants of the apartments in the Project.

F. INTERIORS OF APARTMENTS

1. All apartments shall have window drapes, venetian blinds and/or louvered blinds of white or light beige in color as seen from the project buildings' exterior. Drapes or blinds of other colors are allowed if there is a white or beige backing or coloring that is seen from the exterior. The cost of such installation shall be at the sole expense of the apartment owner. Any window tinting beyond what is provided in the project shall require uniform standard among all owners as established by the Board.

2. As to all towels, linens and other things requiring weekly laundry service the managing agent will determine the feasibility and cost of having such service provided by the staff or sent out to an outside laundry service.

3. All owners will take such precautions not to cause any fire hazards within the apartment. All owners will report the malfunctioning of any fire detection device immediately to the managing agent for appropriate repair of such device.

G. SWIMMING POOL

1. The management company will post the hours of operations for the use of the occupants of the project.

2. Use of the swimming pool shall be limited to the occupants and their guests. An occupant may have up to three (3) guests at any one time.

3. Children less than ten years of age should be accompanied by an adult to the pool deck area.

4. No roughhousing is allowed in the pool or surrounding area.

5. Swimmers shall dry themselves completely before leaving the recreation deck.

6. No container, tumbler, drinking glass, or any other item made of glass shall be permitted in the vicinity of the swimming pool.

7. No person with bandages or open wounds of any type may use the pool.

8. Persons with long hair (shoulder length or longer) shall wear bathing caps in the pool if required by the Board of Directors or the Managing Agent.

H. OTHER AMENITIES OF THE PROJECT

1. The Managing Agent shall post the times when other amenities of the Project shall be available for the use of occupants of the Project.

2. The fitness center ,game rooms, arts & craft room, multipurpose room, beauty salon, library, dining room, cocktail lounge and conference room shall post such regulations as to the use of such facilities and when it shall be available for the use of the occupants of the Project.

3. If there is disagreement as to the times when such amenities shall be open for use and the reasonable use for the same, the Association will resolve the matter in issue and if it cannot be resolved, then the matter will be taken up at the Association meeting for its action on the issue concerned.

I. PARKING AREAS

1. Guest Parking

a. The guest parking will be so designated for the Project and it shall be available for use by the guests for the occupants of the Project and the skilled nursing facility on the second floor.

b. The Managing Agent with the approval of the Board of Directors may set charges for the use of the guest parking.

2. Condominium Parking

There are two (2) levels of basement parking stalls for apartment owners and guests and the parking stalls on the ground floor shall be under the jurisdiction and control of the Association. The following shall be observed by the occupants of the apartments.

a. Owners and occupants shall advise the managing Agent in writing of the types of vehicle and license number being used by himself, his lessee or guest.

b. Motor vehicles shall be centered in parking spaces so as to prevent crowding of adjacent spaces and/or blocking of passages.

c. Violators of parking regulations shall have their motor vehicles towed away at their own expense. If the violator is a lessee or guest of an owner, the owner shall be held responsible.

d. Occupants' washing, cleaning or polishing motor vehicles on the Project premises shall be in an area designated by the managing Agent and the occupant shall clean the area thoroughly before leaving. Car washing must be performed in a manner such that no excessive water spilling occurs.

e. No repairs or a motor vehicle, boat, surfboard or other equipment shall be permitted on the Project premises.

f. The Managing Agent may cause a parking pool to be established for those apartments that require parking and provide for monthly parking charges to defray the cost of maintenance of the parking area.

g. All occupants who park motor vehicles in the parking stalls have current safety stickers and will clean and maintain their parking stalls from any oil or other leakage caused by the motor vehicles. After ten (10) days, then the Managing Agent any have it cleaned and assess the occupant and owner the cost of such clean up.

J. NOISE

1. Excessive noises of any type are prohibited at any time.
2. No workmen are allowed in the Project buildings before 8:00 a.m. or after 5:00 p.m. during each day of the week excluding Sundays, except in an emergency.

K. BUILDING MODIFICATIONS

1. No structural changes of any type shall be permitted either within or outside an apartment except in accordance with the By-Laws of the Association.
2. No glass tinting, awnings, shades, windbreaks, or nay other similar device which is visible from the exterior of the Project buildings shall be installed without the prior approval of the Board of Directors.
3. No signs, signals or lettering shall be inscribed or exposed on any part of the Project buildings, nor shall anything be projected out of any window or off any lanai or deck, without the prior approval of the Board of Directors except for the building signs and the temporary sales an marketing signs for the Developer and its Broker.
4. No projections shall extend through any door or window opening into any corridor or beyond the exterior face of the Project buildings.
5. No radio or TV antenna shall be erected or maintained outside the physical confines of any apartment.
6. No additions or alterations to the original design of any apartment will be permitted which are visible from the exterior of the Project buildings.

L. GENERAL

1. Furniture placed in common areas are for use in those specific areas and must not be moved therefrom.

2. No solicitations or canvassing shall be allowed in the Project building at any time.
3. Advance notice must be given to the Managing Agent when household goods or large items of furniture are to be moved in order that the elevators can be protected by pads and proper scheduling of their use can be made.
4. The managing Agent shall not be required to give anyone access to any apartments or lockers without the written permission of the apartment owner.
5. Apartment owners shall file their name, address, phone number and signature with the Management Agent.
6. Owners and occupants shall observe and adhere to these Rules and ensure that their lessees, guests and customers shall observe and adhere to these Rules. Each owner will be responsible for their lessees, guests and customers' observance of all these Rules as set forth herein. In the event expenses are incurred due to violations of the Rules, then the Owner shall be responsible for the payment of the same.

M. AMENDMENT OF THESE RULES

1. It is provided in Article V, Section 4 of the By-Laws that these Rules may be amended from time to time by the Board of Directors upon giving notice to apartment owners affected by giving 14 days written notice in the same manner as provided in Article I, Section 5 of the by Laws and giving the owners an opportunity to be heard before the adoption, amendment or repeal of the Rules.

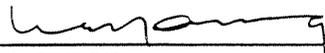
N. THE VIOLATION OF ANY HOUSE RULES ADOPTED BY THE ASSOCIATION OF APARTMENT OWNERS OF ONE KALAKAUA SENIOR LIVING SHALL GIVE THE BOARD OF DIRECTORS OR ITS AGENT THE RIGHT TO:

1. Enter the apartment in which, or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting apartment owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof and the board of directors of the managing agent shall not thereby be deemed guilty in any manner of trespass: or
2. To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach, and all costs thereof, including attorneys' fees, shall be borne by the defaulting apartment owner,

Adopted at Honolulu, Hawaii, this 31st day of May
1993.

ASSOCIATION OF APARTMENT OWNERS
OF ONE KALAKAUA SENIOR LIVING

By ONE KALAKAUA PARTNERS, a
Hawaii General Partnership

Per 
IRA YOUNG
Its Managing Partner

General Partner

EXHIBIT "I"

One Kalakaua Senior Living
PARKING ASSIGNMENT

UNIT NO.	UNIT TYPE	UNIT SIZE	STALL NO.	UNIT NO.	UNIT TYPE	UNIT SIZE	STALL NO.	UNIT NO.	UNIT TYPE	UNIT SIZE	STALL NO.
301	2/2	826	1005	701	2/2	826	1060	1101	2/2	826	1022
302	2/2	832	1004	702	2/2	832	1059	1102	2/2	832	1021
303	2/1	745	2070	703	2/1	745	1062	1103	2/1	745	2041
304	2/1	709	1046	704	2/1	709	2045	1104	2/1	709	1068
305	2/1	703	1024	705	2/1	703	2044	1105	2/1	703	2058
306	2/1	715	1023	706	2/1	715	2043	1106	2/1	715	2059
307	2/1	772	2063	707	2/1	772	1012	1107	2/1	772	1093
308	2/1	771	2064	708	2/1	771	1013	1108	2/1	771	1094
309	1/1	576	1102	709	1/1	576	1098	1109	1/1	576	1077
310	2/2	856	1028	710	2/2	856	1037	1110	2/2	856	2007
311	2/2	864	1056	711	2/2	864	1020	1111	2/2	864	2005
312	2/2	850	1006	712	2/2	850	1025	1112	2/2	850	1043
313	2/2	928	2006	713	2/2	928	2038	1113	2/2	928	2021
314	1/1	477	1069	714	1/1	477	1001	1114	1/1	477	1033
401	2/2	826	1008	801	2/2	826	1081	1201	2/2	826	2062
402	2/2	832	1007	802	2/2	832	1082	1202	2/2	832	1042
403	2/1	745	2066	803	2/1	745	1016	1203	2/1	745	1053
404	2/1	709	1049	804	2/1	709	2048	1204	2/1	709	1063
405	2/1	703	1048	805	2/1	703	2047	1205	2/1	703	2024
406	2/1	715	1047	806	2/1	715	2046	1206	2/1	715	2035
407	2/1	772	2033	807	2/1	772	2016	1207	2/1	772	1086
408	2/1	771	1066	808	2/1	771	2017	1208	2/1	771	1095
409	1/1	576	1101	809	1/1	576	1097	1209	1/1	576	1076
410	2/2	856	1032	810	2/2	856	1026	1210	2/2	856	2004
411	2/2	864	1061	811	2/2	864	1041	1211	2/2	864	2051
412	2/2	850	1010	812	2/2	850	1044	1212	2/2	850	2060
413	2/2	928	2057	813	2/2	928	2032	1213	2/2	928	2028
414	1/1	477	1070	814	1/1	477	1002	1214	1/1	477	1034
501	2/2	826	1030	901	2/2	826	1045	1401	2/2	826	2053
502	2/2	832	1029	902	2/2	832	1079	1402	2/2	832	2054
503	2/1	745	1067	903	2/1	745	2039	1403	2/1	745	1085
504	2/1	709	1087	904	2/1	709	2069	1404	2/1	709	1011
505	2/1	703	1088	905	2/1	703	2009	1405	2/1	703	1014
506	2/1	715	1092	906	2/1	715	2049	1406	2/1	715	1015
507	2/1	772	2022	907	2/1	772	2013	1407	2/1	772	1019
508	2/1	771	2023	908	2/1	771	1065	1408	2/1	771	1027
509	1/1	576	1100	909	1/1	576	1096	1409	1/1	576	1075
510	2/2	856	1058	910	2/2	856	2003	1410	2/2	856	2050
511	2/2	864	2027	911	2/2	864	2010	1411	2/2	864	2031
512	2/2	850	1031	912	2/2	850	1036	1412	2/2	850	2056
513	2/2	928	2055	913	2/2	928	2019	1413	2/2	928	2029
514	1/1	477	1071	914	1/1	477	1003	1414	1/1	477	1035
601	2/2	826	1055	1001	2/2	826	1039				
602	2/2	832	1054	1002	2/2	832	1038				
603	2/1	745	2034	1003	2/1	745	2015	1503	2/1	745	2036
604	2/1	709	1052	1004	2/1	709	2065	1504	2/1	709	2040
605	2/1	703	1051	1005	2/1	703	2067	1505	2/1	703	2011
606	2/1	715	1050	1006	2/1	715	2068	1506	2/1	715	2012
607	2/1	772	1017	1007	2/1	772	1073	1507	2/1	772	1083
608	2/1	771	1018	1008	2/1	771	1064	1508	2/1	771	1084
609	1/1	576	1099	1009	1/1	576	1078	1509	1/1	576	1074
610	2/2	856	1080	1010	2/2	856	2061	1510	2/2	856	2018
611	2/2	864	2042	1011	2/2	864	2008	1511	2/2	864	2020
612	2/2	850	1057	1012	2/2	850	1040	1512	2/2	850	2037
613	2/2	928	2052	1013	2/2	928	2014	1513	2/2	928	2030
614	1/1	477	1072	1014	1/1	477	1009	1514	1/1	477	1103

Exhibit "J"

Lessors of Project Property

1. By Edwin R. Kuhn and Samuel A. Kuhn, as Trustees of The Paloma J. Kuhn Hawaiian Trust dated February 2, 1990, executed by Paloma Jaeger Kuhn, as Trustor, as to an undivided 40% interest, by Deed of Paloma Jaeger Kuhn, unmarried, dated April 23, 1991, recorded as Document No. 91-103080.

2. By Kathleen Elizabeth Suker, also known as Kathleen Elizabeth Walters Suker, wife of James A. Suker, as to an undivided 12% interest, by (a) Deed of Gail Zimmerman Hermanson and Suzanne Smith Browne, Co-Executrices of the Estate of Joanne Zimmerman Wolters, also known as Joanne Z. Wolters and Joanne Wolters, deceased, dated August 2, 1978, recorded in Liber 13180 at Page 270, and (b) Deed of Bishop Trust Company, Ltd., a Hawaii corporation, duly appointed Ancillary Personal Representative of the Estate of Bernice Jaeger Black, aka Bernice Pauahi Black, deceased, dated September 15, 1989, recorded in Liber 23703 at Page 307.

3. By John Oliver McMurren Victoria Kaiulani McMurren, Co-Trustees of the McMurren Family Intervivos Trust dated July 27, 1990, as to an undivided 12% interest, by Deed of Victoria Kaiulani McMurren, wife of John Oliver McMurren, dated January 15, 1991, recorded as Document No. 91-016140.

4. By Iwalani W. Harris, Trustee of the Iwalani W. Harris Separate Property Trust dated March 16, 1994, as to an undivided 12% interest, by Deed of Timothy S. Harris and Iwalani W. Harris, Co-Trustees of the Harris Family Intervivos Trust dated September 15, 1988, dated July 22, 1994, recorded as Document No. 94-134659.

5. By Johanna M. N. Wolters, Trustee of the Johanna M. N. Wolters Intervivos Trust dated June 15, 1990, as to an undivided 12% interest, by Deed of Johanna Mari Noelani Wolters, unmarried, dated January 15, 1991, recorded as Document No. 91-016142.

6. By James W. E. Wolters and Nicol Roswell Wolters, Trustees of the Wolters Family Intervivos trust dated March 10, 1994, as to an undivided 12% interest, by Deed of James Erich Wolters, also known as James William Eric Wolters, husband of Nicol Roswell Wolters, dated January 4, 1995, recorded as Document No. 95-007346.

NOTE: See Exhibit "K" and note at bottom.

EXHIBIT "K"

SUMMARY OF AMENDED AND RESTATED OPTION AGREEMENT

DATE: December 31, 1994

FEE OWNERS: Edwin R. Kuhn and Samuel A. Kuhn, Trustees of The Paloma J. Kuhn Hawaiian Trust, Kathleen Elizabeth Suker, John Oliver McMurren and Victoria Kaiulani McMurren, Co-Trustees of the McMurren Family Intervivos Trust, Iwalani W. Harris, Trustee of the Iwalani W. Harris Separate Property Trust, Johanna M.N. Wolters, Trustee of the Johanna M.N. Wolters Intervivos Trust, and James W.E. Wolters and Nicol Roswell Wolters, Trustees of the Wolters Family Intervivos Trust.

OPTION HOLDER: Amusement Park Hawaii, Inc. or assignee

CONSIDERATION: \$5,000 plus mutual undertakings and acknowledgments by Fee Owner and Option Holder.

PRICE: \$10,473,750

OPTION EXERCISE: No later than October 1, 1995.

FEE PURCHASE: Between seven (7) and fourteen (14) days after Option Exercise but no later than October 15, 1995.

TITLE: Good, merchantable and insurable title in fee simple.

ESCROW: Title Guaranty Escrow Services, Inc.

COSTS: Fee Owners to bear conveyance and transfer taxes and cost of title insurance (exclusive of survey costs); escrow costs to be shared; other closing costs shared/prorated in manner customary for comparable transactions in Honolulu.

1031 EXCHANGE: Fee Owners elect a 1031 tax-deferred exchange for fee; Option Holder to cooperate.

NOTE: The Developer has indicated that it intends to exercise the above option to purchase the legal fee at the time of construction loan closing.