

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Posec Hawaii, Inc., a Hawaii corporation
Address ASB Tower, 1001 Bishop Street, Suite 1560, Honolulu, HI 96813

Project Name(*): 909 KAPIOLANI
Address: 909 Kapiolani Boulevard, Honolulu, HI 96814

Registration No. 5205

Effective date: January 12, 2004
Expiration date: February 12, 2005

Preparation of this Report:

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

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

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

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

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

Type of Report:

- X PRELIMINARY: (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.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
And [] Supersedes all prior public reports.
[] Must be read together with
[] This report reactivates the public report(s) which expired on

(*) Exactly as named in the Declaration
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-30 286/986/189/1190/892/0197/1098/0800/0203

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL NOTICE

It is expressly understood that the 909 condominium project has not yet been created. Accordingly, any Sales Contract entered into for the purchase of an apartment in the Project shall not be legally binding upon either the prospective buyer or the Developer. Any such Sales Contract shall only constitute a reservation and not a binding contract.

In addition to the foregoing, prospective purchasers should be aware that there are no assurances that the Joint Development Agreement which is described on page 20 of this Public Report can and will be secured from the Musicians' Union. Additionally, the development of the Project is also contingent upon obtaining a Development Agreement from the Hawaii Community Development Authority. Failure to obtain and secure any of the foregoing agreements or any other agreement with third parties could have an adverse impact on the development of this Project.

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

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

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

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

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

Operation of the Condominium Project

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

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

Until there is 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: Posec Hawaii, Inc., a Hawaii corporation Phone: (808) 599-1990
 Name* (Business)
ASB Tower, 1001 Bishop Street, Suite 1560
 Business Address
Honolulu, HI 96813

Names of officers and directors of developers 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):

Myung Gyu Im (President, Director); Kwang Suk Jeon (Vice-President, Director);
Seung-ji R. Lee (Treasurer, Secretary, Director); Wonjae Jun (Chief Executive Officer)

Real Estate Broker*: Prudential Locations LLC Phone: (808) 735-4200
 Name (Business)
3465 Waialae Avenue, Fourth Floor
 Business Address
Honolulu, HI 96816

Escrow: Island Title Corporation Phone: (808) 531-0261
 Name (Business)
1132 Bishop Street, Suite 400
 Business Address
Honolulu, HI 96813

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

 Business Address

Condominium Managing Agent*: Hawaiiana Management Company, Ltd. Phone: (808) 593-9100
 Name (Business)
711 Kapiolani Boulevard, Suite 700
 Business Address
Honolulu, HI 96813

Attorney for Developer: Imanaka Kudo & Fujimoto Phone: (808) 521-9500
 Name (Business)
745 Fort Street, 17th Floor
 Business Address
Honolulu, HI 96813

* 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 _____
 Filed - Land Court Document Number _____

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

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

The Condominium Map for this condominium project is:

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

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

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

The Bylaws for this condominium are:

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

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	_____ 75% _____
Bylaws	65%	_____ 65% _____
House Rules	---	Majority of quorum of _____ the Board _____

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

2. **Developer:**

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

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules: (The following is excerpted from Section 21 of the Declaration)

[N]otwithstanding the sale and conveyance of any of the apartments, th[e] Declaration (including the Bylaws and, when applicable, the Condominium Map) may be amended by Developer (a) by filing the verified statement of a registered architect or professional engineer (with plans, if applicable) required by Section 514A-12 of the Act, certifying that the final plans theretofore recorded, or being recorded simultaneously with such statement, fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built; or (b) to effect any change or amendment required by an administrative agency of any county, state, or federal government or by any territory, possession, or foreign country or other foreign jurisdiction or a mortgagee of the fee or leasehold interests in the Land as a condition to governmental approvals, marketing the Project or making a loan to finance the construction and/or the sales of the Project.

III. THE CONDOMINIUM PROJECT

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

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

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For 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 Sub-leasehold:

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 909 Kapiolani Boulevard Tax Map Key (TMK): (1) 2-3-3-73
Honolulu, HI 96814

[] Address [X] TMK is expected to change because individual CPR numbers will be assigned to each apartment.

Land Area: 58,799 [X] square feet [] acre(s) Zoning: Kakaako Commercial District (MUZ) - Hawaii Community Development Authority

Fee Owner: Posec Hawaii, Inc., a Hawaii corporation
 Name
ASB Tower, 1001 Bishop Street, Suite 1560
 Address
Honolulu, HI 96813

Lessor: N/A
 Name
 Address

C. Buildings and Other Improvements:

1. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion
2. Number of Buildings: 1 Floors Per Building: 33 (excluding 13th Level)
 Exhibit A contains further explanations.
3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other Masonry, glass, steel and appropriate trim
4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>225</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Commercial	<u>3</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

5. Special Use Restrictions:

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

Pets Except for aquarium fish, only one pet per apartment is allowed

Number of Occupants:

Other: See Exhibit B

There are no special use restrictions.

6. Interior (fill in appropriate numbers)*:

Elevators: 3 Stairways: 2 Trash Chutes: 1

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>A1</u>	<u>27</u>	<u>2BR/2BA</u>	<u>857</u>	<u>57</u>	<u>Lanai</u>
<u>A2</u>	<u>27</u>	<u>2BR/2BA</u>	<u>843</u>	<u>62</u>	<u>Lanai</u>
<u>B1</u>	<u>26</u>	<u>2BR/2BA</u>	<u>975</u>	<u>64</u>	<u>Lanai</u>
<u>B2</u>	<u>27</u>	<u>2BR/2BA</u>	<u>976</u>	<u>72</u>	<u>Lanai</u>
<u>C1</u>	<u>54</u>	<u>1BR/1BA</u>	<u>620</u>	<u>50</u>	<u>Lanai</u>
<u>C2</u>	<u>54</u>	<u>1BR/1BA</u>	<u>620</u>	<u>50</u>	<u>Lanai</u>
<u>Reh. Room</u>	<u>1</u>	<u>N/A</u>	<u>4,173</u>	<u>0</u>	<u>N/A</u>
<u>CA</u>	<u>1</u>	<u>N/A</u>	<u>1,553</u>	<u>0</u>	<u>N/A</u>
<u>CB</u>	<u>1</u>	<u>N/A</u>	<u>1,997</u>	<u>0</u>	<u>N/A</u>

*Continued on page 11.a

Total Number of Apartments: 228 (225 residential; 3 commercial)

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

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

Boundaries of Each Apartment: See Exhibit C.

Permitted Alterations to Apartments: See Exhibit D.

Apartments Designated for Owner-Occupants Only:

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. Developer has elected to provide the information in a published announcement or advertisement.

6. Interior (fill in appropriate numbers)(continued):

The following unit types are located only on the 32nd and 33rd floors of the building:

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
P1	<u>2</u>	<u>3BR/2.5BA</u>	<u>1587</u>	<u>155</u>	<u>Lanai</u>
P2	<u>2</u>	<u>3BR/2.5BA</u>	<u>1383</u>	<u>147</u>	<u>Lanai</u>
P3	<u>2</u>	<u>3BR/2.5BA</u>	<u>1202</u>	<u>78</u>	<u>Lanai</u>
P4	<u>2</u>	<u>2BR/2BA</u>	<u>892</u>	<u>250</u>	<u>Lanai</u>
P5	<u>2</u>	<u>2BR/2BA</u>	<u>892</u>	<u>250</u>	<u>Lanai</u>

7. Parking Stalls:

Total Parking Stalls: 352

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		TOTAL
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (total) (for each unit)	<u>*195</u>	<u>43</u>	<u>3</u>	<u> </u>	<u>63</u>	<u>2</u>	<u>306</u>
Guest	<u>**13</u>	<u> </u>	<u>13</u>				
Unassigned	<u> </u>						
Extra for Purchase	<u>18</u>	<u>1</u>	<u>3</u>	<u> </u>	<u> </u>	<u>1</u>	<u>23</u>
Other: <u>Handicap</u>	<u>5</u>	<u> </u>	<u> </u>	<u> </u>	<u>5</u>	<u> </u>	<u>10</u>
Total Covered & Open:	<u>275</u>	<u> </u>	<u>6</u>	<u> </u>	<u>71</u>	<u> </u>	<u>352</u>

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

* Includes 1 Handicap stall assigned to Commercial Unit CB (B-08)

** Includes 1 Handicap stall (B-25 (HC), B-26, B-27, B-28, B-29, B-30, B-31, B-32, B-33, B-34, B-35, B-36, B-37)

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities.

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Areas (4th Level)

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: Reflecting pool and Courtyard areas fronting commercial spaces along Ward Avenue

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

There are no violations. Violations will not be cured.

Violations and cost to cure are listed below: Violations will be cured by _____ (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): N/A

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.*

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

*This Project is being developed pursuant to the Mauka Area Rules of the Hawaii Community Development Authority (HCDA), which permits the developer certain exemptions from zoning requirements in order to construct the Project as described herein, and as set forth in the Development Permit to be issued by HCDA approving this Project. Developer applied for Project Eligibility on September 17, 2003, and HCDA approval of the Project is currently pending.

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

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

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

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

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

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

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

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

described in Exhibit F

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit ____ F ____.

as follows:

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

described in Exhibit ____ F ____.

as follows:

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

Exhibit ____ G ____ describes the encumbrances against the title contained in the title report dated September 16, 2003 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

[] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien Foreclosed Prior to Conveyance</u>
Mortgage lien(s) of Developer's Lender(s)	Buyer's interest in the Project will be extinguished and Buyer's deposit will be returned in full.

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: See Exhibit H .

2. Appliances: See Exhibit H .

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

Construction has not yet begun. It is anticipated that construction will begin in September 2004. The estimated date of completion of the Project is March 2006.

H. Project Phases:

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

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

Developer is developing the Project pursuant to a Development Agreement by and between Developer and HCDA. The Project consists of the joint development of the Land on which the Project shall be located, and an adjoining parcel of land more particularly described in Exhibit B attached to the Declaration (the "Adjoining Property"), on which an existing building is situate. It is not anticipated that there will be any additions, mergers or phasing in the Project.

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit I contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated December 9, 2003
Exhibit J contains a summary of the pertinent provisions of the escrow agreement.
- Other

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days after 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 issued 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 or through the developer's sales agent, if any. 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, Hawaii 96809, at a nominal cost.

This Public Report is a part of Registration No. 5205 filed with the Real Estate Commission on October 2, 2003.

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YELLOW paper stock WHITE paper stock PINK paper stock

C. Additional Information Not Covered Above

1. The Project is being developed pursuant to a proposed Joint Development Agreement by and between Developer and the Musicians' Union, as fee owner of the Adjoining Property, which upon completion will be recorded in the Land Court (the "Joint Development Agreement"). Under the Joint Development Agreement, the land underlying the Project and the land underlying the Adjoining Property shall be considered one lot for zoning purposes. Additionally, the Project is borrowing excess density from the Adjoining Property toward the Project's development.

2. The owners, occupants and invitees of the commercial spaces located along Ward Avenue and Kapiolani Boulevard shall have access to the commercial spaces and guest parking stalls by way of the Project's driveway entrances and exits located on Waimanu Street and Kapiolani Boulevard.

3. The Rehearsal Room located on the 3rd Level of the Project shall be a commercial apartment together with storage space, restroom facilities, and hallways consisting of approximately 4,173 square feet, and shall be conveyed in fee simple to the Musicians' Union. Upon such conveyance, the Rehearsal Room shall be for the exclusive use of the owners, occupants and invitees of the Adjoining Property. Access to and from the Rehearsal Room shall be provided by an elevator to be a limited common element to the Rehearsal Room accessible from the Adjacent Property. Owners, occupants and invitees of the Project shall not be permitted to access the Musicians' Rehearsal Room from the Project at any time.

4. Developer hereby discloses that the apartments in the Project shall be subject to the following easements described in Section 8 of the Declaration:

a. Easements in the Common Elements. Each apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes as ingress to, egress from, drainage (whether natural or manmade), utility services for and support, maintenance and repair of such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided herein; and in all other apartments for the purposes of utility services for such apartment, and the maintenance and repair of said utility services, including, without limitation, electricity, gas, water, sewage, telephone, radio, television and cable television.

b. Easement for Encroachments. If any part of the common elements or limited common elements now or hereafter encroaches upon any apartment, or if any apartment now or hereafter encroaches upon any other apartment or upon the common elements or limited common elements, or if any part of the common elements now or hereafter encroaches upon any part of the limited common elements, or if any part of the limited common elements now or hereafter encroaches upon any part of the common elements or other limited common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event any improvements of the Project shall be partially or totally destroyed and then rebuilt, minor encroachments by any common element or limited common element upon any apartment, by any apartment on any common element or limited common element, by any apartment upon any other apartment, by any common element upon any limited common element, or by any limited common element upon any common element or other limited common element due to such construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

c. Easement for Access to Apartments. The apartment owners and the Association shall have the irrevocable right, to be reasonably exercised by its Board or the Managing Agent, to enter each apartment and the limited common elements from time to time during reasonable hours as may be necessary for the operation of the Project, for making emergency repairs therein necessary to prevent damage to any apartment or common element.

d. Easement to Use Common Elements. Each apartment owner shall have an easement in common with the owners of all other apartments to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in, under or over any of the other apartments, the common elements and the limited common elements and serving such owner's apartment. Each apartment and the limited common elements shall be subject to an easement in favor of the owners of all other apartments to use and for access to the pipes, wires, ducts, cables, conduits, public utility lines and other common elements serving such other apartments and the limited common elements and located in such apartments and the limited common elements.

e. Conveyance of Easements. The Association shall have the right, exercisable by its Board of Directors, to designate, grant, convey, transfer, cancel, relocate or otherwise deal with any easements over, under, across or through the common elements for any reasonable purpose, which may include, but shall not be limited to, those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any apartment or the common elements or any easements for utilities or for any public purpose; provided, however, that such right of the Association is subject to, and may not be exercised in any manner which is inconsistent with, in derogation of or which would materially limit, abrogate or materially interfere with, the exclusive use of any limited common elements or any rights or easements reserved in favor of Developer or any owner.

f. Developer's Easement for Sales Activities. Developer, its brokers, sales agents and other related persons approved by Developer shall have the right to conduct extensive sales activities on the Project, which right shall include, without limitation, the use of model apartments, sales and management offices, and extensive sales displays and activities until

the earlier of three (3) years from the date of recordation of this Declaration or the closing of the sale of the last unsold apartment in the Project.

g. Developer's Easement to Complete Improvements. Developer, its agents, employees, contractors, licensees, successors and assigns shall have an easement over, under and upon the Project as may be reasonably necessary for the completion of improvements to and correction of defects in the Project for a period of three (3) years from the date of recordation of this Declaration.

h. Developer's Easement for Noise and Dust. For a period of three (3) years from the date of recordation of this Declaration, Developer, its agents, employees, contractors, licensees, successors and assigns, shall have an easement over, under and upon the Project or any portion thereof, to create and cause noise, dust and other nuisances created by and resulting from any work connected with or incidental to the development, construction and sale of any apartment or other improvements in the Project, and each apartment owner, lessee, mortgagee, lien holder or other person with an interest in the Project waives any right, claim, or action which such person may have or acquire against Developer, its agents, employees, contractors, licensees, successors and assigns as a result of such activity or activities.

i. Developer's Right to Designate and Grant Easements. For a period of three (3) years from the date of recordation of this Declaration, Developer shall have, incidental to the development and construction of the Project, the right to designate and grant easements, exclusive or nonexclusive, for electrical, gas, telephone, cable television, communications and other utility purposes, and easements for sanitary sewer, drainage and drainline, waterline, and flowage purposes over, under, across, along, upon and through the Project, and together also with the rights of reasonable access thereto in connection with the exercise of said easement rights; provided, however, that such easement rights must be exercised in such manner as to not reasonably interfere with the use of the Project by the apartment owners and those claiming by, through or under the apartment owners, in connection with the installation, maintenance or repair of any facilities pursuant to any of said easements of the Project shall be promptly restored by and at the expense of the person owning and exercising such easement rights to substantially the same condition as was the Project immediately prior to the exercise thereof. Each and every party acquiring an interest in the Project, by such acquisition, consents to such granting and/or realignment of easements and/or rights of way as provided in this paragraph and to the recordation of any and all documents necessary to effect the same, including any amendment or amendments of this Declaration; agrees to execute such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints Developer, its successors and assigns as such party's attorney-in-fact with full power of substitution to execute such documents and instruments and to do such things on such party's behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties.

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-11] (The developer is required to make this declaration for issuance of an effective date for a final public report.)

N/A - Preliminary 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.

POSEC HAWAII, INC., a Hawaii corporation

Printed Name of Developer

By: Wonjae Jun January 5, 2004
Duly Authorized Signatory* Date

Wonjae Jun, Chief Executive Officer

Printed Name & Title of Person Signing Above

Distribution:

Department 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"

DESCRIPTION OF BUILDING

The Project consists of a thirty-three (33) story building (excluding the thirteenth floor) containing two hundred twenty-five (225) residential apartments, three (3) commercial apartments, and four (4) levels of parking which include a ground floor parking level, a mezzanine parking level, a second floor parking level and a third floor parking level containing a total of three hundred fifty-two (352) stalls. The building will be constructed primarily of reinforced concrete, masonry, glass, steel, aluminum and appropriate trim. The building does not contain a basement.

Of the two hundred twenty-five (225) residential apartments, one hundred fifteen (115) apartments shall have two bedrooms and two bathrooms, one hundred four (104) apartments shall have one bedroom and one bathroom and six (6) shall have three bedrooms and two and one-half bathrooms. One (1) commercial apartment is intended for use as a music rehearsal room, and the two (2) remaining commercial apartments are intended for retail use, all as described below.

The first floor of the building, designated as the Lobby/Ground Level on the Condominium Map, is located on even grade with the street, and shall have a lobby, a mailroom, a reception desk, an office, fire control room, janitorial room, restroom facilities, three (3) elevators, three (3) interior stairways, one (1) stairway with access to Waimanu Street and one (1) stairway with access to Kapiolani Boulevard. Immediately adjacent to the building's lobby area, there is a trash collection room, a recycling room, and a receiving area. Adjacent to the parking areas on this level are Commercial Apartments CA and CB, restroom facilities, an outdoor reflecting pool and a landscaped seating area. There are also other rooms located in the parking areas to be used as a pump room, transformer room, electrical room, fuel room and a room for general purposes as shown on the Condominium Map.

The Mezzanine Level of the building, as depicted on the Condominium Map, includes three (3) elevator stops, an elevator lobby, two (2) interior stairways, and a stairway with access to Waimanu Street.

The second floor of the building, designated as the 2nd Level on the Condominium Map, includes three (3) elevator stops, an elevator lobby, three (3) interior stairways, a stairway with access to Waimanu Street, and an exterior storage area.

The third floor of the building, designated as the 3rd Level on the Condominium Map, contains the Rehearsal Room commercial apartment as depicted on the Condominium Map, which shall also include a storage room, restroom facilities and hallway areas for the exclusive use of the owners, occupants and invitees of the owners of the Rehearsal Room, three (3) elevator stops, an elevator lobby, one (1) elevator for the Rehearsal Room commercial apartment, three (3) interior stairways, a stairway with access to Waimanu Street, a stairway with access to Kapiolani Boulevard and two (2) exterior storage areas.

The fourth floor of the building, designated as the 4th Level on the Condominium Map, has a total of seven (7) residential apartments (three (3) two bedroom, two bathroom apartments and four (4) one bedroom, one bathroom apartments), three (3) elevator stops, a trash chute room, an electrical room, a communications room, storage rooms, two (2) interior stairways, a stairway with access to Waimanu Street and a stairway with access to Kapiolani Boulevard, and an outdoor recreation area containing a swimming pool, picnic seating areas, an enclosed party room, and restroom and shower facilities.

Floors 5 through 31 (excluding the thirteenth floor) shall each have a total of eight (8) residential apartments (four (4) two bedroom, two bathroom apartments and four (4) one bedroom, one bathroom apartments), three (3) elevator stops, an electrical room, communications room, two (2) interior stairways, and a trash chute room.

The Project contains a total of three hundred fifty-two (352) parking stalls, six (6) of which are compact stalls, and three hundred forty-six (346) of which are regular stalls which include tandem and accessible stalls as indicated below.

The Lobby/Ground Level of parking shall have sixty-five (65) covered parking stalls (fifty-four (54) standard stalls, nine (9) tandem stalls and two (2) accessible stalls).

The Mezzanine Level as depicted on the Condominium Map, shall be located between the Lobby/Ground Level and the 2nd Level, and shall have sixty-one (61) covered parking stalls (forty-nine (49) standard stalls, ten (10) tandem stalls, one (1) accessible tandem stall and one (1) accessible stall).

The 2nd Level of parking shall have one hundred twenty (121) covered parking stalls (eighty-nine (89) standard stalls, three (3) compact stalls, twenty-five (25) tandem stalls, two (2) accessible tandem stalls and two (2) standard accessible stalls).

The 3rd Level of parking shall have one hundred five (105) parking stalls (seventy-six (76) standard stalls, three (3) compact stalls, twenty-two (22) tandem stalls, two (2) accessible tandem stalls and two (2) accessible stalls).

EXHIBIT "B"

USE RESTRICTIONS FOR APARTMENTS AND COMMON ELEMENTS

The following provisions in the Declaration, Bylaws and House Rules, as indicated, contain restrictions on the use of the apartments and the common elements of the Project:

1. Section 10 of the Declaration provides generally for the following:

a. Use. Subject to the provisions of this Declaration, and excepting the commercial apartments described below, the apartments shall at all times be occupied and used only for residential purposes by the respective owners thereof, their tenants, licensees, families, domestic servants and social guests. No such apartment shall be used as a tenement or rooming house or for in connection with the carrying on of any business, trade, profession whatsoever unless permitted by law. Said apartments shall not be rented by the apartment owners thereof for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty (30) days; or (ii) any rental in which the occupants of the apartment are provided customary hotel services, such as room service for food and beverage, daily maid services, daily laundry and linen services, and bellboy service. Neither said apartments nor any interest therein shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. No owner of a residential apartment in the Project shall enter into any arrangement with any other apartment owner whereby any rental pool or apartments or other sharing of rental income from apartments is created. Other than the foregoing restrictions, the residential apartment owners in the Project shall have the absolute right to lease the same, provided that such lease covers an entire apartment, is in writing and is made subject to the covenants and restrictions contained in this Declaration and in the Bylaws. Notwithstanding anything herein to the contrary, the commercial apartments, as further described in Exhibit C and the Condominium Map, shall be used for the carrying on of any business, trade, profession, or other commercial purpose permitted by law.

b. Prohibition on Activities which Jeopardize the Project. No apartment owner shall do or suffer or permit to be done anything on any apartment or elsewhere on the Project which will: (1) injure the reputation of the Project, (2) jeopardize the safety or soundness of the Project, (3) create a nuisance or interfere with or unreasonably disturb the rights of other owners and occupants, (4) reduce the value of the Project, (5) result in the cancellation of insurance applicable to the Project or adversely affect the right of recovery thereunder or result in reputable companies refusing to provide insurance as required or permitted by the Bylaws, or (6) increase the rate of insurance applicable to the apartments or the

contents thereof, or to the Project.

c. Prohibited Alterations. Except as otherwise specifically provided in this Declaration or in the Bylaws, an apartment owner shall not, without the prior written consent of the Board, make any structural alterations in or additions to the apartment, make any interior alterations in or additions to the apartment visible from the exterior of the apartment, or make any alterations or additions to the exterior of the apartment or to any other portion or portions of the common elements.

d. Limitation on Leasing. The owner of an apartment shall not lease less than such owner's entire apartment and any appurtenant limited common elements. Any lease agreement for an apartment in the Project shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Act, this Declaration, the apartment owner's Deed, the Bylaws and the House Rules promulgated thereunder and that the failure of either the lessor or the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing and a copy of each lease agreement shall be filed with the Association.

2. Article V, Section 10 of the Bylaws provides generally as follows:

a. Each apartment shall be used only for such purposes as stated in the Declaration.

b. No garbage, refuse or trash of any kind shall be thrown, placed or kept on any common element other than the disposal facilities provided for such purposes.

c. Nothing shall be allowed, done or kept in any apartment or common element which will cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance maintained by or for the Board with respect thereto, nor shall any noxious or offensive activity or nuisance be made or suffered thereon.

d. No owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of such owner's or occupant's apartment or the common elements.

e. No owner or occupant shall use or keep anything in the common elements which would in any way hinder the full use and enjoyment thereof by any other owner or occupant, or obstruct ingress or egress through, or use of, such common elements.

f. Each apartment owner shall keep his apartment and limited common elements in a strictly clean and sanitary condition, and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority for the time being applicable to the apartment and limited common elements, or the use thereof.

g. Each apartment owner shall well and substantially repair, maintain, amend and keep his apartment and limited common elements with all necessary reparations and amendments whatsoever in good order and condition, and maintain and keep all walkways and other areas included within said apartment or limited common element and which are adjacent to any street boundary of the Project, in a neat and attractive condition.

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h. Each apartment owner shall observe any setback lines affecting the Project and not erect, place or maintain any building or structure whatsoever, except approved fences or walls between any street boundary of the Project and the setback line along such boundary.

i. No emissions from ducts located in any apartment shall be discharged into the other apartment.

j. Anything to the contrary notwithstanding, the Developer may engage in real estate sales activities in such apartments or on the premises of the Project for the purpose of selling such apartments.

k. No improvement shall be made to an apartment as shown on the initial Condominium Map unless in conformity with the Declaration.

l. With the exception of aquarium fish, no animals of any kind shall be raised, bred or kept in the Project, except that not more than one dog of less than 20 inches in height at the shoulder, or one cat, or other single household pet needing no access to the outside, approved and licensed by the Board or Managing Agent, may be brought on the Project and suitably housed in an apartment. The animals shall not include those described as pests under section 150A-2, HRS or animals prohibited from importation under sections 141-2, 150A-5 or 150A-6, HRS. If the owner of an apartment has agreed in writing to allow the owner's tenants to keep a pet in the apartment, the tenants may keep only those types of pets which may be kept by the apartment owner.

No pet may be kept, bred or maintained for any commercial purposes. Any pet causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Project subject to these restrictions upon three (3) days' written notice from the Board. In no event shall any dog be permitted access to any portion of the common elements unless carried or on a leash. Dogs shall be permitted only upon license from the Board. Pursuant to the license agreement executed by each owner of a dog permitted in the Project, a dog shall carry a conspicuous tag and may be picked up by any person, and detained if found running loose. Such dog will be released to its owner upon the payment of a reasonable charge which shall be paid over to the person picking up and delivering the dog to the Association or Managing Agent. The owner of such dog shall compensate any person hurt or bitten by the dog, and shall hold the Board, the Association and the Managing Agent harmless from any claim resulting from any action of his dog. Notwithstanding any other provision herein, visually impaired persons, hearing impaired persons and physically impaired persons shall be allowed to keep certified seeing-eye dogs, certified signal dogs, and certified service dogs, respectively, in their apartments. Further, nothing herein shall hinder full access to the apartments and the common elements by persons with disabilities.

Any apartment owner who is keeping a pet, not prohibited in the Bylaws, as of the effective date of an amendment to the Bylaws which prohibits pets, may, upon the death of the pet, replace the animal with another and continue to do so for as long as the owner continues to reside in the owner's apartment or another apartment subject to the same Bylaws.

3. The House Rules provide restrictions relating to noise and nuisance matters, including, without limitation, restrictions as to creating any improper, offensive or unreasonable nuisances in the Project; creating any excessive noise; slamming doors; the volume of noise devices during late evening and early morning hours; guest conduct; and excessive and late hour noise from entertaining. Rules generally affecting maintenance of the apartments and the building, including, without limitation, restrictions as to making structural changes within or outside the apartments; the display of signs, signals or lettering; and the exterior appearance of the apartments (e.g., prohibitions against projections through any door or window opening, radio or television antenna, waterbeds, and attaching other objects to the exterior of the apartments) are also provided.

EXHIBIT "C"

DESCRIPTION OF BUILDING INTERIOR AND APARTMENTS

The following provision taken from Section 4 of the Declaration describes the building interior and Apartments:

There are hereby established in the Project a total of two hundred twenty-eight (228) apartments: two hundred twenty-five (225) residential apartments and three (3) commercial apartments, as shown on the Condominium Map. Each apartment is designated as a separate freehold estate. Each residential apartment consists of the spaces within the perimeter walls, floors and ceilings of the respective apartments as shown on the Condominium Map. Each residential apartment is designated on the Condominium Map by an apartment number consisting of either a three or four digit number. Each residential apartment as so designated and identified by an apartment number is located in the Project as shown on the Condominium Map.

Each type A1, A2, B1 and B2 apartment on the 4th Level through the 31st Level (excluding a thirteenth floor) shall have two bedrooms, two bathrooms, a kitchen, a dining room, a living room and one lanai. NOTE – there is no B1 apartment on the 4th Level.

Each type C1 and C2 apartment on the 4th Level through the 31st Level (excluding a thirteenth floor) shall have one bedroom, one bathroom, a kitchen, a dining room, a living room and one lanai.

Each type P1 and P2 apartment on the 31st and 32nd Levels shall have three bedrooms, two and one-half bathrooms, a kitchen, a dining room, a living room and three lanais.

Each type P3 apartment on the 31st and 32nd Levels shall have three bedrooms, two and one-half bathrooms, a kitchen, a dining room, a living room and one lanai.

Each type P4 and P5 apartment on the 31st and 32nd Levels shall have two bedrooms, two bathrooms, a kitchen, a dining room, a living room and two lanais.

The Rehearsal Room commercial apartment located on the 3rd Level shall consist of a main room together with an adjacent storage area, restroom facilities and hallway areas containing approximately 4,173 square feet.

The two (2) spaces designated CA and CB on the Lobby/Ground Level shall be commercial apartments containing one room each with areas of 1,553 and 1,997 square feet, respectively.

Each apartment will have the number of rooms (exclusive of lanais), approximate net living floor area in square feet (exclusive of lanais), and approximate net lanai floor area in square feet, as set forth in **Exhibit C** attached hereto and made a part hereof.

The approximate net living floor areas as set forth in **Exhibit C** are based on

measurements taken from the undercoated or unfinished interior surface of all perimeter walls, except that no reduction has been made to account for interior walls, ducts, vents, shafts and the like located within the perimeter walls. All approximate net lanai floor areas that are set forth in **Exhibit C** are based on measurements taken from the inner surfaces of all perimeter walls and boundaries of the lanai areas. All floor areas set forth in **Exhibit C** are not exact but are approximations based on the floor plans of each type of apartment. All floor areas set forth in **Exhibit C** have also been rounded to the lowest full square foot where the approximation of such floor areas exceed a square foot by any fraction of a square foot. For these reasons, the measurements of the floor areas set forth in **Exhibit C** do not follow the designation of the limits of the apartments (the legally designated areas of the apartments) set forth below, and the floor areas set forth in **Exhibit C** may be different from the floor areas of the apartments as so designated and described below.

Each apartment will have immediate access to the walkways, corridors, stairways and/or elevators of the Project which lead to the lobby areas of the building and other common areas of the Project.

Notwithstanding the floor areas set forth in **Exhibit C** and the manner in which such floor areas have been measured, the respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls and partitions, the foundations, columns, girders, beams, floor slabs, supports, roofs, and ceilings located within or at the perimeter of or surrounding such apartment, any pipes, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust or air conditioning running through or otherwise within such apartment which are utilized for or serve more than one apartment, all of which are deemed common elements as hereinafter provided. Each apartment shall be deemed to include all of the walls and partitions which are not load-bearing and are within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, roofs and ceilings, all glass windows, window frames, louvers (if any), shutters (if any), panels, doors and door frames along its perimeter, the lanais shown on the Condominium Map to the inner decorated or finished surfaces of the exterior perimeter walls of such lanais and to the exterior edge of the exterior railings or other boundaries of such lanais, and all of the fixtures and appliances (if any) originally installed therein.

EXHIBIT "D"

PERMITTED ALTERATIONS TO APARTMENTS

Section 19 of the Declaration states as follows:

a. General. Except as otherwise provided in this Declaration or the Act or as otherwise required by law, neither the Association nor any apartment owner shall perform any of the following acts except pursuant to plans and specifications therefor approved in writing by the Board: (1) repairing, replacing or rebuilding any apartment or any of the common and limited common elements in a manner different in any material respect from the Condominium Map; (2) engaging in any alterations which will affect the structural integrity of any apartment or the common and limited common elements; (3) constructing on the common and limited common elements any new building or structure; or (4) enclosing any lanai, deck, balcony, patio or parking stall. Upon the completion of any such work, there shall be filed with the Board a final "as built" set of the plans and specifications for such work, and if any such work should constitute a material alteration to the Project as shown on the Condominium Map (as determined by the Board), the Association or apartment owner, as the case may be, shall file an amendment to this Declaration describing such alteration and amending the Condominium Map to show such alteration, together with a certificate signed by a registered architect or professional engineer, certifying that the plans showing such alterations accurately reflect such alterations, as built. Such amendment shall be signed by the Association or the apartment owner, as the case may be, and approved by the Board, and no consent or joinder of any other apartment owner or person shall be required. Except as otherwise provided in this Declaration, the Bylaws and the House Rules, each apartment owner shall be free, with the consent of all mortgagees of record of any interest in such apartment owner's apartment, to make such alterations and improvements within such apartment owner's apartment or within or on the limited common elements appurtenant thereto, without the consent or joinder of the Board, the Association, any apartment owner, Developer or any other person.

Notwithstanding any other provision to the contrary contained in this Declaration, the lanai(s) attached to any apartment shall not be enclosed except as may be permitted by the Development Agreement or required by law.

b. Certain Work Prohibited. Notwithstanding anything to the contrary in this Declaration, unless required by law, no apartment owner (1) shall do any work which could jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement or hereditament; (2) shall add any material structure or excavate any basement or cellar, or (3) shall rebuild, repair or restore the Project in the event of substantial or total destruction of the Project, without in every such case obtaining the prior consent of seventy-five percent (75%) of the apartment owners, together with the prior written consent of all mortgagees of record and apartment owners whose apartments or limited common elements appurtenant thereto are directly affected; provided that nonmaterial structural additions to the common elements, including "solar energy devices" as defined in Section 514A-89 of the Act, or additions to or alterations of an apartment made within such apartment or within a limited common element

appurtenant to and for the exclusive use of the apartment, shall require approval only by the Board and such percentage, number, or group of apartment owners or other parties as maybe required by this Declaration or the Bylaws. As used in this subsection, "nonmaterial structural additions to the common elements" means a structural addition to the common element which does not jeopardize the soundness of safety of the Project, reduce the value thereto, impair any easement or hereditament, detract from the appearance of the Project, interfere with or deprive any nonconsenting apartment owner of the use or enjoyment of any part of the Project or directly affect any nonconsenting apartment owner. Notwithstanding anything in this Declaration to the contrary, no alterations or changes of any nature under any circumstances shall be made to the structural elements of the building, including, without limitation, roofs, floors, supporting walls, foundations, columns, girders, floor slabs, supports, perimeter, party or load bearing walls and partitions without first obtaining the certification from a licensed structural engineer reasonably acceptable to the Association that the plans for such alterations or changes will not in any way diminish the present structural integrity of the building and the elements therein.

c. Connection between Apartments.

i. The owner of any two or more adjacent apartments separated by a common element which is a wall may, with the consent of all mortgagees of record of any interest in such owner's apartments, alter or remove all or any portion of the intervening wall (and, if the owner so desires, install a door within the opening created by such removal), if the structural integrity of the common elements or any other apartment in the Project will not thereby be adversely affected and if the finish of the common element then remaining is placed in a condition substantially comparable to that of the common element prior to such alterations. As used above, "adjacent apartments" does not include apartments which are located above and beneath one another on different floors.

ii. Prior to commencing any such alteration or removal, the apartment owner shall provide to the Board (a) a certification in form and content reasonably satisfactory to the Board signed by an architect or engineer duly registered in the State of Hawaii, that such alteration or removal will not adversely affect the structural integrity of the common elements or any other apartment in the Project, (b) satisfactory evidence that all governmental approvals required for such alteration or removal have been duly obtained, (c) satisfactory evidence that all work will be performed by a Hawaii licensed and insured contractor, and (d) if the cost of such alteration or removal, as reasonably determined by the Board, shall exceed the sum of \$25,000.00, the Board may require that the owner provide evidence satisfactory to the Board of sufficient financing to complete such alteration or removal, or in lieu thereof, require that the owner obtain a performance and lien payment bond, naming as obligees the Board and the Association and collectively all apartment owners and their respective mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such alteration or removal. Such alteration or removal may be undertaken without the necessity of an amendment to this Declaration or the Condominium Map and, except as otherwise provided in this Section 19, without the consent or joinder of the Association, the Board, the Developer or any other person.

iii. If any intervening wall between adjacent apartments shall have been

altered or removed pursuant to the foregoing provisions, then prior to the termination of the common ownership of such adjacent apartments, the owner of such apartments shall restore such intervening wall to substantially the same condition in which the same existed prior to such alteration or removal unless the purchaser of such apartments shall agree in writing to forego such restoration.

iv. Notwithstanding any alteration or additions permitted under this Section 19.c., such shall not affect the common interest or limited common interest allocable to any apartment.

EXHIBIT "E"

PARKING STALLS

The Project has a total of total of three hundred fifty-two (352) parking stalls, six (6) of which are compact stalls and three hundred forty-six (346) of which are regular stalls, which include tandem and accessible stalls as described on page 12 of this Report. The parking stalls are numbered as designated in Exhibit C attached to the Declaration.

NOTE CONCERNING ASSIGNMENT OF STALLS: Hawaii Revised Statutes provides owners of apartments with the right to change the designation of parking stalls as follows:

§514A-14 Parking Stalls. Notwithstanding any provision of the declaration, apartment owners shall have the right to change the designation of parking stalls which are appurtenant to their respective apartments by amendment of the declaration and respective apartment leases or deeds involved. The amendment need only be signed and approved by the lessor (in the case of a leasehold project) and the owners (and their respective mortgagees if any) of the apartments whose parking stalls are being changed. The amendment shall be effective only upon recording or filing of the same of record with the bureau of conveyances.

Accordingly, the Declaration may be subsequently amended by the Developer or individual apartment owners in order to reallocate parking stalls. The Developer reserves the right to reallocate parking stalls among units solely owned and controlled by it in order to promote a more orderly sales process or to accommodate the needs of purchasers of its apartments.

EXHIBIT "F"

DESCRIPTION OF COMMON ELEMENTS, LIMITED COMMON ELEMENTS AND COMMON INTERESTS

Sections 5, 6 and 7 of the Declaration provide as follows:

5. COMMON ELEMENTS. One freehold estate is hereby designated in all common elements of the Project, which include all portions of the Project other than the apartments (except as herein specifically included), and all other common elements mentioned in the Act which are actually included in the Project, including specifically, but not limited to:

- a. The Land in fee simple.
- b. All structured components such as foundations, floor slabs, columns, girders, beams, supports perimeter, party and load-bearing walls and partitions (excluding the finishes thereon within an apartment), and roofs.
- c. All lobby areas, stairways, walkways, corridors, ramps, loading areas and platforms, fences, entrances, entryways and exits of the Project, all maintenance rooms, elevator machine rooms, the swimming pool, pool equipment room, mechanical rooms, electrical rooms, trash rooms, recreation areas, the mail room, mailboxes and parcel lockers, security and reception station, and common toilet facilities.
- d. All courtyards, grounds, paths, walkways, walkway railings, planters, planting areas, landscaping, refuse and like facilities.
- e. All driveways and driveway ramps, loading and service areas, and all parking area entryways and exitways designated on the Condominium Map.
- f. 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 (if any), sewer, storm water, refuse, cable television, telecommunications and television signal distribution.
- g. All other apparatus and installations existing for common use, such as elevators, tanks, fans, ducts, vents, pumps, motors, compressors, fire suppression equipment and other such installations and apparatus existing for common use.
- h. All mechanical, electrical and air conditioning equipment originally installed and located within any pump room, transformer room, cooling room, or electrical room or located elsewhere in the Project (whether or not utilized for or only serving one apartment).
- i. 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.

j. The limited common elements described below.

6. LIMITED COMMON ELEMENTS. Certain parts of the common elements, herein called and designated "limited common elements," are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

a. The parking stall(s) designated for those apartments in the building as set forth in Exhibit C; subject, however, to the rights of apartment owners to redesignate such units pursuant to Section 514A-14 of the Act.

b. The mailbox corresponding to the apartment number of each apartment, such mailbox being located in the mailroom of the building, as shown on the Condominium Map.

c. The lanais immediately adjacent to each residential apartment in the building shall be appurtenant to and for the exclusive use and enjoyment of the adjacent apartment as shown on the Condominium Map.

d. The electrical closets exclusively serving the commercial apartments (excepting the Rehearsal Room) shall be appurtenant to and for the exclusive use and enjoyment of such apartments as shown on the Condominium Map.

e. The elevator immediately adjacent to the Rehearsal Room shall be appurtenant to such Rehearsal Room commercial apartment.

f. The common elements of the Project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

7. PERCENTAGE OF UNDIVIDED INTEREST. Each apartment shall have appurtenant thereto an undivided percentage interest in the common elements of the Project as shown in Exhibit C (hereinafter referred to as the "common interest"), and the same percentage share in all common profits and expenses of the common elements of the Project, and for all other purposes, including without limitation voting, except as otherwise provided in this Declaration.

EXHIBIT "G"

ENCUMBRANCES AGAINST TITLE

The encumbrances against title appearing in the status report dated September 16, 2003, prepared by Title Guaranty of Hawaii, Inc. are as follows:

1. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the MASTER PLAN AFFECTING THE KAKAAKO COMMUNITY DEVELOPMENT FOR THE MAUKA DISTRICT filed in the Office of the Hawaii Community Development Authority of the State of Hawaii.

2. SETBACK (8 feet wide)

PURPOSE : road
SHOWN : on Maps 20, 26 and 28, filed with Land Court Application No. 670

3. -AS TO LOT 430-A ONLY:-

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

INSTRUMENT : AGREEMENT

DATED : July 19, 1943
FILED : Land Court Document No. 70018
PARTIES : WILLIAM H. MULLIN, MARGRETHE F. MULLIN, HATTIE KULAMANU WARD, LUCY KAIKA WARD and VICTORIA KATHLEEN WARD, and the CITY AND COUNTY OF HONOLULU

RE : To waive any and all claims, legal or equitable, for any compensation, injury, loss or damage that may be caused by the removal or destruction of such building or portion thereof when such removal or destruction is required for the widening of Waimanu Street

4. SETBACK (15 feet wide)

PURPOSE : building
ALONG : Kapiolani Boulevard, Ward Avenue and Waimanu
SHOWN : on the plat of survey prepared by James R. Thompson, Registered Professional Surveyor, dated November 27, 1990

5. Real property taxes as may be due and owing. Check with the Office of the Tax Assessor, City and County of Honolulu.

It is anticipated that the following additional Project documents shall also be encumbrances against title at the time of conveyance to apartment owners:

6. Declaration of Condominium Property Regime of 909 Kapiolani dated _____, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. _____.
7. Bylaws of the Association of Apartment Owners of 909 Kapiolani dated _____, recorded in said Office as Land Court Document No. _____.
8. Joint Development Agreement dated _____, by and between Posec Hawaii, Inc., a Hawaii corporation, and Musicians' Association of Hawaii, Local 677, American Federation of Musicians, Building Corporation, a Hawaii nonprofit corporation, recorded in said Office as Land Court Document No. _____.
9. Reciprocal Easement Agreement dated _____, by and between Posec Hawaii, Inc., a Hawaii corporation, and Musicians' Association of Hawaii, Local 677, American Federation of Musicians, Building Corporation, a Hawaii nonprofit corporation, recorded in said Office as Land Court Document No. _____.

-NOTE:- The Declaration dated November 25, 1997, recorded in said Office as Land Court Document No. 2422921, as shown on Map No. 1220 and the By-Laws of the Association of Apartment Owners dated November 25, 1997, recorded in said Office as Land Court Document No. 2422922 shall be removed from title prior to recordation of Items 6 and 7 above.

EXHIBIT "H"

CONSTRUCTION WARRANTIES

Section E.1, Article IV of the Addendum "A" to the Deposit Receipt and Sales Contract states as follows:

E. Covenants and Warranties of Buyer and Seller. Seller and Buyer covenant and agree to the following:

1. Assignment of Construction Warranties. The execution, delivery and recordation of Buyer's Apartment Deed shall constitute the assignment by Seller to Buyer of any and all warranties given to Seller by the contractors for the Project, if any, including, without limitation, any warranty of materials and workmanship against faulty or deficient materials and installation. Seller's general contractor shall give a warranty against construction defects for a one (1) year period from the date of substantial completion. The benefit of such warranties, if any, shall accrue to Buyer on closing without further instruments or documents.

2. No Other Warranties by Seller. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION WITH RESPECT TO THE APARTMENT, THE PROPERTY, ANY COMMON ELEMENT, LIMITED COMMON ELEMENT, OR ANYTHING INSTALLED THEREIN.

3. Condominium Map not a Warranty. The Condominium Map for the Project is intended to show only the layout, location, apartment numbers and dimensions of the apartments in the Project. Buyer acknowledges and agrees that the Condominium Map is not intended to be and does not constitute any representation or warranty by Seller to construct or install any other improvements, amenities or facilities as may be depicted thereon. In no event shall the building plans and specifications or any artist's renderings or models constitute a representation or warranty by Seller.

EXHIBIT "I"

SUMMARY OF THE PERTINENT PROVISIONS OF THE SALES CONTRACT

A specimen Deposit Receipt and Sales Contract and Addendum "A" (the "Contract") has been submitted to the Real Estate Commission. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE CONTRACT IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of its provisions. The Contract, among other things, covers in more detail the following items:

1. If at the time of execution of the Contract by Buyer and Seller, an effective date for a Final Public Report for the Project has not yet been issued by the Real Estate Commission, the Contract shall not be legally binding upon either Buyer or Seller. In such event, the Contract shall constitute only a "reservation," and not a binding contract and Seller shall have no obligation to sell and Buyer shall have no obligation to buy the Apartment described in the Contract. UNTIL THE EFFECTIVE DATE FOR THE FINAL PUBLIC REPORT, THE CONTRACT CONSTITUTES A RESERVATION AND IT MAY BE TERMINATED AT ANY TIME, WITH OR WITHOUT CAUSE, AT THE OPTION OF EITHER PARTY, BY WRITTEN NOTICE OF SUCH TERMINATION TO THE OTHER PARTY.

2. Buyer agrees to deliver to Seller, no later than six (6) business days after the date of Seller signs the Contract, written proof of Buyer's ability to pay the Total Purchase Price under the Contract. Written proof shall include a pre-qualification letter based upon a full credit report. Seller will also have the right to require Buyer to give to Seller a letter of credit from a bank or other financial institution acceptable to Seller securing Buyer's promises and agreements under the Contract and any other information required by Seller.

3. Seller, in its sole discretion, and in addition to any other rights of cancellation or termination reserved to Seller, may elect to cancel the Contract if Buyer defaults under the Contract. Buyer may lose all of its deposits with Escrow and Seller. Seller may, at its option, pursue other legal remedies. If Seller defaults under the Contract, Buyer shall be entitled to specific performance of the Contract, or shall have the right to cancel and terminate the Contract.

4. The estimated Project completion date and closing date are described in the Contract.

5. Buyer is required to prepay maintenance fees, Additional Sums, Closing Costs and Prorations as more particularly described in the Contract.

6. The Contract confirms that Buyer has had the opportunity to read and approve the project documents, including the Declaration, the Bylaws, the Condominium Map, the House Rules, the form of Apartment Deed, the Escrow Agreement, this Public Report, the Joint Development Agreement and the Reciprocal Easement Agreement, and all amendments and supplements to all such documents. Buyer (or Buyer's lender, if any) may inspect copies of each of these documents at Seller's sales office. The Contract also provides that the rights of any construction lender with a mortgage against the Project will be superior to the rights of Buyer under the Contract.

7. Buyer specifically acknowledges and accepts certain enumerated conditions regarding on-going development and marketing of the project stated in the Contract as well as any inconvenience or annoyance which Buyer may experience as a result of such conditions, and expressly waives any rights, claims or action which Buyer might otherwise have against Seller or third parties as a result of such

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circumstances.

8. After the Effective Date of the Final Public Report, Buyer shall have the right to rescind the Contract only if there is a material change in the Project which directly, substantially and adversely affects the use or value of (a) Buyer's apartment or appurtenant limited common element, or (b) amenities of the Project available for Buyer's use. Waiver of such right is governed more specifically by the terms of the Contract.

9. If Buyer cancels the Contract because of Seller's default, Seller will repay to Buyer all sums paid by Buyer to the Seller or to Escrow under the Contract, without interest (except that Buyer will get interest on sums held by Escrow in an interest-bearing account in favor of Buyer, if Buyer checked the appropriate box on the first page of the Contract). Buyer agrees that if Seller defaults at any time, Buyer will only have the rights mentioned in the Contract and that Buyer waives any other rights Buyer might otherwise have.

10. Seller shall have certain rights and remedies against Buyer in the event Buyer fails to perform any of the terms and conditions of the Contract, including failure to comply with the pre-closing and closing requirements, as more particularly described in the Contract, including the right to retain Buyer's deposit and the right to other actual and liquidated damages, the right to specifically enforce the Contract, and the right to charge late fees on amounts past due.

11. The Contract prohibits Buyer from assigning the Contract.

12. The execution, delivery and recordation of Buyer's Apartment Deed shall constitute the assignment by Seller to Buyer of any and all warranties given to Seller by the contractors for the Project, if any, including, without limitation, any warranty of materials and workmanship against faulty or deficient materials and installation. The benefit of such warranties, if any, shall accrue to Buyer on closing without further instruments or documents. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION WITH RESPECT TO THE APARTMENT, THE PROPERTY, ANY COMMON ELEMENT, LIMITED COMMON ELEMENT, OR ANYTHING INSTALLED THEREIN.

13. Buyer agrees to intentionally waive, relinquish and subordinate the priority or superpriority of any interest under the Contract in favor of the liens or charges upon the Project of the construction lender's mortgage loan.

ALL BUYERS SHOULD READ THE SALES CONTRACT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE SALES CONTRACT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE SALES CONTRACT, AND DOES NOT ALTER OR AMEND THE SALES CONTRACT IN ANY MANNER. IF ANY PROVISIONS OF THIS SUMMARY CONTRADICT THE PROVISIONS CONTAINED IN THE SALES CONTRACT IN ANY WAY, THE PROVISION OF THE SALES CONTRACT SHALL OVERRIDE THE PROVISIONS OF THIS SUMMARY.

EXHIBIT "J"

SUMMARY OF THE PERTINENT PROVISIONS OF THE ESCROW AGREEMENT

A copy of the Escrow Agreement between the Seller and Island Title Corporation dated December 9, 2003 ("Escrow") has been submitted to the Real Estate Commission. The Escrow Agreement, among other things, covers in more detail the following items:

1. Seller shall deliver an executed copy of each sales contract for the sale of a residential apartment to Escrow. Each sales contract shall be accompanied by the initial deposit required thereunder and the owner-occupant affidavit in the form approved by the Real Estate Commission.

2. Seller shall pay Escrow monies received from Purchasers under sales contracts covering apartments in the Project. Escrow shall receive and hold in escrow and disburse funds as set forth in detail in the Escrow Agreement. Escrow shall deposit all funds so received in an account at a federally-insured interest-bearing account at a bank, savings and loan association, or trust company authorized to do business in the State. Except for specific circumstances stated in the Escrow Agreement, any interest earned on funds deposited in escrow under the Escrow Agreement shall accrue to the credit of Seller.

3. No disbursements of funds held in escrow shall be made unless and until, among other conditions, (a) an effective date for a Final Public Report has been issued; (b) the Purchaser has been given a copy of said Final Public Report and shall have acknowledged receipt of the same or shall have been deemed to have acknowledged receipt of the same; (c) Seller or Seller's attorney shall have delivered a written opinion to Escrow that the Purchaser's sales contract has become effective; and (d) if applicable, the affidavit described in paragraph 1 above shall have been personally reaffirmed by all the prospective owner-occupants of the residential apartments no earlier than their receipt of a Final Public Report but not later than closing of escrow for the apartment, and the prospective owner-occupants shall have delivered to Escrow the reaffirmed affidavit.

4. Subject to certain provisions of the Escrow Agreement, upon the written request of Seller, Escrow shall make disbursements from the escrow fund to pay for construction costs and to pay for architectural, engineering, finance, and legal fees and other incidental expenses of the Project. Any funds remaining shall not be disbursed until construction of the Project has been completed (or until construction of the particular apartment being conveyed has been completed, to the extent that the Condominium Property Act permits such disbursement) and Escrow receives satisfactory evidence that all mechanics' and materialmen's liens have been cleared (or, to the extent permitted by the Condominium Property Act, have been dealt with in such a fashion as to avoid non-compliance with Section 514A-18 of the Condominium Property Act), unless sufficient funds have been set aside for any bona-fide dispute.

5. A Purchaser shall be entitled to a return of funds and Escrow shall pay such funds to such Purchaser, without any interest that may have accrued to the credit of Purchaser, if any

one of the following has occurred: (a) Escrow receives a written request from Seller to return to the purchaser the funds of the Purchaser then being held hereunder by Escrow; (b) Seller notifies Escrow in writing of Seller's exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to Seller; and (c) 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 sales contract becomes binding and effective) have been met, and written notice thereof has been provided by Seller.

In the event of a default by the Purchaser in any matter being handled by Escrow, upon certification by the Seller of Seller's termination of the sales contract, Escrow will thereafter treat all funds of the Purchaser paid on account of such Purchaser's sales contract as funds of Seller and not as funds of the Purchaser.

6. Except for the sales contract and any note and mortgage that is to be closed by the mortgagee thereof, Escrow shall promptly and diligently arrange for and supervise the execution of all documents related to the Project and shall promptly, and diligently close the transactions and perform such services as are necessary or proper therefor, in the manner established in the Escrow Agreement.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS, IF ANY, IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE ESCROW AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE ESCROW AGREEMENT, AND DOES NOT ALTER OR AMEND THE ESCROW AGREEMENT IN ANY MANNER.

EXHIBIT "K"

ESTIMATE OF INITIAL MAINTENANCE FEES

Apartment Number	Apartment Type	Net Square Footage	% Common Interest	Monthly Fee	Yearly Total
401	A1	857	0.464860%	\$401.07	\$4,812.81
402	A2	843	0.457260%	\$394.51	\$4,734.12
404	B2	976	0.529410%	\$456.76	\$5,481.11
405	C1	620	0.336300%	\$290.15	\$3,481.79
406	C2	620	0.336300%	\$290.15	\$3,481.79
407	C1	620	0.336300%	\$290.15	\$3,481.79
408	C2	620	0.336300%	\$290.15	\$3,481.79
501	A1	857	0.464860%	\$401.07	\$4,812.81
502	A2	843	0.457260%	\$394.51	\$4,734.12
503	B1	975	0.528870%	\$456.29	\$5,475.52
504	B2	976	0.529410%	\$456.76	\$5,481.11
505	C1	620	0.336300%	\$290.15	\$3,481.79
506	C2	620	0.336300%	\$290.15	\$3,481.79
507	C1	620	0.336300%	\$290.15	\$3,481.79
508	C2	620	0.336300%	\$290.15	\$3,481.79
601	A1	857	0.464860%	\$401.07	\$4,812.81
602	A2	843	0.457260%	\$394.51	\$4,734.12
603	B1	975	0.528870%	\$456.29	\$5,475.52
604	B2	976	0.529410%	\$456.76	\$5,481.11
605	C1	620	0.336300%	\$290.15	\$3,481.79
606	C2	620	0.336300%	\$290.15	\$3,481.79
607	C1	620	0.336300%	\$290.15	\$3,481.79
608	C2	620	0.336300%	\$290.15	\$3,481.79
701	A1	857	0.464860%	\$401.07	\$4,812.81
702	A2	843	0.457260%	\$394.51	\$4,734.12
703	B1	975	0.528870%	\$456.29	\$5,475.52
704	B2	976	0.529410%	\$456.76	\$5,481.11
705	C1	620	0.336300%	\$290.15	\$3,481.79
706	C2	620	0.336300%	\$290.15	\$3,481.79
707	C1	620	0.336300%	\$290.15	\$3,481.79
708	C2	620	0.336300%	\$290.15	\$3,481.79

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Apartment Number	Apartment Type	Net Square Footage	% Common Interest	Monthly Fee	Yearly Total
801	A1	857	0.464860%	\$401.07	\$4,812.81
802	A2	843	0.457260%	\$394.51	\$4,734.12
803	B1	975	0.528870%	\$456.29	\$5,475.52
804	B2	976	0.529410%	\$456.76	\$5,481.11
805	C1	620	0.336300%	\$290.15	\$3,481.79
806	C2	620	0.336300%	\$290.15	\$3,481.79
807	C1	620	0.336300%	\$290.15	\$3,481.79
808	C2	620	0.336300%	\$290.15	\$3,481.79
901	A1	857	0.464860%	\$401.07	\$4,812.81
902	A2	843	0.457260%	\$394.51	\$4,734.12
903	B1	975	0.528870%	\$456.29	\$5,475.52
904	B2	976	0.529410%	\$456.76	\$5,481.11
905	C1	620	0.336300%	\$290.15	\$3,481.79
906	C2	620	0.336300%	\$290.15	\$3,481.79
907	C1	620	0.336300%	\$290.15	\$3,481.79
908	C2	620	0.336300%	\$290.15	\$3,481.79
1001	A1	857	0.464860%	\$401.07	\$4,812.81
1002	A2	843	0.457260%	\$394.51	\$4,734.12
1003	B1	975	0.528870%	\$456.29	\$5,475.52
1004	B2	976	0.529410%	\$456.76	\$5,481.11
1005	C1	620	0.336300%	\$290.15	\$3,481.79
1006	C2	620	0.336300%	\$290.15	\$3,481.79
1007	C1	620	0.336300%	\$290.15	\$3,481.79
1008	C2	620	0.336300%	\$290.15	\$3,481.79
1101	A1	857	0.464860%	\$401.07	\$4,812.81
1102	A2	843	0.457260%	\$394.51	\$4,734.12
1103	B1	975	0.528870%	\$456.29	\$5,475.52
1104	B2	976	0.529410%	\$456.76	\$5,481.11
1105	C1	620	0.336300%	\$290.15	\$3,481.79
1106	C2	620	0.336300%	\$290.15	\$3,481.79
1107	C1	620	0.336300%	\$290.15	\$3,481.79
1108	C2	620	0.336300%	\$290.15	\$3,481.79
1201	A1	857	0.464860%	\$401.07	\$4,812.81
1202	A2	843	0.457260%	\$394.51	\$4,734.12

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Apartment Number	Apartment Type	Net Square Footage	% Common Interest	Monthly Fee	Yearly Total
1203	B1	975	0.528870%	\$456.29	\$5,475.52
1204	B2	976	0.529410%	\$456.76	\$5,481.11
1205	C1	620	0.336300%	\$290.15	\$3,481.79
1206	C2	620	0.336300%	\$290.15	\$3,481.79
1207	C1	620	0.336300%	\$290.15	\$3,481.79
1208	C2	620	0.336300%	\$290.15	\$3,481.79
1401	A1	857	0.464860%	\$401.07	\$4,812.81
1402	A2	843	0.457260%	\$394.51	\$4,734.12
1403	B1	975	0.528870%	\$456.29	\$5,475.52
1404	B2	976	0.529410%	\$456.76	\$5,481.11
1405	C1	620	0.336300%	\$290.15	\$3,481.79
1406	C2	620	0.336300%	\$290.15	\$3,481.79
1407	C1	620	0.336300%	\$290.15	\$3,481.79
1408	C2	620	0.336300%	\$290.15	\$3,481.79
1501	A1	857	0.464860%	\$401.07	\$4,812.81
1502	A2	843	0.457260%	\$394.51	\$4,734.12
1503	B1	975	0.528870%	\$456.29	\$5,475.52
1504	B2	976	0.529410%	\$456.76	\$5,481.11
1505	C1	620	0.336300%	\$290.15	\$3,481.79
1506	C2	620	0.336300%	\$290.15	\$3,481.79
1507	C1	620	0.336300%	\$290.15	\$3,481.79
1508	C2	620	0.336300%	\$290.15	\$3,481.79
1601	A1	857	0.464860%	\$401.07	\$4,812.81
1602	A2	843	0.457260%	\$394.51	\$4,734.12
1603	B1	975	0.528870%	\$456.29	\$5,475.52
1604	B2	976	0.529410%	\$456.76	\$5,481.11
1605	C1	620	0.336300%	\$290.15	\$3,481.79
1606	C2	620	0.336300%	\$290.15	\$3,481.79
1607	C1	620	0.336300%	\$290.15	\$3,481.79
1608	C2	620	0.336300%	\$290.15	\$3,481.79
1701	A1	857	0.464860%	\$401.07	\$4,812.81
1702	A2	843	0.457260%	\$394.51	\$4,734.12
1703	B1	975	0.528870%	\$456.29	\$5,475.52
1704	B2	976	0.529410%	\$456.76	\$5,481.11
1705	C1	620	0.336300%	\$290.15	\$3,481.79

Apartment Number	Apartment Type	Net Square Footage	% Common Interest	Monthly Fee	Yearly Total
1706	C2	620	0.336300%	\$290.15	\$3,481.79
1707	C1	620	0.336300%	\$290.15	\$3,481.79
1708	C2	620	0.336300%	\$290.15	\$3,481.79
1801	A1	857	0.464860%	\$401.07	\$4,812.81
1802	A2	843	0.457260%	\$394.51	\$4,734.12
1803	B1	975	0.528870%	\$456.29	\$5,475.52
1804	B2	976	0.529410%	\$456.76	\$5,481.11
1805	C1	620	0.336300%	\$290.15	\$3,481.79
1806	C2	620	0.336300%	\$290.15	\$3,481.79
1807	C1	620	0.336300%	\$290.15	\$3,481.79
1808	C2	620	0.336300%	\$290.15	\$3,481.79
1901	A1	857	0.464860%	\$401.07	\$4,812.81
1902	A2	843	0.457260%	\$394.51	\$4,734.12
1903	B1	975	0.528870%	\$456.29	\$5,475.52
1904	B2	976	0.529410%	\$456.76	\$5,481.11
1905	C1	620	0.336300%	\$290.15	\$3,481.79
1906	C2	620	0.336300%	\$290.15	\$3,481.79
1907	C1	620	0.336300%	\$290.15	\$3,481.79
1908	C2	620	0.336300%	\$290.15	\$3,481.79
2001	A1	857	0.464860%	\$401.07	\$4,812.81
2002	A2	843	0.457260%	\$394.51	\$4,734.12
2003	B1	975	0.528870%	\$456.29	\$5,475.52
2004	B2	976	0.529410%	\$456.76	\$5,481.11
2005	C1	620	0.336300%	\$290.15	\$3,481.79
2006	C2	620	0.336300%	\$290.15	\$3,481.79
2007	C1	620	0.336300%	\$290.15	\$3,481.79
2008	C2	620	0.336300%	\$290.15	\$3,481.79
2101	A1	857	0.464860%	\$401.07	\$4,812.81
2102	A2	843	0.457260%	\$394.51	\$4,734.12
2103	B1	975	0.528870%	\$456.29	\$5,475.52
2104	B2	976	0.529410%	\$456.76	\$5,481.11
2105	C1	620	0.336300%	\$290.15	\$3,481.79
2106	C2	620	0.336300%	\$290.15	\$3,481.79
2107	C1	620	0.336300%	\$290.15	\$3,481.79
2108	C2	620	0.336300%	\$290.15	\$3,481.79

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Apartment Number	Apartment Type	Net Square Footage	% Common Interest	Monthly Fee	Yearly Total
2201	A1	857	0.464860%	\$401.07	\$4,812.81
2202	A2	843	0.457260%	\$394.51	\$4,734.12
2203	B1	975	0.528870%	\$456.29	\$5,475.52
2204	B2	976	0.529410%	\$456.76	\$5,481.11
2205	C1	620	0.336300%	\$290.15	\$3,481.79
2206	C2	620	0.336300%	\$290.15	\$3,481.79
2207	C1	620	0.336300%	\$290.15	\$3,481.79
2208	C2	620	0.336300%	\$290.15	\$3,481.79
2301	A1	857	0.464860%	\$401.07	\$4,812.81
2302	A2	843	0.457260%	\$394.51	\$4,734.12
2303	B1	975	0.528870%	\$456.29	\$5,475.52
2304	B2	976	0.529410%	\$456.76	\$5,481.11
2305	C1	620	0.336300%	\$290.15	\$3,481.79
2306	C2	620	0.336300%	\$290.15	\$3,481.79
2307	C1	620	0.336300%	\$290.15	\$3,481.79
2308	C2	620	0.336300%	\$290.15	\$3,481.79
2401	A1	857	0.464860%	\$401.07	\$4,812.81
2402	A2	843	0.457260%	\$394.51	\$4,734.12
2403	B1	975	0.528870%	\$456.29	\$5,475.52
2404	B2	976	0.529410%	\$456.76	\$5,481.11
2405	C1	620	0.336300%	\$290.15	\$3,481.79
2406	C2	620	0.336300%	\$290.15	\$3,481.79
2407	C1	620	0.336300%	\$290.15	\$3,481.79
2408	C2	620	0.336300%	\$290.15	\$3,481.79
2501	A1	857	0.464860%	\$401.07	\$4,812.81
2502	A2	843	0.457260%	\$394.51	\$4,734.12
2503	B1	975	0.528870%	\$456.29	\$5,475.52
2504	B2	976	0.529410%	\$456.76	\$5,481.11
2505	C1	620	0.336300%	\$290.15	\$3,481.79
2506	C2	620	0.336300%	\$290.15	\$3,481.79
2507	C1	620	0.336300%	\$290.15	\$3,481.79
2508	C2	620	0.336300%	\$290.15	\$3,481.79
2601	A1	857	0.464860%	\$401.07	\$4,812.81
2602	A2	843	0.457260%	\$394.51	\$4,734.12

Apartment Number	Apartment Type	Net Square Footage	% Common Interest	Monthly Fee	Yearly Total
2603	B1	975	0.528870%	\$456.29	\$5,475.52
2604	B2	976	0.529410%	\$456.76	\$5,481.11
2605	C1	620	0.336300%	\$290.15	\$3,481.79
2606	C2	620	0.336300%	\$290.15	\$3,481.79
2607	C1	620	0.336300%	\$290.15	\$3,481.79
2608	C2	620	0.336300%	\$290.15	\$3,481.79
2701	A1	857	0.464860%	\$401.07	\$4,812.81
2702	A2	843	0.457260%	\$394.51	\$4,734.12
2703	B1	975	0.528870%	\$456.29	\$5,475.52
2704	B2	976	0.529410%	\$456.76	\$5,481.11
2705	C1	620	0.336300%	\$290.15	\$3,481.79
2706	C2	620	0.336300%	\$290.15	\$3,481.79
2707	C1	620	0.336300%	\$290.15	\$3,481.79
2708	C2	620	0.336300%	\$290.15	\$3,481.79
2801	A1	857	0.464860%	\$401.07	\$4,812.81
2802	A2	843	0.457260%	\$394.51	\$4,734.12
2803	B1	975	0.528870%	\$456.29	\$5,475.52
2804	B2	976	0.529410%	\$456.76	\$5,481.11
2805	C1	620	0.336300%	\$290.15	\$3,481.79
2806	C2	620	0.336300%	\$290.15	\$3,481.79
2807	C1	620	0.336300%	\$290.15	\$3,481.79
2808	C2	620	0.336300%	\$290.15	\$3,481.79
2901	A1	857	0.464860%	\$401.07	\$4,812.81
2902	A2	843	0.457260%	\$394.51	\$4,734.12
2903	B1	975	0.528870%	\$456.29	\$5,475.52
2904	B2	976	0.529410%	\$456.76	\$5,481.11
2905	C1	620	0.336300%	\$290.15	\$3,481.79
2906	C2	620	0.336300%	\$290.15	\$3,481.79
2907	C1	620	0.336300%	\$290.15	\$3,481.79
2908	C2	620	0.336300%	\$290.15	\$3,481.79
3001	A1	857	0.464860%	\$401.07	\$4,812.81
3002	A2	843	0.457260%	\$394.51	\$4,734.12
3003	B1	975	0.528870%	\$456.29	\$5,475.52
3004	B2	976	0.529410%	\$456.76	\$5,481.11
3005	C1	620	0.336300%	\$290.15	\$3,481.79

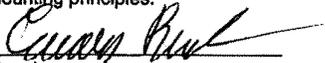
Apartment Number	Apartment Type	Net Square Footage	% Common Interest	Monthly Fee	Yearly Total
3006	C2	620	0.336300%	\$290.15	\$3,481.79
3007	C1	620	0.336300%	\$290.15	\$3,481.79
3008	C2	620	0.336300%	\$290.15	\$3,481.79
3101	A1	857	0.464860%	\$401.07	\$4,812.81
3102	A2	843	0.457260%	\$394.51	\$4,734.12
3103	B1	975	0.528870%	\$456.29	\$5,475.52
3104	B2	976	0.529410%	\$456.76	\$5,481.11
3105	C1	620	0.336300%	\$290.15	\$3,481.79
3106	C2	620	0.336300%	\$290.15	\$3,481.79
3107	C1	620	0.336300%	\$290.15	\$3,481.79
3108	C2	620	0.336300%	\$290.15	\$3,481.79
3201	P1	1587	0.860830%	\$742.70	\$8,912.38
3202	P2	1383	0.750170%	\$647.22	\$7,766.69
3203	P3	1282	0.695390%	\$599.96	\$7,199.54
3204	P4	892	0.483840%	\$417.44	\$5,009.31
3205	P5	892	0.483840%	\$417.44	\$5,009.31
3301	P1	1587	0.860830%	\$742.70	\$8,912.38
3302	P2	1383	0.750170%	\$647.22	\$7,766.69
3303	P3	1282	0.695390%	\$599.96	\$7,199.54
3304	P4	892	0.483840%	\$417.44	\$5,009.31
3305	P5	892	0.483840%	\$417.44	\$5,009.31
C-A	Commercial	1553	0.842390%	\$726.79	\$8,721.47
C-B	Commercial	1997	1.083600%	\$934.90	\$11,218.77
Rehearsal	Commercial	4173	2.263540%	\$1,952.91	\$23,434.97
TOTALS		184357	100.000000%	\$86,277.00	\$1,035,324.00

**Estimate of Maintenance Fee Disbursement for
909 Kapiolani
(228 units)**

12-23-03

Utilities and Services	Monthly	Annually
Electricity (common)	\$6,000	\$72,000
Gas/Propane	\$250	\$3,000
Refuse	\$2,100	\$25,200
Sewer	\$5,600	\$67,200
Telephone	\$700	\$8,400
Water	\$4,320	\$51,840
Maintenance, Repairs, Supplies		
Building/Supplies/Repairs	\$1,500	\$18,000
Grounds	\$1,500	\$18,000
Pool & Spa Supplies	\$500	\$6,000
Elevator	\$3,000	\$36,000
Cleaning	\$2,000	\$24,000
Fire Systems	\$150	\$1,800
Equipment	\$450	\$5,400
Pest Control	\$125	\$1,500
Security System	\$300	\$3,600
Lateral Cleaning	\$100	\$1,200
Odor Control/refuse	\$120	\$1,440
Window washing	\$150	\$1,800
Payroll and Benefits		
Site Management	\$3,000	\$36,000
Housing	\$1,500	\$18,000
Security	\$10,000	\$120,000
Janitorial	\$4,777	\$57,324
Maintenance	\$3,500	\$42,000
Admin Assistant	\$1,500	\$18,000
Workers Comp	\$1,400	\$16,800
TDI	\$100	\$1,200
Health Insurance	\$2,400	\$28,800
Payroll Prep	\$130	\$1,560
Uniforms	\$250	\$3,000
Bonus	\$200	\$2,400
Payroll Taxes	\$1,500	\$18,000
Management		\$0
Audit/Tax fees	\$200	\$2,400
Legal Fees	\$300	\$3,600
Management Fees	\$3,115	\$37,380
Admin Services/Supplies	\$1,100	\$13,200
Board Expense/Meetings	\$100	\$1,200
Taxes-Income	\$50	\$600
GET/Other	\$50	\$600
Insurance		\$0
Property and Liability	\$7,500	\$90,000
Directors and Officers, Bond	\$140	\$1,680
Flood	\$2,700	\$32,400
Reserves * (based on \$50 per unit)	\$11,900	\$142,800
TOTAL	\$86,277	\$1,035,324

I, Emory Bush, as agent for/and/or employed by Hawaiiana Management Company, the condominium managing agent for 909 Kapiolani condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.


12-23-03
 Signature Date

Pursuant to 514A-83.6 HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The Budget amount for Reserves is an estimate only.