CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: Kalakaua Southseas Owners LLC
Address: c/o Honu Group, Inc., 999 Bishop Street, Suite 2750, Honolulu, Hawaii 96813

Project Name(*): 2100 KALAKAUA AVENUE
Address: 2100 Kalakaua Avenue, Honolulu, Hawaii 96815

Registration No. 4670

Effective date: July 22, 2002
Expiration date: August 22, 2003

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

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

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

___ **SUPPLEMENTARY: (pink)** This report updates information contained in the:

[ ] Preliminary 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 _____

(*)Exactly as named in the Declaration

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

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [X] 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.

[X] Changes made are as follows:

1. WPP, LLC, a Hawaii limited liability company, was merged with and into Kalakaua Southseas Owners LLC, a Hawaii limited liability company, on September 21, 2001 by that certain Certificate (Merger) recorded in the Office of the Registrar of the Land Court of the State of Hawaii as Document No. 2741534. Similarly, Land Court Order No. 143495 evidences the change of name of LB KFC LLC, a Delaware limited liability company, to 2100 Kalakaua Owners LLC ("2100"), a Delaware limited liability company, on October 30, 2000, and the merger of 2100 with and into Kalakaua Southseas Owners LLC, a Hawaii limited liability company, on September 21, 2001. Due to said mergers, Kalakaua Southseas Owners LLC is the fee simple owner of all lots comprising the land submitted to this condominium property regime. Accordingly, all references in the Public Report to WPP, LLC and LB KFC, LLC have been deleted.

2. The name, address and phone number of the General Contractor for the Project has been included on Page 5 of this Public Report.

3. The recordation information for the Declaration of Condominium Property Regime, Condominium Map and Bylaws (and the amendment to said Declaration and Bylaws) has been included on Page 6 of this Public Report.

4. Paragraph II.D on Page 7 of this Public Report now indicates that the Project Rules have been adopted by the Developer.

5. The lots originally intended to be submitted to this condominium property regime have been subdivided and/or consolidated and resubdivided since the issuance of the Preliminary Public Report for this Project, and some, but not all, of the resulting lots were actually submitted to the regime. Accordingly, the Tax Map Key numbers and land area information for the underlying land has changed as now set forth in Paragraph III.B on Page 9 of this Public Report.

6. The Project currently consists of fourteen (14) apartments (as opposed to eleven (11) apartments, as noted in the Preliminary Public Report). Accordingly, all references in this Public Report to the total number of apartments of the Project have been revised.

7. Information regarding the total number of parking stalls available for the Project is set forth in Paragraph III.C.7 on Page 12 of this Public Report.

8. The title report for the Project has been updated, as reflected in Paragraph III.E of Page 14 of this Public Report. Said Paragraph III.E has also been revised to include information regarding the blanket lien currently encumbering the Project (on Page 15 of this Report).

9. Paragraph III.F of this Public Report (found on Page 15) sets forth the information pertaining to the types of warranties, if any, being offered for the Project.

10. Paragraph III.H on Page 16 of this Public Report has been revised to delete any reference to Areas B and C, since these areas were eliminated in the subdivision and/or consolidation and resubdivision of the lots initially intended to be submitted to the regime.

11. The name of the Managing Member of the Developer was incorrectly noted as LB Southseas I Inc. on the Preliminary Public Report. This Public Report notes the correct name of said Managing Member, which is LB Southseas II Inc. on Pages 5 and 21.

12. Paragraphs A and B of Exhibit "A" to this Public Report have been revised to clarify those rights being reserved unto Developer as described in said paragraphs.

13. The number of apartments, and the physical layout and size of certain apartments, have changed since the issuance of an effective date for the Preliminary Public Report for this Project. Accordingly, Exhibit "B" (describing the boundaries of each apartment)

14. and Exhibit "D" (setting forth the apartment numbers and apartment types, approximate net and gross square footages and percentages of common interest attributable to each apartment) have each been revised to reflect these changes. Exhibit "E" to this Public Report has been revised to add a janitorial room, a mail room and any trash compactors and/or trash bins and areas of common use as common elements of the Project. Item 10 of said Exhibit also has been revised to clarify which elevators constitute common elements.

15. An Exhibit "E-1", describing the limited common elements of the Project, has been added to this Public Report.

16. Exhibit "F" to this Public Report has been revised to include the land description of the lots actually submitted to this condominium property regime, and the encumbrances of each such lot.

17. Exhibit "G" sets for the updated Estimated Annual Common Expense projection for the Project.

SPECIAL NOTES

The Developer hereby discloses that, pursuant to a Maintenance Agreement entered into by and between the Developer and the City and County of Honolulu ("City"), the Association of Apartment Owners for the Project shall have the right to plant and otherwise place landscaping along certain property owned by the City and located between the property line of the Project and either (i) Kalakaua Avenue, (ii) Kalaimoku Street, (iii) Kuhio Avenue, or (iv) Lau'ula Street; provided, however, that the Association shall be solely responsible for the maintenance, upkeep, removal and replacement of any landscaping planted or otherwise placed upon or within said areas at the Association's sole cost and expense. By executing a Purchase Agreement for an Apartment in the Project, a purchaser shall be deemed to have agreed to pay for any and all costs associated with the maintenance, upkeep, removal and replacement of said landscaping areas.

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EXHIBIT A:	Rights Reserved by Developer
EXHIBIT B:	Boundaries of Each Apartment
EXHIBIT C:	Permitted Alterations to Apartments
EXHIBIT D:	Apartment Numbers, Approximate Net and Gross Square Footage, Percentage of Common Interests
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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 owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Kalakaua Southseas Owners LLC
Name*
c/o Honu Group, Inc., 999 Bishop Street, Suite 2750
Business Address
Honolulu, Hawaii 96813
Phone (808) 550-4449
(Business)

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

Manager: LB Southseas II Inc.
c/o Honu Group, Inc., 999 Bishop Street, Suite 2750
Honolulu, HI 96813

Real Estate Broker*: Honu Group Realty, Inc.
Name
c/o Honu Group, Inc., 999 Bishop Street, Suite 2750
Business Address
Honolulu, Hawaii 96813
Phone: (808) 550-4449
(Business)

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

General Contractor*: Dillingham Construction Pacific, Ltd.,
dba Hawaiian Dredging Construction Company
Name
614 Kapahulu Avenue
Business Address
Honolulu, Hawaii 96815
Phone: (808) 735-3211
(Business)

Condominium Managing Agent*: Honu Group Realty, Inc.
Name
999 Bishop Street. Suite 2750
Business Address
Honolulu, Hawaii 96813
Phone: (808) 550-4449
(Business)

Attorney for Developer: Imanaka Kudo & Fujimoto
Name
745 Fort Street, 17th Floor
Business Address
Honolulu, Hawaii 96813
Attn: Mitchell A. Imanaka, Esq.
Phone: (808) 521- 9500
(Business)

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

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

[ ] Proposed
[ ] Recorded -Bureau of Conveyances: Document No. _____
Book_____Page_____
[X] Filed - Land Court: Document No. 2797987

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

First Amendment to Declaration of Condominium Property Regime and Bylaws of 2100 Kalakaua Avenue dated June 25, 2002, recorded in the Office of the Registrar of the Land Court of the State of Hawaii as Document No. 2817861.

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._____
[X] Filed - 1471

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

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

The Bylaws for this condominium are:

[ ] Proposed
[ ] Recorded -Bureau of Conveyances: Document No. _____
Book_____Page_____
[X] Filed - Land Court: Document No. 2797988

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

First Amendment to Declaration of Condominium Property Regime and Bylaws of 2100 Kalakaua Avenue dated June 25, 2002, recorded in the Office of the Registrar of the Land Court of the State of Hawaii as Document No. 2817861.

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

The House Rules for this condominium are:

[ ] Proposed [X] Adopted [ ] Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

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

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	---	By a majority of the Board of Directors

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

2. Developer:

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

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

See attached Exhibit A

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

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

[ ] Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

Lease Term Expires:_____ Rent Renegotiation Date(s): _____

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

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

For Sub-leaseholds:

[ ] 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 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): _____

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: 2100 Kalakaua Avenue
Honolulu, Hawaii 96815

Tax Map Key (TMK) : (1) 2-6-018:010
(1) 2-6-018:034
(1) 2-6-018:036

[ ] Address [X] TMK is expected to change because N/A

Land Area: 55,064 [X] square feet [ ] acre(s) Zoning: Resort Commercial

Fee Owner: Kalakaua Southseas Owners LLC
Name
c/o Honu Group, Inc., 999 Bishop Street, Suite 2750
Address
Honolulu, Hawaii 96813

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 1 Floors Per Building 3

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [ ] Wood

[X] Other Stone, Steel, Various Metals, Tile, Glass and Bitumous Roofs

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
[ ] Residential	___	[ ] Yes [ ] No	[ ] Ohana	___	[ ] Yes [ ] No
[X] Commercial	14	[X] Yes [ ] No	[ ] Industrial	___	[ ]Yes [ ] No
[ ] Mix Res/Comm	___	[ ] Yes [ ] No	[ ] Agricultural	___	[ ]Yes [ ] No
[ ] Hotel	___	[ ] Yes [ ] No	[ ] Recreational	___	[ ]Yes [ ] No
[ ] Timeshare	___	[ ] Yes [ ] No	[ ] Other:_____	___	[ ]Yes [ ] No

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

[X] Yes [ ] No

5. Special Use Restrictions:

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

[ ] Pets: _____

[ ] Number of Occupants: _____

[X] Other: See Exhibit "K"

[ ] There are no special restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 12 Stairways: 3 * Trash Chutes: 0

*There will be three (3) stairways available in the common areas for public use.

Apt. Type	Quantity	BR/Bath	Living Area (sf)	Other Area (sf)	(Identify)
See Exhibit "D" for details.					

Total Number of Apartments: 14

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

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

Boundaries of Each Apartment:

see Exhibit "B"

Permitted Alterations to Apartments:

see Exhibit "C"

Apartments Designated for Owner-Occupants Only: N/A
Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a).

7. Parking Stalls:

Total Parking Stalls: 139

	Regular		Compact		Tandem		TOTAL
	Covered	Open	Covered	Open	Covered	Open	
Assigned (for each unit)	___	___	___	___	___	___	_____
Guest	___	___	___	___	___	___	_____
Unassigned	77*	62**	___	___	___	___	139
Extra for Purchase	___	___	___	___	___	___	_____
Other:_____	___	___	___	___	___	___	_____
Total Covered & Open:	139		_____		___		139

*Seventy-seven (77) covered parking stalls located in the Nike Town parking complex shall be made available for use by Project owners, occupants and customers pursuant to (i) that certain Declaration of Covenants dated April 18, 2002, recorded in the Office of the Registrar of the Land Court of the State of Hawaii as Document Nos. 2796724 and 2796725, and (ii) that certain Supplemental Parking Agreement and Declaration of Covenants dated April 18, 2002, recorded in said Office as Document Nos. 2796727 and 2796728.

**Sixty-two (62) covered parking stalls, to be located in a parking lot constructed on a lot immediately adjacent to the Project, shall be made available for use by Project owners, occupants and customers pursuant to that certain Parking License Agreement dated April 18, 2002, recorded in said Office as Document No. 2796726.

Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit_____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[ ] Swimming Pools [X] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis Court [X] Trash chute/Enclosure(s)

[X] Other: Common elevators, stairways, corridors, walkways and lobby areas, a janitorial area or areas, a management office located on the third floor of the building, and a public restroom located on the third floor of the building.

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

[X] There are no violations. [ ] Violations will not be cured.

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

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):

Not Applicable

11. Conformance to Present Zoning Code

a. [X] 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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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

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

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

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

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

[X] described in Exhibit E.

[ ] as follows:

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

[ ] There are no limited common elements in this project.

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

[X] described in Exhibit E-1.

[ ] 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:

[X] described in Exhibit D.

[ ] 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 F describes the encumbrances against the title contained in the title report June 5, 2002, 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.

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

* The land underlying the Project will be encumbered by that certain Mortgage by and between Kalakaua Southseas Owners LLC, as Mortgagor and Far East National Bank and The Union Labor Life Insurance Company, as Mortgagee, to be recorded in the Office of the Registrar of the Land Court of the State of Hawaii ("Mortgage"). Developer obtained the loan secured by the Mortgage to finance the construction and further development of the Project. The Mortgage will be a "blanket lien" on the entire project, including all apartments. Upon conveyance of an apartment to a buyer, however, the Mortgage will be released as to the apartment being conveyed. If there is a default and foreclosure of the Mortgage prior to conveyance, the buyer may lose the right to buy the apartment, but will receive its deposit back.

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 Developer does not make any warranties for the Project, but merely passes on the warranties made to it by the general contractor to correct any work found defective within one (1) year after the date of substantial completion of the building of the Project where the defective work was found.

2. Appliances:

None.

Note (as to 1 and 2 above): Except as provided above, Developer disclaims any implied warranty of habitability, any implied warranty of merchantability, any implied warranty of fitness for a particular purpose or use, any implied warranty of workmanship and any other express or implied warranties, with respect to the apartments, the Project, the common elements thereof, or as to any appliances and furnishings contained within the apartments or the Project.

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

The construction of the Project has commenced. The Developer estimates that the Project will be completed in October of 2002.

H. **Project Phases:**

The developer [X] 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):

Capitalized terms set forth in the following summary shall have the same meanings ascribed to such terms in the Declaration.

Developer will develop and construct the initial Apartments in the Project as described herein and as depicted on the Condominium Map. Developer has reserved the right unto itself, its successors and assigns, to and until December 31, 2021, to modify the present plan of development, to develop and construct such additional Apartments and other Improvements in the Project and to annex such Apartments and Improvements and/or any adjacent land areas (if any) to the Project in the manner hereafter specified. Specifically, but not in limitation of the generality of the foregoing, the Developer presently plans to develop fourteen (14) commercial Apartments to be situated within the Building Structure depicted on the Condominium Map. Developer reserves the right to modify the present plan of development by varying the number of Apartments constructed in the Project in the future; by relocating the footprint of the Building Structure or any future buildings to be constructed on the Project; by modifying, deleting and/or adding Apartment types; and/or by modifying, deleting and/or adding types of Common Elements. Developer shall further have the reserved right to execute and file an amendment to the Declaration to modify the present plan of development, to create any such additional Apartments and other Improvements within the Project and to annex the same and/or any such additional land, to the purview of the Declaration. Any such development, construction and annexation of such additional land and/or Apartments and any related Improvements to the Project shall be effective provided that:

A. Developer shall file or cause to be filed an amendment to the Declaration: (1) describing the land and/or Apartment(s) and Improvements to be annexed to the Project and setting forth at least a description of the land and/or Apartment(s) and such Improvements; and (2) in the case of the annexation of Apartments, setting forth the Common Interests appurtenant to the newly formed Apartments and existing Apartments. Upon the annexation of additional Apartments to the Project, the Common Interest for all Apartments in the Project shall be recalculated by dividing the gross square footage of an Apartment by the sum of the gross square footage of all Apartments of the Project, with minor adjustment to the Common Interest of certain Apartments to permit the total Common Interest percentage for all Apartments to equal exactly 100%.

B. Developer shall also file or cause to be filed an amendment to the Condominium Map which depicts the additional land and/or Apartment(s) being annexed to the Project, and, in the case of an Apartment, a floor plan with dimensioning, together with a verified statement of registered architect or professional engineer, in the manner required by Section 514A-12 of the Act, that said Condominium Map, as so amended, is an accurate copy of portions of the plans of the Apartment(s) to be annexed as filed with and approved by the county officer having jurisdiction over the issuance of permits for the completion of buildings, and that the plans fully and accurately depict the layout, location, apartment numbers, and dimensions of the Apartment(s) as built; and

C. Any such alteration shall comply in all respects with all applicable governmental codes, statutes, ordinances and rules and regulations.

The right to amend the aforesaid Declaration and Condominium Map to effect the present plan of development, the development, construction and annexation of any land and/or Apartments to the Project shall occur at any time or times prior to December 31, 2021, and Developer may, without being required to obtain the consent or joinder of any Owner, lienholder or other persons, execute, deliver and file amendments to the Declaration and Condominium Map and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the foregoing rights, powers or privileges. Any attempt to effect the present plan of development or to develop, construct and annex such lands and/or Apartments to the Project after December 31, 2021 shall require the consent of a majority of the members of the Board. In the event a majority of the Board shall so consent, the Association shall have the right to exercise the authority reserved to the Developer under Article XXI of the Declaration.

IV. CONDOMINIUM MANAGEMENT

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

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

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

[ ] not affiliated with the Developer [X] the Developer or the Developer's affiliate.
[ ] self-managed by the Association of Apartment Owners [ ] other_____

B. **Estimate of Initial Maintenance Fees:**

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

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

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

C. **Utility Charges for Apartments:**

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

[ ] None [X] Electricity (X Common Elements Only _____ Common Elements and Apartments)
[ ] Gas (___ Common Elements Only _____ Common Elements and Apartments)
[X] Water [X] Sewer [ ] Television Cable
[X] Other: Refuse

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

[X] Specimen Sales Contract
Exhibit __H__ contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated May 29, 2001.

Exhibit __I__ contains a summary of the pertinent provisions of the escrow agreement.

[X] Other Apartment Deed. Exhibit J contains a summary of the pertinent provisions of the Apartment Deed.

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:

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

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

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

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

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

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**

B) The buyer has not waived the right to rescind.

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

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

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

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

This Public Report is a part of Registration No. 4670 filed with the Real Estate Commission on June 22, 2001.

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

[ ] YELLOW paper stock [X] WHITE paper stock [ ] PINK paper stock [ ] GREEN paper stock

C. **Additional Information Not Covered Above**

N/A

D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A] (The developer is required to make this declaration for issuance of an effective date for a final public report.)

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

KALAKAUA SOUTHSEAS OWNERS LLC,
a Hawaii limited liability company

By LB SOUTHSEAS II INC.,
a Delaware corporation
Its Managing Member

By _____
Xavier Sheid
Its Authorized Signatory

June 25, 2002
Date

Distribution:

nt of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT "A"

RIGHTS RESERVED BY DEVELOPER

Among other rights, the Developer will have the following reserved rights with respect to the Project which are more particularly set forth in the Condominium Declaration. Capitalized terms have the same meaning ascribed to such terms in the Condominium Declaration.

A. **RESERVED RIGHT TO GRANT EASEMENTS.** This right is set forth in Article XX of the Condominium Declaration. The Developer will have, among other things, the right until December 31, 2021, to delete, relocate, realign, reserve, designate, grant and receive easements and rights of way over, under, through, across or upon the common elements of the Condominium, and to receive easements over, under, through, across or upon Area B and/or Area C, as such areas are identified in the Condominium Map, or over, under, through, across or upon any property adjacent to or otherwise abutting the Project, as deemed necessary or desirable in Developer's Sole discretion.

B. **RESERVED RIGHT TO DEVELOP, CONSTRUCT AND ANNEX ADDITIONAL APARTMENTS AND/OR LAND TO THE PROJECT.** This right is set forth in Article XXI of the Condominium Declaration. The Developer will have the right until December 31, 2021 to modify the present plan of development, to develop and construct such additional Apartments and other Improvements in the Project and to annex such Apartments and Improvements and/or any adjacent land areas (as necessary) to the Project in the manner specified in the Condominium Declaration.

C. **RESERVED RIGHT TO SUBDIVIDE AND CONSOLIDATE APARTMENTS.** This right is set forth in Article XXII of the Condominium Declaration. The Developer will have the right to and until December 31, 2021, without obtaining the approval of any party with an interest in the Project, to: (1) alter the floor plan of any Apartment which it owns at any time provided that the Common Interest appurtenant to the Apartment shall not change; (2) cause the subdivision of any Apartment which it owns at any time to create two or more Apartments provided that the total Common Interest appurtenant to the newly created Apartments shall equal the Common Interest appurtenant to the original Apartment; and (3) convert certain portions of any existing Apartment to Common Element status to facilitate any subdivision provided that the total Common Interest appurtenant to the newly created Apartment(s) shall equal the Common Interest appurtenant to the original Apartment. Moreover, if the Developer is the owner of any two Apartments separated by a party wall, floor or ceiling, Developer shall have the right, without obtaining the approval of any party with an interest in the Project, to consolidate two or more Apartments and to alter or remove all or portions of the intervening wall, floor or ceiling at Developer's expense, subject to the conditions set forth in the Condominium Declaration.

D. **RESERVED RIGHT TO MODIFY PROJECT TO COMPLY WITH LAW.** This right is set forth in Article XXIII of the Condominium Declaration. The Developer will have the right to and until December 31, 2021 to effect all modifications to Apartments and common elements in the Condominium to ensure full compliance by the Condominium and the Condominium Association with laws which apply to the Condominium, including the Americans With Disabilities Act, as amended, 42 U.S.C. §§ 12101 et seq., including all rules and regulations adopted under it.

E. **RESERVED RIGHT TO SUBDIVIDE, AND/OR TO CONSOLIDATE AND RESUBDIVIDE, AND TO ACCEPT THE CONVEYANCE AND ANNEXATION OF AREA D.** This right is set forth in Article XXIV of the Condominium Declaration. The Developer will have the reserved right to and until December 31, 2021, to subdivide and/or to consolidate and resubdivide all or some of the lots which comprise the Land, and in connection with such subdivision or consolidation and resubdivision, to accept the conveyance of the fee simple interest in and to Area D (as such area is identified on the Condominium Map,) from the owner thereof and to annex said Area D to the provisions of the Condominium Declaration. In connection with such right, the Developer shall have the further reserved right to enter and go upon the Land to do all things necessary or proper to effectuate such subdivision and/or consolidation and resubdivision of said lots, including, without limitation, making surveys to undertake a reasonable realignment of boundaries of the Land (it being understood that the Developer shall have the reserved right to effect any such realignment), and to facilitate the granting, reserving, adding, deletion, reception, realignment and/or relocating of easements and/or rights of ways for utilities, cesspools, sanitary and storm sewers,

cable televisions, telecommunications systems, refuse disposal, driveways, parking areas and roadways, and of all other required easements and/or rights of ways, subject to the conditions set forth in the Condominium Declaration.

F. **RESERVED RIGHT REGARDING SPECIAL DISTRICT PERMIT.** This right is set forth in Article XXV of the Condominium Declaration. The Developer will have the reserved right to and until December 31, 2021, to amend the Condominium Declaration, to enter into any agreements and to grant easements and to do all things necessary and convenient to satisfy the requirements of that certain Special District Permit Application No. 2000/SDD-31, dated September, 11, 2000, pertaining to the Project, and to execute, file and deliver any and all documents necessary to effect the same, including, but not limited to, any amendments to the Condominium Declaration and to the Condominium Map and any grant of easements over the Land for access or other purposes.

G. **RESERVED RIGHT TO CONVERT COMMON ELEMENTS TO APARTMENTS AND APARTMENTS TO COMMON ELEMENTS.** This right is set forth in Article XXVI of the Condominium Declaration. The Developer will have the reserved right to and until December 31, 2021, without obtaining the approval of any party with an interest in the Project, to convert an Apartment to a Common Element of the Project or to convert any Common Element into a separate Apartment of the Project. In either event, Developer shall also have the right, without obtaining the approval of any party with an interest in the Project, to alter the physical aspects of the Apartment or Common Element (as applicable) at Developer's expense in connection with such conversion, including building such structures as may be necessary or appropriate, subject to the conditions set forth in the Condominium Declaration.

H. **RESERVED RIGHT TO AMEND CONDOMINIUM DECLARATION TO MODIFY LEGAL DESCRIPTION.** This right is set forth in Article XXVII of the Condominium Declaration. In the event that the Land shall be subdivided, or the Land and any parcels adjacent to the Land shall be consolidated and/or resubdivided in accordance with certain rights reserved to the Developer hereunder, the Developer shall also have the reserved right, to and until December 31, 2021, to execute, file and deliver any amendment to the Condominium Declaration, the Condominium Map and the Bylaws as may be necessary or required to accurately reflect the current legal description of the land underlying the Project after said subdivision or consolidation and resubdivision.

I. **RESERVED RIGHT REGARDING ARTWORK.** This right is set forth in Article XXVIII of the Condominium Declaration. The Developer will have the reserved right to and until December 31, 2021, to place any art work or other decorative items in or about the Common Element areas of the Building Structure, or along or upon the grounds of the Project, as Developer deems appropriate in its sole discretion, and shall have the further right to require the Association to maintain and otherwise upkeep such artwork and other decorative items on a daily basis at the Association's sole cost and expense.

J. **ASSIGNMENT OF RESERVED RIGHTS.** Pursuant to Article XXIX of the Condominium Declaration, the rights reserved by the Developer are fully assignable.

Each and every party acquiring an interest in the Project, by such acquisition, consents to Developer's exercise of its reserved rights and to the execution, delivery and filing (if necessary) of any and all documents necessary to effect these rights, including any amendment or amendments of the Condominium Declaration and the Condominium Map; agrees to execute, deliver and file such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints the Developer and its assigns such party's attorney-in-fact with full power of substitution to execute, deliver and file such documents and instruments and do such other things on his behalf, which grant of such power, being coupled with an interest is irrevocable for the term of these reserved rights, and shall not be affected by the disability of such party or parties.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE DEVEOPER'S RESERVED RIGHTS CONTAINED IN THE CONDOMINIUM DECLARATION. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF SUCH RESERVED RIGHTS, PURCHASER MUST REFER TO THE CONDOMINIUM DECLARATION TO DETERMINE THE FULL SCOPE OF SAID RIGHTS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE RESERVED RIGHTS SET FORTH IN THE CONDOMINIUM DECLARATION, CONDOMINIUM DECLARATION WILL CONTROL.

EXHIBIT "B"

BOUNDARIES OF EACH APARTMENT

Capitalized terms have the same meanings ascribed to such terms in the Condominium Declaration.

A. Apartment Nos. 2100, 2110A, 2112A, 2114A, 2116, 2118, 2120, 2122A and 2124A, as identified on the Condominium Map, shall each be deemed to include (a) all the walls and partitions which are not load-bearing within its exterior or party walls, (b) all pipes, ducts, conduits, wires and other utility or service lines running through such Apartment which are utilized for and serve only that Apartment, (c) all party walls (measured from the center-line of said walls) and all exterior walls (excluding the decorated or finished surfaces on the outside of said walls), (d) in the case of Apartment Nos. 2100, 2116, 2118 and 2120 only, the decorated or finished surfaces of the floors of each Apartment (excluding any foundation or floor slab), the decorated or finished inner surfaces of the roof of each Apartment, and the air space located between the decorated or finished surfaces of the floor of the first story of each Apartment, the decorated or finished inner surfaces of the roof of each Apartment and the party and perimeter walls described in Subsection (c) above (but excluding the floor slab of the second and third floors of each Apartment and the undecorated or unfinished surfaces thereof), (e) in the case of Apartment Nos. 2110A, 2112A, 2114A, 2122A and 2124A only, the decorated or finished surfaces of the floors of the first and second stories of each Apartment (excluding any foundation or floor slab) and the air space located between the decorated or finished surfaces of the floor of the first story of each Apartment, the decorated or finished bottom surfaces of the floor of the third story Apartment located directly above Apartment Nos. 2110A, 2112A, 2114A, 2122A and 2124A, as applicable, and the party and exterior walls described in Subsection (c) above (but excluding the floor slab of the second and third floors of each Apartment and the undecorated or unfinished surfaces thereof), (f) all perimeter and interior doors, door frames, door closure and/or security devices, door checks, windows, window frames and window hardware (if any), (g) all glass windows, (h) the storefront of each Apartment, (i) the elevator located within any Apartment (excluding Apartment Nos. 2110A, 2112A, 2114A, 2122A and 2124A), and any other machinery or other appurtenant equipment located within said Apartment and necessary for the operation and servicing of said elevator, (j) any lanai or lanais serving said Apartments (excluding the finished or decorated surfaces of the exterior and party walls of said lanais), (k) the exhaust ducts for the bathrooms of each Apartment, (l) all appliances and fixtures installed therein, and replacements therefore, and (m) as to Apartment Nos. 2100 and 2116 only, the stairways located within said Apartments; provided, however, that no Apartment Owner shall modify any portion of an Apartment without first obtaining the Board's prior approval if such modification will or is likely to affect the structural integrity of the building in which the Apartment is located.

Said Apartments shall not be deemed to include: (i) the exterior, decorated or finished surfaces of all exterior walls, (ii) any interior load-bearing walls and partitions, posts, columns, girders, beams and supports, if any, or the undecorated or unfinished surfaces of such walls and posts, (iii) any pipes, ducts, conduits, wires or other utility or service lines which are utilized for or serve more than one Apartment, (iv) any foundation or floor slab within an Apartment and the undecorated or unfinished surfaces thereof, (v) the roof of the Building Structure (excluding the decorated or finished inner surfaces of said roof in the case of Apartment Nos. 2100, 2116, 2118 and 2120), the same being deemed Common Elements as provided in the Condominium Declaration, or (vi) the elevator located within any Apartment (excluding Apartment Nos. 2100, 2116, 2118 and 2120), and any other machinery or other appurtenant equipment located within said Apartment and necessary for the operation and servicing of said elevator(s), the same being deemed Limited Common Elements as provided in the Condominium Declaration.

B. Apartment Nos. 2110B, 2112B, 2114B 2122B and 2124B shall be deemed to include (a) all the walls and partitions which are not load-bearing within its exterior or party walls, (b) all pipes, ducts, conduits, wires and other utility or service lines running through such Apartment which are utilized for and serve only that Apartment, (c) all party walls (measured from the center-line of said walls) and all exterior walls (excluding the exterior, decorated or finished surfaces of said walls), (d) all perimeter and interior doors, door frames, door closure and/or security devices, door checks, windows, window frames and window hardware (if any), (e) all glass windows, (f) the decorated or finished surfaces of the floor of the Apartment (excluding any foundation or floor slab), the decorated or finished inner surfaces of the roof of each Apartment and the airspace located between said floor, roof and the exterior and party walls noted in Subsection (c) above, (g) the storefront of each Apartment, (h) any lanai or lanais serving said Apartments (excluding the finished or decorated surfaces of the exterior and party walls of said lanais), (j) the exhaust ducts for the bathrooms of each Apartment, (k) all appliances and fixtures

installed therein, and replacements therefor; provided, however, that no Apartment Owner shall modify any portion of an Apartment without first obtaining the Board's prior approval if such modification will or is likely to affect the structural integrity of the building in which the Apartment is located.

Said Apartments shall not be deemed to include: (i) the exterior, decorated or finished surfaces of all exterior walls, (ii) any interior load-bearing walls and partitions, posts, columns, girders, beams and supports, if any, or the undecorated or unfinished surfaces of such walls and posts, (iii) any pipes, ducts, conduits, wires or other utility or service lines which are utilized for or serve more than one Apartment, and (iv) any foundation or floor slab constituting the boundary of an Apartment and the undecorated or unfinished surfaces thereof, and the roof of each Apartment (excluding the decorated or finished surfaces said roof), the same being deemed Common Elements as provided in the Condominium Declaration, or (v) the elevator located within Apartment Nos. 2110B, 2112B, 2114B, 2122B and 2124B, and any other machinery or other appurtenant equipment located within said Apartment and necessary for the operation and servicing of said elevator(s), the same being deemed Limited Common Elements appurtenant to other Apartments as provided in the Condominium Declaration.

EXHIBIT "C"

PERMITTED ALTERATIONS TO APARTMENTS

Capitalized terms have the same meanings ascribed to such terms in the Condominium Declaration.

A. **GENERAL PROVISIONS.** Except as otherwise expressly provided in Article XII, Section B of the Condominium Declaration or elsewhere in the Condominium Declaration to the contrary, repair, restoration or replacement of the Project or any portion thereof or construction of any additional improvement or structural alteration or addition to any improvement, different in any material respect from the Condominium Map of the Project, shall be undertaken by the Association or any Apartment Owner only pursuant to an amendment of the Condominium Declaration in accordance with Article XIII of the Condominium Declaration, duly executed pursuant to the provisions thereof, and in accordance with complete plans and specifications therefor first approved in writing by the Board. Promptly upon completion of such restoration, replacement or construction, the Association or Owner, as the case shall be, shall duly file such amendment in the Land Court, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer.

B. **ADDITIONS OR ALTERATIONS SOLELY WITHIN AN APARTMENT.** Notwithstanding anything to the contrary contained in the Condominium Declaration, each Owner of an Apartment shall have the right at any time and from time to time at such Owner's sole cost and expense, and without the necessity of the consent or joinder of any other Apartment Owner, to make any of the following alterations solely within the Owner's Apartment: to install, maintain, remove and rearrange partitions (including the party wall between two Apartments owned by the same Owner) and other structures from time to time within such Apartment, to finish, alter or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors and walls as shall be appropriate for the utilization of such Apartment by such Owner or the tenants or lessees thereof, and to tile, finish, re-carpet, and do or cause to be done such work on the floors of any Apartment; provided, however, that nothing contained in this paragraph shall jeopardize the soundness or safety of any part of the Project, reduce the value thereof, materially adversely affect any other Apartment, materially alter the uniform external appearance of the Project, materially affect or impair any easement or rights of any of the other Apartment Owners or materially interfere with or deprive any non-consenting Owner of the use or enjoyment of any part of the Common Elements. Further, nothing in this paragraph shall prohibit the Board from effecting such changes within an Apartment, or to require the same, in order that the buildings of the Project may continue to comply with applicable law, including any fire code requirements.

C. **APARTMENT OWNERS TO EXECUTE AMENDMENT DOCUMENTS IN CERTAIN CASES.** In the event that any change or alteration of an Apartment pursuant to and in compliance with Article XII, Section B of the Condominium Declaration shall alter the depiction of the particular Apartment on the Condominium Map or the description thereof in the Condominium Declaration, then the Owner of such Apartment shall amend the Condominium Declaration and/or the Condominium Map to set forth such approved change or alteration, which amendment(s) may be executed by the Owner of the affected Apartment or Apartments and by no other party, and such shall become effective upon the filing thereof in the Land Court. The provisions of Article XIII of the Condominium Declaration notwithstanding, such amendment shall not require the consent or joinder of the Owner of any other Apartment or any other person or entity, other than any mortgagee of such Apartment or Apartments which are changed or altered. Every Apartment Owner and all holders of liens affecting any of the Apartments of the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Apartment, lien or other interest, consents to and agrees that it shall, if required by law or by any such Owner who shall have changed or altered an Apartment as aforesaid, join in, consent to, execute, deliver and file all instruments and documents necessary or desirable to effect the amendment of the Condominium Declaration and/or the Condominium Map; and appoints such Owner and its assigns said Owner's attorney-in-fact with full power of substitution to execute, deliver and file such documents and to do such things on its behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of any such party.

EXHIBIT "D"

Apartment Numbers, Apartment Types,
Approximate Square Footage and Percentage of Common Interest

Apartment Number	Apartment Type	Approximate Square Footage (Net)	Approximate Square Footage (Gross)	Percentage of Common Interest
2100	3 Floors	10,581	11,283	11.633998%
2110A	2 Floors	6,751	7,292	7.518844%
2110B	1 Floor	3,448	3,623	3.735706%
2112A	2 Floors	6,989	7,280	7.506470%
2112B	1 Floor	3,416	3,640	3.753235%
2114A	2 Floors	6,690	7,312	7.539466%
2114B	1 Floor	3,453	3,656	3.769733%
2116	3 Floors	18,164	18,810	19.395152%
2118	3 Floors	18,619	19,268	19.867398%
2120	3 Floors	5,270	4,724	4.870957%
2122A	2 Floors	2,971	3,225	3.325325%
2122B	1 Floor	1,253	1,571	1.619872%
2124A	2 Floors	3,194	3,519	3.628471%
2124B	1 Floor	1,218	1,780	1.835373%
Total:		92,017	96,983	100.000000%

CALCULATION OF COMMON INTEREST

The common interest attributable to each Apartment was calculated by dividing the gross square footage of each individual Apartment by the total gross square footage of all Apartments within the Project. In order to permit the common interest for all Apartments to equal exactly hundred percent (100%), the common interest attributable to Apartment No. 2118 was decreased by .000001%.

EXHIBIT "E"

COMMON ELEMENTS

COMMON ELEMENTS. One freehold estate has been designated in all remaining portions of the Project, herein called the "Common Elements," including specifically but not limited to:

1. The Land in fee simple and any appurtenances thereto;

2. The exterior surfaces of all exterior walls, any load-bearing walls and partitions and chase walls, and the undecorated or unfinished surfaces of such walls, all structural components such as concrete sidewalks and curbs, foundations and floor slabs, columns, girders, beams, supports and roofs;

3. All landscaping, yards, grounds, plants and gardens within the Project (excluding any landscaping done to, or plants or gardens placed within, any third floor lanai area);

4. All lobby areas or stairways (except those located within an Apartment);

5. All roads, driveways, access lanes, paved areas, ramps, loading areas, walkways, passages and corridors (other than those that are part of an Apartment);

6. All fences, entrances, entryways and exits of the Project;

7. All cables, conduits, ducts, vents, sewer lines, electrical equipment, wiring, pipes, catch basins and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one Apartment for services such as power, light, water, gas, sewer, storm water, refuse, cable television, telecommunications and television signal distribution;

8. The space set aside for use as an office by the managing agent or other employee of the Association, the security office, the mail room, janitorial room, utility room, all storage rooms not located within an Apartment, all equipment and pump rooms, all janitorial and maintenance rooms, all utility rooms, all trash rooms and/or enclosures within the Project, and all toilet and restroom facilities not located within an Apartment (if any);

9. All unimproved areas and other similar areas which are not part of an Apartment;

10. All other apparatus and installations existing for common use, such as elevators (excluding the elevators located within an Apartment, which elevators shall either be considered part of the Apartment or a Limited Common Element appurtenant to an Apartment, as applicable), fans, ducts, vents, pumps, motors, compressors, fire suppression equipment and other such installations and apparatus existing for common use;

11. All flood lights and other similar lighting devices, whether attached or unattached to the exterior of the Building Structure;

12. All mechanical, electrical and air conditioning equipment originally installed and located within any pump room, transformer room, cooling room or electrical room utilized for or serving more than one (1) Apartment;

13. Any trash compactor and/or trash bins and areas of common use; and

14. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safe operation and normally in common use.

Capitalized terms have the same meanings ascribed to such terms in the Condominium Declaration.

EXHIBIT "E-1"

LIMITED COMMON ELEMENTS

Certain parts of the Common Elements, called the "Limited Common Elements," are designated, set aside and reserved in the Condominium Declaration for the exclusive use of certain Apartments, and such Apartments shall have appurtenant thereto exclusive easements for the use of such Limited Common Elements are set forth in said Declaration. The costs and expenses of every description pertaining to the Limited Common Elements, including, but no limited to, the costs of maintenance, repair, replacement, improvement or additions to the Limited Common Elements, shall be charged to the Owner of the Apartment to which the Limited Common Element shall be appurtenant, and if there is more than one Apartment to which the Limited Common Element shall be appurtenant, then in proportion to the Common Interest appurtenant to each of the respective Apartments, unless a different method is adopted pursuant to the Condominium Declaration.

1. Apartment Nos. 2110A, 2112A, 2114A, 2122A and 2124A shall each have appurtenant thereto as a Limited Common Element the elevator located within each Apartment (which also extends into a portion of the third floor directly above said Apartment Nos. 2110A, 2112A, 2114A, 2122A and 2124A) and any machine room and machinery and other appurtenant equipment which are used to operate and/or service said elevators.

2. Apartment No. 2122A shall have appurtenant thereto as a Limited Common Element the rooms identified on the Condominium Map as the "Machine Room" and the "Elevator Lobby," which rooms area located on the third floor of the Building Structure immediately outside the entrance to Apartment No. 2122B.

3. Apartment No. 2124A shall have appurtenant thereto as a Limited Common Element the rooms identified on the Condominium Map as the "Machine Room" and the "Elevator Lobby," which rooms area located on the third floor of the Building Structure immediately outside the entrance to Apartment No. 2124B.

4. Apartment Nos. 2122A and 2124A shall each have appurtenant thereto the mechanical room located outside of Apartment No. 2122B, as shown on the Condominium Map (such room is identified on said map as "Mech.").

5. Apartment Nos. 2100, 2110B, 2112B, 2114B, 2116, 2118 and 2120 shall each have appurtenant to it the mechanical room identified as "Mech." on the Condominium Map, which room is located within Apartment Nos. 2110B, 2112B and 2114B and on the third floor of Apartments Nos. 2100, 2116, 2118 and 2120.

EXHIBIT "F"

LAND DESCRIPTION AND ENCUMBRANCES AGAINST TITLE

THE LAND UNDERLYING THE 2100 KALAKAUA AVENUE CONDOMINIUM PROJECT IS DESCRIBED AS FOLLOWS:

-ITEM ONE:- (Tax Map Key Nos. (1) 2-6-018:010)

All of that certain parcel of land situate at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, being more particularly described as follows:

Lot 2, area 25,647 square feet, more or less, as shown on Map No. 1, filed in the Office of the Registrar of the Land Court of the State of Hawaii with Land Court Consolidation No. 203 of WPP, LLC and Kalakaua Southseas Owners LLC.

Being the premises described in Transfer Certificate of Title No. 582,779 issued to Kalakaua Southseas Owners LLC, a Hawaii limited liability company.

-ITEM TWO:- (Tax Map Key No. (1) 2-6-018:036)

All of that certain parcel of land situate at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, being more particularly described as follows:

Lot 3, area 23,367 square feet, more or less, as shown on Map No. 1, filed in said Office with Land Court Consolidation No. 203 of WPP, LLC and Kalakaua Southseas Owners LLC.

TOGETHER WITH an undivided 20/154 part of and interest in and to and a right of way to be used in common with the other owners thereof over, across, along and upon Lot 243, area 9,723 square feet, more or less, and Lot 244, area 2,975 square feet, more or less; and an undivided 6/154 part of and interest in and to a right of way to be used in common with the other owners thereof over, across, along and upon Lot 245, area 10,458 square feet, more or less; all as shown on Map No. 35, filed in said Office with Land Court Application No. 551 of Archibald Alfred Young.

Being the premises described in Transfer Certificate of Title No. 582,780 issued to Kalakaua Southseas Owners LLC, a Hawaii limited liability company.

-ITEM THREE:- (Tax Map Key No. (1) 2-6-018:034)

All of that certain parcel of land situate at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, being more particularly described as follows:

Lot 273, area 6,050 square feet, more or less, as shown on Map No. 124, filed in said Office with Land Court Application No. 551 of Archibald Alfred Young.

Being the premises described in Transfer Certificate of Title No. 558,608 issued to Kalakaua Southseas Owners LLC, a Hawaii limited liability company.

AS TO ITEMS ONE, TWO AND THREE, ALSO TOGETHER WITH all of the rights and benefits afforded to the owner of the real property described in Items One, Two and Three above, as set forth in (i) that certain Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) dated April 18, 2002, recorded in said Office as Document No. 2796723, (ii) that certain Declaration of Covenants dated April 18, 2002, recorded in said Office as Document No. 2796724, (iii) that certain Parking License Agreement dated April 18, 2002, recorded in said Office as Document No. 2796726, (iv) that certain Supplemental Parking Agreement and Declaration of Covenants dated April 18, 2002, recorded in said Office as Document No. 2796727 and (v) that certain Reciprocal Easements Agreement dated April 18, 2002, recorded in said Office as Document No. 2796729, all as may be amended from time to time.

SUBJECT, HOWEVER, to the following:

1. –AS TO ITEM ONE ONLY:-

   A. Grant in favor of the City and County of Honolulu dated October 4, 1966, recorded in said Office as Document No. 436625; granting an easement over Easement "1" as shown on Map No. 1, as amended, of Land Court Consolidation No. 128, as set forth by Land Court Order No. 37266, filed in said Office on April 10, 1973 (now cancelled).

   B. Restriction of Vehicular Access Rights, as shown on Map No. 1, as set forth by Land Court Order No. 142090, recorded in said Office on May 25, 2001; along Kalakaua Avenue and Kalaimoku Street, except where access is permitted.

   C. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain Warranty Deed with Covenants and Contingent Purchase Price dated April 24, 1998, recorded in said Office as Document No. 2452113.

   D. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in that certain Encroachment Agreement dated November 9, 200- (acknowledged November 9, 2001), made by and between K3 Owners LLC, a Hawaii limited liability company, and Kalakaua Southseas Owners LLC, a Hawaii limited liability company; re: encroachment or building on Lot 2 onto Lot 1.

2. –AS TO ITEM TWO ONLY:-

   A. A 10 foot setback line as shown on Maps Nos. 35, 40, 41 and 42 of Land Court Application No. 551.

   B. Restriction of Vehicular Access Rights, as shown on Map No. 1, as set forth by Land Court Order No. 142090, recorded in said Office on May 25, 2001.

   C. –AS TO LOT 245 ONLY:-

      1) The terms and provision, including the failure to comply with any covenants, conditions and reservations contained in that certain Deed dated April 22, 1937, recorded in said Office as Document No. 39684.

   D. -AS TO LOTS 243, 244 AND 245 ONLY:-

      1) Rights of way in favor of various owners of interest in said lots, as granted in sundry instruments filed in said Office.

2. Grant in favor of Mutual Telephone Company, now known as Verizon Hawaii, Inc. dated March 3, 1941, recorded in said Office as Document No. 57154; granting the right for utility purposes in common with other utilities.

3. Amended Final Order of Condemnation (Civil No. 31946) in favor of the City and County of Honolulu dated November 7, 1974, recorded in said Office as Document No. 701338; re: easements for sewer rights of way.

4. Rights of others who own undivided interest(s) in said lots.

5. Grant in favor of the City and County of Honolulu, a municipal corporation of the State of Hawaii, and the Board of Water Supply dated October 3, 2000, recorded in said Office as Document No. 2656471; granting the right, in the nature of an easement for water pipeline purposes.

6. Grant in favor of Hawaiian Electric Company, Inc. dated November 9, 2001, recorded in said Office as Document No. 2753035; granting the perpetual right and easement for utility purposes.

3. –AS TO ITEM THREE ONLY:-

A. A 10 foot setback line as shown on Maps Nos. 35 and 40, filed with Land Court Application No. 551.

4. Agreement For Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) dated April 18, 2002, recorded in said Office on April 18, 2002 as Document No. 2796723.

5. Declaration of Covenants dated April 18, 2002, recorded in said Office on April 18, 2002 as Document Nos. 2796724 and 2796725.

6. Parking License Agreement dated April 18, 2002, recorded in said Office on April 18, 2002 as Document Nos. 2796726.

7. Supplemental Parking Agreement and Declaration of Covenants dated April 18, 2002, recorded in said Office on April 18, 2002 as Document Nos. 2796727 and 2796728.

8. Reciprocal Easements Agreement dated April 18, 2002, recorded in said Office on April 18, 2002 as Document Nos. 2796729.

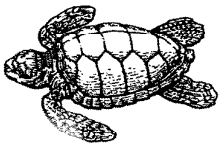
9. Any unrecorded leases and matters arising from or affecting the same.

10. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

honu
GROUP INC

June 27, 2002

Real Estate Commission
Department of Commerce and Consumer Affairs
P.O. Box 3469
Honolulu, Hawaii 96801



2100 Kalakaua

Dear Commissioner:

I, Andy Smith, as agent and Principal of Honu Group, Inc., and the condominium managing agent of the developer of the 2100 Kalakaua Avenue condominium project, hereby certify the attached 2100 Kalakaua Avenue budget and estimate of monthly assessment were prepared in accordance with generally accepted accounting principals.

Andy Smith

6/27/2002
Date

999 Bishop Street
Suite 2750
Honolulu, Hawaii 96813

Phone 808.550.4449
Fax 808.550.4403
Email mail@honugroup.com
Web www.honugroup.com

2100 Kalakaua Avenue
Monthly Operating Budget

Leasable Square Footage	96,983	
	Monthly Budget	Annual Budget
REVENUE		
Operating Expense Recovery	73,100	877,200
Real Property Tax Recovery	33,333	399,996
Advertisng & Promotion	17,000	204,000
Total Revenue	123,433	1,481,196
DISBURSEMENTS:		
Utilities:		
Electricity	4,000	48,000
Water/Sewer	800	9,600
Refuse	12,000	144,000
Telephone	700	8,400
Gas	1,700	20,400
Maintenance:		
Repairs & Maintenance	1,700	20,400
Supplies	700	8,400
Landscaping	5,000	60,000
Security	9,700	116,400
Elevator	1,000	12,000
HVAC	1,400	16,800
Miscellaneous	500	6,000
Administative:		
Insurance	16,500	198,000
Management Fee	3,300	39,600
Accounting & Legal Fees	1,000	12,000
Real Property Tax	33,333	399,996
Advertising & Marketing	17,000	204,000
Total Disbursements	110,333	1,323,996
Reserve		
Roof	3,400	40,800
HVAC	4,800	57,600
Building	3,900	46,800
Parking & Load Dock	1,000	12,000
Total Reserves	13,100	157,200
Total Disbursements & Reserves	123,433	1,481,196

Projected Reserves:

	Life	Est Cost to Replace
Roof	25	1,020,000
HVAC	10	576,000
Building Exterior	10	468,000
Parking & Load Dock	8	96,000

6/27/2002
11:24 AM

2100 Kalakaua Avenue
Monthly Assessment

Estimated Monthly Maintenance Fee by Units

Apartment Number	Apartment Type	Approximate Square Footage	Percentage of Common Interest	Estimated Monthly CAM Assessment
2100	3 Floors	11,283	11.633998%	14,360
2110A	2 Floors	7,292	7.518844%	9,281
2110B	1 Floor	3,623	3.735706%	4,611
2112A	2 Floors	7,280	7.506470%	9,265
2112B	1 Floor	3,640	3.753235%	4,633
2114A	2 Floors	7,312	7.539466%	9,306
2114B	1 Floor	3,656	3.769733%	4,653
2116	3 Floors	18,810	19.395152%	23,940
2118	3 Floors	19,268	19.867398%	24,523
2120	3 Floors	4,724	4.870957%	6,012
2122A	2 Floors	3,225	3.325325%	4,105
2122B	1 Floor	1,571	1.619872%	1,999
2124A	2 Floors	3,519	3.628471%	4,479
2124B	2 Floors	1,780	1.835373%	2,265
		96,983	100.000000%	123,432

EXHIBIT "H"

SUMMARY OF PURCHASE AGREEMENT

The specimen 2100 KALAKAUA AVENUE Purchase Agreement ("Agreement") contains, among other things, the following terms and conditions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. The Seller (Developer) has engaged Title Guaranty Escrow Services, Inc. ("Escrow") to handle Purchaser's funds and to close the transaction in accordance with the terms of the Agreement. All payments to be made under the Agreement shall be paid by Purchaser to Escrow pursuant to the Escrow Agreement.

B. The Purchaser specifically acknowledges and agrees that the Condominium Declaration contains reservations of certain rights in favor of Seller, the Association and other owners and contains certain other provisions to which the Purchaser consents.

C. The "Closing Date" shall be that date that is set forth on page 1 of the Agreement. All payments shall be due and payable in full on the Closing Date, and, if not paid on said date due to Purchaser's failure to act in a diligent manner in order for said payment to be made on said date, then such nonpayment shall result in a default under the Agreement. If Purchaser, after the delivery by Seller of a copy of the Final Public Report for the Project, either personally or by registered or certified mail with return receipt requested, shall fail to execute an acknowledgement of receipt and waiver of Purchaser's right to cancel the Agreement (or shall fail to give his written approval or acceptance to any material change to the Project as requested by Seller pursuant to the provisions of Hawaii Revised Statutes Section 514A-63, as amended) within thirty (30) days of such receipt, Seller may at its option: (i) cancel the Agreement upon ten (10) days' written notice to Purchaser of such cancellation and upon such cancellation Seller shall cause Escrow to refund to Purchaser all payments previously made by Purchaser without interest; or (ii) elect (by its failure to give said written notice of cancellation) to treat such failure as a deemed acceptance ("Deemed Acceptance") of such Public Report and as a waiver of the right to cancel the Agreement (or as a Deemed Acceptance of such material change, as the case may be).

D. The Purchase Price does not include closing costs which include, among other things, the escrow fee, cost of a preliminary title report, cost of preparation of the Apartment Deed, real property tax and other prorations, all acknowledgment fees, conveyance taxes, title insurance, if requested by Purchaser, cost of any lender's title insurance, appraisal fees, costs for drafting of any notes and mortgages, all recording costs or fees, loan fees and all other applicable mortgage costs. Purchaser shall pay a start-up fee equal to two (2) months' of the estimated maintenance fee in advance.

E. Purchaser agrees that it will not assign the Agreement to any person or entity. Seller may, without any consent of Purchaser, freely assign Seller's interests therein.

F. Purchaser shall not be entitled to possession of the Apartment as the owner thereof until Purchaser has completed all required payments and has executed all documents relating to the purchase, and Purchaser has performed the remaining terms and conditions of the Agreement which are to be performed as of the Closing.

G. Notices to either party may be delivered personally or mailed.

H. The laws of the State of Hawaii shall govern all matters with respect to the Agreement.

I. Purchaser has examined and approved the estimate of monthly maintenance charges for the Property as shown in the Public Report. Purchaser is aware that such amounts are only estimates and may change for reasons beyond the control of Seller, and Purchaser hereby specifically accepts and approves any such changes.

* * * * *

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

EXHIBIT "I"

SUMMARY OF ESCROW AGREEMENT

The 2100 KALAKAUA AVENUE Escrow Agreement dated May 29, 2001 ("Agreement") contains the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. When Seller (Developer) shall enter into a purchase agreement for the conveyance of an apartment or other interest in the Project ("Purchase Agreement"), it shall require the payments of deposits due thereunder to be promptly made to Escrow, and shall deliver an executed copy of the Purchase Agreement to Escrow together with the address of the Purchaser. Seller shall also promptly pay over to Escrow all monies (including checks) received by Seller from or on behalf of the Purchasers, including those received on any Purchase Agreement, and all payments made on loan commitments from lending institutions on account of any apartment in the Project, other than funds received from interim financing.

B. Escrow shall receive, deposit and hold in separate escrow accounts and disburse as set forth in the Agreement: (a) all payments received by it under Purchase Agreements, (b) such sums received by it under the Agreement from or for the account of Seller, and (c) all sums received by it from any other source with respect to the Project. Escrow shall not at any time commingle or permit the commingling of any Purchaser's funds with funds belonging to or held for the benefit of Seller. All funds and instruments received from Purchasers or prospective Purchasers shall be held by Escrow in accordance with the provisions contained in Chapter 514A of the Hawaii Revised Statutes. All monies received by Escrow hereunder shall be deposited, within a reasonable time of the receipt by Escrow and in reasonably convenient and practical sums, in a trust fund with a bank, savings and loan or trust company authorized to do business in the State of Hawaii under an escrow arrangement, and shall be held in immediately available funds in accordance with the terms the Agreement.

C. Escrow shall make no disbursements of Purchasers' funds or proceeds from the sale of apartments in the Project (including any payments made on loan commitments from lending institutions), except by way of refunds thereof as provided in the Agreement, until Escrow has received a letter from Seller stating that the Purchasers have signed the required Receipt and Notice of Right to Cancel or are deemed to have receipted for the public reports and to have waived their right to cancel, and stating further that no subsequent events have occurred which would give the Purchasers the right to rescind, the Purchase Agreements have "become binding" and "the requirements of Sections 514A-40, 514A-39.5 and 514A-63" of the Hawaii Revised Statutes have been met, as said phrases are used in Section 514A-65, Hawaii Revised Statutes, and further that the requirements of Section 514A-62 of the Hawaii Revised Statutes have been met. Further, no disbursements of Purchasers' funds shall be made until the affidavit of intent to become an owner-occupant required by Section 514A-104, Hawaii Revised Statutes, as amended, and approved and issued by the Real Estate Commission pursuant to Section 514A-104.5, Hawaii Revised Statutes, as amended, has been reaffirmed by the prospective owner-occupant of the respective residential unit.

D. Each Purchaser shall be entitled to a return of his or her funds, without interest, and Escrow shall pay such funds to such Purchaser, promptly after request for return by the Purchaser if one of the following has occurred:

(1) Escrow receives a written request from Seller to return to the Purchaser the funds of the Purchaser then being held by Escrow;

(2) Seller notifies Escrow in writing of Seller's exercise of the option to rescind the Purchase Agreement pursuant to any right of rescission stated therein or otherwise available to Seller;

(3) The conditions providing for a refund under Section 514A-62 or under Section 514A-63 of the Hawaii Revised Statutes (as amended on the date upon which the Purchase Agreement becomes binding and effective) have been met, and written notice thereof has been provided to Seller.

Upon the return of said funds to the Purchaser as aforesaid, Escrow shall return to Seller such Purchaser's Purchase Agreement and any conveyancing documents theretofore delivered to Escrow pursuant to such Purchase Agreement; and thereupon the Purchaser shall no longer be obligated under the Purchase Agreement. Other documents delivered to Escrow relating to the sale of the apartment identified in such Purchase Agreement will be returned to the person from whom or entity from which they were received.

Upon the cancellation of any Purchase Agreement as specified above, Escrow shall be entitled to a $25.00 cancellation fee.

E. If the Purchaser fails to make any payment on or before the due date thereof or if the Purchaser does or fails to do any act which would constitute an event of default under the Purchase Agreement, Seller shall promptly give to such Purchaser and to Escrow, written notice of default. If Purchaser has failed to cure the default after the delivery of notice by Escrow and such default continues after the expiration of any grace period, Escrow shall so advise Seller. If Seller shall thereafter certify in writing to Escrow: (1) that Seller has elected to terminate the Purchase Agreement and has notified the Purchaser, or (2) that Purchaser is otherwise in default, then, and in either event, Escrow, subject to the provisions relating to dispute and conflicting demands set forth in paragraph 14 of the Agreement, shall thereafter treat all funds of the Purchaser paid under such Purchase Agreement, less Escrow's cancellation fee, as funds of Seller and not of the Purchaser. Thereafter, such funds shall be held free of the escrow established by the Agreement and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such funds to Seller or order and shall return to Seller the Purchase Agreement of such Purchaser and any other documents theretofore delivered to Escrow in connection with the purchase of the apartment specified in such Purchase Agreement shall be returned to the person from whom or entity from which such documents were received.

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

EXHIBIT "J"

SUMMARY OF DEED FORM

The specimen 2100 KALAKAUA AVENUE Apartment Deed, Encumbrances and Reservations of Rights ("Deed" or "Apartment Deed") contains among others, the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. The premises conveyed comprises a portion of the 2100 KALAKAUA AVENUE Condominium Property Regime situate at Waikiki, City and County of Honolulu, State of Hawaii.

B. The Grantor (Developer) is the lawful owner of the fee simple interest in the real property and the rights to be transferred to the Purchaser; that the same are free and clear of and from all encumbrances except as identified in the Deed and except for the lien of real property taxes not yet by law required to be paid; that the Grantor has good right and title to sell and convey said real property in the manner set forth in the Deed; and the Grantor will WARRANT AND DEFEND the same unto the Purchaser forever against the lawful claims and demands of all persons, except as mentioned in the Deed.

C. Purchaser agrees and consents to the exercise by Grantor of any of its reserved rights set forth in the Condominium Declaration, and Purchaser agrees to sign such documents and do such things as may be required to permit Grantor to exercise those reserved rights, including signing, delivery and filing of all documents which may be necessary, and Purchaser appoints Grantor as Purchaser's "attorney-in-fact" which means that Grantor can act for Purchaser or on Purchaser's behalf, with "full power of substitution," which means that someone else may take Grantor's place to sign, deliver and file all documents and to do all things on Purchaser's behalf, which grant of authority, being coupled with an interest, which means that the Grantor has an interest beyond just in the power Purchaser is giving, cannot be revoked by Purchaser for the term of the reserved rights, and will not be affected by Purchaser's disability.

D. Purchaser agrees, for the benefit of all other owners of the other apartments in the Project, to at all times observe, perform, comply with and abide by all of the covenants, agreements, obligations, conditions and other provisions set forth in the Condominium Declaration, the Bylaws and the Project Rules as any of the same exist or may hereafter be amended in accordance with law and does accept and approve of the Condominium Declaration, Bylaws and Project Rules.

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

EXHIBIT "K"

SUMMARY OF SPECIAL USE RESTRICTIONS

Capitalized terms have the same meaning ascribed to such terms in the Condominium Declaration.

1. It is intended that the exterior of the buildings shall present a uniform appearance, and to effect that end, the Owners of the Apartments hereby agree that the Board may require the painting, staining, refinishing or repair of outside walls, trim, railings and other exterior portions of the Building Structure (excluding the storefront of all Apartments subject to a Lease Agreement,) and regulate the type and color of paint or other material to be used; provided, however, that such regulation of said exterior portions of the Building Structure shall conform to the plans and specifications contemplated for the Leased Premises as set forth in the Lease Agreements. Unless otherwise prohibited in any of the Lease Agreements (for as long as any Lease Agreement is in effect), the Board is authorized to contract for said painting, staining, refinishing or repair and to make payment therefor out of the capital improvements fund, subject to direct charges for negligence, misuse or neglect, as provided hereinabove.

2. No Apartment Owner or occupant shall place, store or maintain on walkways, grounds, landscaped areas or other Common Elements, any furniture, inventory, equipment, packages or objects of any kind, or otherwise obstruct transit through such Common Elements.

3. Every Apartment Owner and occupant shall at all times keep its Apartment in a strictly clean and sanitary condition and observe and perform all laws, ordinances, Project Rules now or hereafter made by any governmental authority or the Association for the period during which the same are applicable to the use of the Project.

4. No Apartment Owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of its Apartment or the Project nor alter or remove any equipment of or improvements to the Common Elements;

5. No Apartment Owner or occupant shall make any additions or alterations to any exterior Common Elements of the Project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications, including a detailed plot plan, prepared by a licensed architect, if so required by the Board, and unless such shall be first approved by the Board.

6. No Apartment Owner or occupant shall decorate or landscape any entrance of its Apartment or any other portion of the Project except in accordance with standards therefor established by the Developer or the Board or specific plans approved in writing by the Board; provided, however, that this provision shall in no way affect any right of an Existing Tenant to decorate and otherwise maintain the storefronts and/or lanai areas (as applicable) appurtenant to each of the Leased Premises as set forth in each of the Lease Agreements;

7. No refuse, garbage or trash of any kind shall be thrown, placed or kept on any Common Elements of the Project outside of the disposal facilities provided for such purpose.

8. Nothing shall be allowed, done or kept in any Apartment or Common Element of the Project which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association, unless the Owner of said Apartment shall agree to pay any such increases or obtain substitute insurance.

9. No unlawful use shall be made of the Project or any part thereof, and all valid laws, orders, Project Rules of all governmental agencies having jurisdiction thereof (collectively "Legal Requirements") shall be strictly complied with. Compliance with any Legal Requirements shall be accomplished by and at the sole expense of the Apartment Owner or Owners, or the Board, as the case may be, whomever shall have the obligation under the Condominium Declaration or the Bylaws to maintain and repair the portion of the Project affected by any such Legal Requirements or otherwise comply with such Legal Requirements.

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THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL USE RESTRICTIONS CONTAINED IN THE CONDOMINIUM DECLARATION AND BYLAWS. WHILE AN OWNER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE USE RESTRICTIONS SET FORTH IN THE CONDOMINIUM DECLARATION AND BYLAWS, SAID OWNER MUST REFER TO THE CONDOMINIUM DECLARATION AND BYLAWS TO DETERMINE THE OWNERS' ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND ANY USE RESTRICTIONS SET FORTH IN THE CONDOMINIUM DECLARATION AND BYLAWS, THE CONDOMINIUM DECLARATION AND BYLAWS WILL CONTROL.