

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Downtown Affordables LLC, a Hawaii limited liability company
Address 1133 Waimanu Street, No. 2800, Honolulu, Hawaii 96814

Project Name(*): 215 NORTH KING ST
Address: 215 North King Street, Honolulu, Hawaii 96817

Registration No. 5206

Effective date: October 14, 2003
Expiration date: November 14, 2004

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 - No prior reports have been issued.
 - This report supersedes all prior public reports.
 - This report must be read together with _____
- SUPPLEMENTARY:** (pink) This report updates information contained in the:
 - Preliminary Public Report dated: _____
 - Final Public Report dated: _____
 - Supplementary Public Report dated: _____
- And
 - Supersedes all prior public reports.
 - Must be read together with _____
 - This report reactivates the _____ public report(s) which expired on _____

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

- Required and attached to this report as Exhibit H 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:

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General Information On Condominiums:

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

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

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

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

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

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

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

Operation of the Condominium Project:

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Downtown Affordables LLC Phone: 1-800- 592-0440
 Name* (Business)
1133 Waimanu Street., No. 2800
 Business Address
Honolulu, Hawaii 96814

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):

- Members:
- Marshall Realty, Inc., a Hawaii corporation (Marshall W. Hung, President/Secretary/Director; Robert A.H. Hung, V. President/Director; Yuko Hung, Treasurer/Director)
 - Ken Matsuura LLC, a Hawaii limited liability company (Kenneth T. Matsuura, Member)
 - 428 LLC, a Hawaii limited liability company (Vito Galati, Member)

Real Estate Broker*: Concepts Unlimited, Inc., dba Concepts Phone: (808) 593-1888
 Unlited GMAC Real Estate (Business)
 Name
975 Kapiolani Boulevard
 Business Address
Honolulu, Hawaii 96814

Escrow* Title Guaranty Escrow Phone: (808) 521-0211
 Name (Business)
235 Queen Street, 1st Floor,
 Business Address
Honolulu, Hawaii 96813

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

Condominium Managing Agent National Ind-Comm LLC Phone (808) 526-2404
 Name (Business)
1165 Bethel Street, 3rd Floor
 Business Address
Honolulu, Hawaii 96813

Attorney for Developer Cades Schutte, LLLP Phone (808) 521-9200
 A Limited Liability Law Partnership (Business)
 Attn: Mark Hazlett/Grace Nihei Kido
Suite 1100 1000 Bishop Street
Honolulu, Hawaii 96813
 Business Address

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

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 Board of Directors

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

2. **Developer:**

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

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

See attached Exhibit "A"

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.

D. Underlying Land:

Address: 215 North King Street Tax Map Key (TMK): (1) 1-5-008:001 &
Honolulu, Hawaii 96817 (1) 1-5-008:011

Address TMK is expected to change because _____

Land Area: 93,447 square feet acre(s) Zoning: BMX-3 - Business
Mixed Use (portion)/
Chinatown Special
District (portion)

Fee Owner: BCC Corporation
 Name
c/o Gamrex, Inc.
Century Square, Suite 903
1188 Bishop Street
Honolulu, Hawaii 96813
 Address

Lessor: _____
 Name

 Address

C. **Building and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building: Residential Tower: 23
 Parking Structure: 6
 Exhibit "B" contains further explanations.

3. **Principal Construction Material:**

- Concrete Hollow Tile Wood
 Other: Masonry, Glass, Steel, Aluminum and appropriate trim.

4. **Uses Permitted by Zoning:**

	No. of <u>Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>251</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> 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: No pets allowed in any apartment or any other part of the project (restriction found in House Rules)

Number of Occupants: See Exhibit C

Other: See Exhibit C

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 4 Stairways: 4 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>See Exhibit "D"</u>					

Total Apartments: 251

***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 "D"

Permitted Alterations to Apartments:

See Exhibit "E"

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 (see attachment 11a). Developer has elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 402 physically located on the project (for further information see Exhibit "F")

	<u>Regular</u> ¹		<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 (for each unit)	191	46	112	27			376
Guest		26					26
Unassigned							
Extra for Purchase							11 ²
Other:							
Total Covered & Open	263		139		0		402

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

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool* Storage Area Recreation Area (Building)

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other _____

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)

*To Developer's knowledge

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

Not applicable

¹ Stalls designated as handicapped stalls are counted as regular stalls herein.

² The extra stalls for purchase are included in the stalls assigned to Apartment 103.

11. Conformance to Present Zoning Code:

- a. No variances to zoning code have been granted.
 Variance(s) to zoning code was/were granted as follows:

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

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

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

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

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

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

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

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

described in Exhibit "G"

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 "G"*

as follows:

*Note: Land areas referenced herein are not legally subdivided lots.

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 "G", Exhibit "D" and Exhibit "N"

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 "H" describes the encumbrances against the title contained in the title report dated August 6, 2003 and issued by Title Guaranty of Hawaii, Incorporated.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage lien(s) of Developer's Lender(s)	The buyer's interest under a sales contract will be subject to the interest of the mortgagee under the mortgage. Exhibit "H" describes a mortgage and other security documents held by a mortgage lender. This means, among other things, that if the developer defaults under the mortgage, the lender may take over the project or cancel the sales contract and refund deposits remaining in escrow. Before an interest in an apartment is conveyed to a buyer, the apartment must be free from existing blanket mortgages. The lender must also release any other liens or security interests it holds from the apartment.

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 "I"

2. Appliances:

See Exhibit "I"

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 August of 2004.

The estimated completion date of the Project is December 15, 2005.

H. **Project Phases:**

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

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

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 "K" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated September 25, 2003
Exhibit "L" contains a summary of the pertinent provisions of the escrow agreement.
- Other Project information package to be distributed to prospective owner-occupants.

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 monies paid, less any escrow cancellation fee up to \$250.00.

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

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

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

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

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

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any monies 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, HI 96809, at a nominal cost.

This Public Report is part of Registration No. 5206 filed with the Real Estate Commission on October 3, 2003.

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

YELLOW paper stock WHITE paper stock PINK paper stock

C. **Additional Information Not Covered Above:**

1. A portion of the Project is located within the Chinatown Special Design District ("CSDD") designated in accordance with county land use ordinance.
2. The Developer or its lender obtained certain reports on the property including an environmental site assessment, property inspection report, asbestos and lead paint assessment, and barrier identification study under the Americans with Disabilities Act. The reports are available for inspection at the sales office but contain disclaimers that prohibit anyone other than the developer or in some cases its lender from relying on the reports. They are therefore provided for informational purposes only. No representation is made as to their accuracy.
3. See Exhibit "M" for additional reserved rights of the Developer.

- D. The developer declares, to the best of its knowledge, and 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-1.6] (The developer is required to make this declaration for issuance of an effective date for a final 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.

DOWNTOWN AFFORDABLES LLC, a Hawaii limited liability company
 Printed Name of Developer

By Marshall Realty, Inc., Its Member

By:  pres 10/9, 2003
 Duly Authorized Signatory* Date

Marshall Hung, President of Marshall Realty, Inc.
 Printed Name & Title of Person Signing Above

By Ken Matsuura LLC, Its Member

By:  10/9, 2003
 Duly Authorized Signatory* Date

Kenneth T. Matsuura, Member of Ken Matsuura LLC
 Printed Name & Title of Person Signing Above

By 428 LLC, Its Member

By:  10/9, 2003
 Duly Authorized Signatory* Date

Vito Galati, Member of 428 LLC
 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 Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.***

DEVELOPER'S RIGHTS TO AMEND THE CONDOMINIUM DOCUMENTS

1. Paragraph 21 of the Declaration, states in part:

“[A]t any time prior to the issuance of an effective date for the Final Public Report by the Real Estate Commission of the State of Hawaii, Declarant may amend this Declaration and the Bylaws in any manner and provided, further, that no amendment of the Declaration, the Bylaws, the House Rules or Condominium Map shall, without Declarant’s prior written consent, limit, affect or impair the reserved rights of Declarant under this Declaration; provided further, however, that the written consent of eligible holders of first mortgages (as defined below) on apartments to which at least fifty-one percent (51%) of the common interests appurtenant to apartments subject to mortgages held by such eligible holders shall be required to materially amend any provision herein, or to add any material provisions hereto, which establish, provide for, govern or regulate any of the following in a manner materially different than provided herein: (a) voting; (b) assessments, assessment liens or subordination of such liens; (c) reserves for maintenance, repair and replacement of the common elements; (d) insurance or fidelity bonds; (e) reallocation of interests in or the right to use of the common and limited elements; (f) responsibility for maintenance and repair of the several portions of the Project; (g) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project not otherwise provided for herein; (h) boundaries of any apartment; (i) the interests in the common elements or limited common elements; (j) convertibility of apartments into common elements or of common elements into apartments; (k) leasing of apartments; (l) imposition of any right of first refusal or similar restriction on the right of an apartment owner to sell, transfer or otherwise convey such apartment owner’s apartment not otherwise provided for herein; (m) a decision to end professional management and adopt self-management; (n) restoration or repair of the Project in a manner other than that specified herein; and (o) any provisions that expressly benefit mortgage holders, insurers or guarantors. An “eligible holder of first mortgage” is defined in this paragraph 21 as a first mortgagee which has made a written request to the Association for timely written notice of proposed amendments to the condominium documents. Notwithstanding the foregoing and notwithstanding the sale and conveyance of any of the apartments, this Declaration (including the Bylaws and, when applicable, the Condominium Map) may be amended by Declarant (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.”

2. Paragraph 23 of the Declaration, provides:

“Declarant reserves the right to retain or acquire the ownership of any number of apartments in the Project. Declarant shall be entitled to make such use of the apartments retained or acquired as Declarant, in its sole discretion, sees fit; provided that Declarant shall comply with all rules and regulations established for the governance of the Project.”

3. Paragraph 16.a of the Sales Contract provides:

“(1) At any time prior to the conveyance of all of the apartments in the Project to persons other than Seller or any mortgagee of Seller, Seller reserves the right to modify the Project Documents as may be required by law, the Real Estate Commission, a title insurance company, an institutional mortgagee or any governmental agency and Buyer authorizes Seller to make and specifically approves all changes to said documents and the Project.

“(2) Seller reserves the right to amend or change the common interest appurtenant to, the limited common interest assigned to, the configuration of, the number of rooms of, the size of or the location of any apartment in the Project for which an apartment deed has not been recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (the “Recording Office”).

“(3) Seller reserves the right to require alterations of the Project (and to modify any of such Project Documents accordingly) to change the configuration of, to alter the number of rooms of, to decrease or increase the size of, or to change the location of any other apartment and/or parking area, and to make other minor changes in Buyer’s Apartment, any of the other apartments, or the common elements.

“(4) Buyer acknowledges that the Project architect in his sole discretion may (i) make any changes he deems appropriate in the common elements of the Project (including without limitation the lobbies, the Project landscaping, the parking areas, whether such changes relate to financial or aesthetic considerations) and (ii) may increase or decrease the thickness of any foundation, wall, column or floor slab within or outside the Apartment resulting in the room dimensions becoming smaller or larger than those shown on the Condominium Map, or resulting in a building height or elevation different from those shown on the Condominium Map or stated in the Declaration. The Project architect may make changes necessary to correct any design errors or other shortcomings; and the Project architect may vary the type of window glass and install different types of glass throughout the Project to achieve the best combination of energy savings and aesthetics. Buyer hereby authorizes and specifically approves any such changes.

“(5) Seller reserves the right to deviate from the plans and specifications for the Project and to substitute materials of equal utility and service, without Buyer’s consent or approval, subject, however, to the above provisions. Seller may increase or decrease the number of parking stalls.

“(6) Buyer hereby irrevocably appoints Seller Buyer’s attorney-in-fact, coupled with an interest, to execute any documents reasonably necessary or convenient to implement the foregoing provisions and any requirements which may be imposed by any governmental agency in connection with the Project.

“(7) Notwithstanding subparagraphs E.16.a(1), (2), (3) or (4) above, any such modification shall be subject to Buyer’s right to rescind pursuant to paragraph E.17 herein and to Section 514A-63 of the Act.”

DESCRIPTION OF BUILDINGS

1. a. Generally. The Project consists of two (2) buildings: a twenty-three (23) story residential tower (the "Residential Tower") containing two hundred fifty-one (251) residential apartments, and a six (6) level parking structure (the "Parking Structure") containing a total of three hundred seventy-six (376) parking stalls. The Residential Tower and the Parking Structure will be constructed primarily of reinforced concrete, masonry, glass, steel, aluminum and appropriate trim.

b. Residential Tower. The Residential Tower shall contain twenty-three (23) floors and a total of two hundred fifty-one (251) apartments. Ninety-one (91) of the apartments shall have two bedrooms and two bathrooms, forty-four (44) shall have two bedrooms and one bathroom, two (2) shall have one bedroom, one bathroom and one storage room, and one hundred fourteen (114) shall have one bedroom and one bathroom.

The first floor of the Residential Tower, designated as the Ground Floor on the Condominium Map, shall have a total of nine (9) apartments [three (3) two bedroom and two bathroom residential apartments; two (2) one bedroom, one bathroom and one storage room apartments; and four (4) one bedroom and one bathroom residential apartments], one (1) enclosed lobby, a mailroom, a corridor, three (3) water heater closets, a mechanical room, an electrical room, an elevator lobby, three (3) elevator stops, two (2) stairways, and a trash collection room. Floors 2 through 23 shall each have a total of eleven (11) residential apartments [four (4) two bedroom and two bathroom apartments, two (2) two bedroom and one bathroom apartments, and one bedroom and one bathroom apartments, five (5) one bedroom and one bathroom apartment], a corridor, an electrical room, three (3) water heater closets, an elevator lobby, three (3) elevator stops, a trash chute room, and two (2) stairways. The roof level includes a stairway and an elevator machinery room. The Residential Tower will not have a basement.

c. Parking Structure. The Parking Structure shall contain six (6) floors and a total of three hundred seventy-six (376) parking stalls [two hundred twenty-one (221) regular stalls, one hundred thirty-nine (139) compact stalls, and six (6) handicapped stalls, which handicapped stalls shall be used as standard stalls until such time as an apartment owner presents proof of need for a handicapped stall and a stall is designated and marked accordingly] and nine (9) bicycle storage areas. The Parking Structure shall contain six (6) levels connected by sloping floors rising from the ground level to the sixth level as shown on the Condominium Map.

The first level of the Parking Structure, designated as the ground level on the Condominium Map, shall have seventy (70) parking stalls [forty-two (42) regular stalls, twenty-seven (27) compact stalls and one (1) handicapped stall], one (1) bicycle storage area, two (2) stairways, an elevator lobby, one (1) elevator stop, one (1) recreation room (with two adjoining toilet rooms), a covered lobby, a corridor, a security office, a management office, and a fire control room. Levels 2 through 5 of the Parking Structure shall each have seventy-three (73)

parking stalls [forty-five (45) regular stalls, twenty-seven (27) compact stalls, and one (1) handicapped stall], two (2) bicycle storage areas, two (2) stairways, an elevator lobby, and one elevator stop. Level 6 of the Parking Structure shall have fourteen (14) parking stalls [nine (9) regular stalls, four (4) compact stalls, one (1) handicapped stall], one (1) stairwell, an elevator lobby and one (1) elevator stop. Stalls numbered 15 through 73 on the fifth level of the Parking Structure, and 1 through 14 on the sixth level of the Parking Structure, as shown on the Condominium Map, shall be uncovered stalls.

SPECIAL USE RESTRICTIONS

1. Number of Occupants. Except for any violation of occupancy limits imposed by any law or regulation, there will be not be minimum or maximum occupancy limits for the apartments in the Project. However, the maintenance fee for each two bedroom apartment and one bedroom apartment have been calculated based upon the assumption that a two bedroom apartment would be occupied by not more than five (5) persons and a one bedroom apartment would be occupied by not more than three (3) persons. For this reason, in the event a two bedroom apartment shall be occupied by more than five (5) persons or a one bedroom apartment shall be occupied by more than three (3) persons, the Association, through the Managing Agent, may charge an excess occupancy charge for such apartment by that amount which represents the increased expenses to the Project resulting from such additional occupants, which amount shall be calculated as follows:

For a one bedroom apartment, the excess occupancy charge shall be the maintenance fee normally charged for a one bedroom apartment with one to three occupants, times the fraction in which the numerator is the number of occupants in the apartment minus three and the denominator is three.

For a two bedroom apartment, the excess occupancy charge shall be the maintenance fee normally charged for a two bedroom apartment with one to five occupants, times the fraction in which the numerator is the number of occupants in the apartment minus five and the denominator is five.

(For example, if the maintenance fee is \$100 per month for Unit X, a one bedroom apartment, and there are four occupants in Unit X, the excess occupancy charge to Unit X will be \$33.33 per month.)

These provisions are a part of the House Rules for the project and may be amended as necessary by the Board of Directors of the Association.

APARTMENT DESCRIPTION

1. Description of Apartments. There are hereby established in the Project a total of two hundred fifty-one (251) 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 residential 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 01, 02, 10 and 11 apartment shall have two bedrooms, two bathrooms (one bathroom with a shower, and one bathroom with a bathtub), a living room, a kitchen and a lanai.

Each type 03 and 09 apartment shall have two bedrooms, one bathrooms, a living room, a kitchen and a lanai.

Apartment 103 and 109 shall each have one bedroom, one bathroom, a storage room, a living room, a kitchen and a lanai.

Each type 04, 05, 06, 07 and 08 apartment shall have one bedroom, one bathroom, a living room, a kitchen and a lanai.

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 below.

The approximate net living floor areas set forth below 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 set forth below are based on measurements taken from the inner surfaces of all perimeter walls and boundaries of the lanai areas. All floor areas set forth below are not exact but are approximations based on the floor plans of each type of apartment. All floor areas set forth below 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 below 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 below 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 Residential Tower which lead to the lobby areas and other common areas of the Project.

Notwithstanding the floor areas set forth below 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 or 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 which 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.

APARTMENT DESCRIPTION

RESIDENTIAL TOWER

FLOOR 1

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
102	2 BR/2 Bath	6	739	53	792	.00444	468, 525
103	1 BR/ 1 storage/ 1 Bath	5	614	47	661	.00362	101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 134, 135, 136, 137, 138, 139, 211, 311, 411, 511, 611
105	1 BR/1 Bath	4	549	35	584	.00358	524
106	1 BR/1 Bath	4	516	33	549	.00357	537
107	1 BR/1 Bath	4	549	35	584	.00358	523
108	1 BR/1 Bath	4	507	33	540	.00357	538
109	1 BR/ 1 storage/ 1 Bath	5	614	47	661	.00362	522
110	2 BR/2 Bath	6	739	53	792	.00444	469, 521
111	2 BR/2 Bath	6	739	53	792	.00444	470, 520

FLOOR 2

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
201	2 BR/2 Bath	6	739	53	792	.00444	449, 519
202	2 BR/2 Bath	6	739	53	792	.00444	465, 518
203	2 BR/1 Bath	5	686	47	733	.00412	517
204	1 BR/1 Bath	4	516	33	549	.00357	539
205	1 BR/1 Bath	4	549	35	584	.00358	516
206	1 BR/1 Bath	4	516	33	549	.00357	540
207	1 BR/1 Bath	4	549	35	584	.00358	515
208	1 BR/1 Bath	4	507	33	540	.00357	541
209	2 BR/1 Bath	5	686	47	733	.00412	514
210	2 BR/2 Bath	6	739	53	792	.00444	466, 513
211	2 BR/2 Bath	6	739	53	792	.00444	467, 512

FLOOR 3

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
301	2 BR/2 Bath	6	739	53	792	.00444	445, 501
302	2 BR/2 Bath	6	739	53	792	.00444	446, 502
303	2 BR/1 Bath	5	686	47	733	.00412	503
304	1 BR/1 Bath	4	516	33	549	.00357	542
305	1 BR/1 Bath	4	549	35	584	.00358	504
306	1 BR/1 Bath	4	516	33	549	.00357	543
307	1 BR/1 Bath	4	549	35	584	.00358	505
308	1 BR/1 Bath	4	507	33	540	.00357	544
309	2 BR/1 Bath	5	686	47	733	.00412	506
310	2 BR/2 Bath	6	739	53	792	.00444	447, 464
311	2 BR/2 Bath	6	739	53	792	.00444	448, 463

FLOOR 4

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
401	2 BR/2 Bath	6	739	53	792	.00444	441, 462
402	2 BR/2 Bath	6	739	53	792	.00444	442, 461
403	2 BR/1 Bath	5	686	47	733	.00412	460
404	1 BR/1 Bath	4	516	33	549	.00357	545
405	1 BR/1 Bath	4	549	35	584	.00358	459
406	1 BR/1 Bath	4	516	33	549	.00357	546
407	1 BR/1 Bath	4	549	35	584	.00358	455
408	1 BR/1 Bath	4	507	33	540	.00357	547
409	2 BR/1 Bath	5	686	47	733	.00412	458
410	2 BR/2 Bath	6	739	53	792	.00444	443, 457
411	2 BR/2 Bath	6	739	53	792	.00444	444, 456

FLOOR 5

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
501	2 BR/2 Bath	6	739	53	792	.00444	437, 454
502	2 BR/2 Bath	6	739	53	792	.00444	438, 453
503	2 BR/1 Bath	5	686	47	733	.00412	452
504	1 BR/1 Bath	4	516	33	549	.00357	548
505	1 BR/1 Bath	4	549	35	584	.00358	451
506	1 BR/1 Bath	4	516	33	549	.00357	549
507	1 BR/1 Bath	4	549	35	584	.00358	450
508	1 BR/1 Bath	4	507	33	540	.00357	565
509	2 BR/1 Bath	5	686	47	733	.00412	436
510	2 BR/2 Bath	6	739	53	792	.00444	435, 439
511	2 BR/2 Bath	6	739	53	792	.00444	434, 440

FLOOR 6

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in <u>Sq. Ft.</u>	Approx. Net Lanai Floor Area in <u>Sq. Ft.</u>	Approx. Net Total Floor Area in <u>Sq. Ft.</u>	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
601	2 BR/2 Bath	6	739	53	792	.00444	407, 433
602	2 BR/2 Bath	6	739	53	792	.00444	408, 432
603	2 BR/1 Bath	5	686	47	733	.00412	431
604	1 BR/1 Bath	4	516	33	549	.00357	566
605	1 BR/1 Bath	4	549	35	584	.00358	430
606	1 BR/1 Bath	4	516	33	549	.00357	567
607	1 BR/1 Bath	4	549	35	584	.00358	429
608	1 BR/1 Bath	4	507	33	540	.00357	568
609	2 BR/1 Bath	5	686	47	733	.00412	428
610	2 BR/2 Bath	6	739	53	792	.00444	409, 427
611	2 BR/2 Bath	6	739	53	792	.00444	410, 426

FLOOR 7

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in <u>Sq. Ft.</u>	Approx. Net Lanai Floor Area in <u>Sq. Ft.</u>	Approx. Net Total Floor Area in <u>Sq. Ft.</u>	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
701	2 BR/2 Bath	6	739	53	792	.00444	370, 425
702	2 BR/2 Bath	6	739	53	792	.00444	371, 424
703	2 BR/1 Bath	5	686	47	733	.00412	423
704	1 BR/1 Bath	4	516	33	549	.00357	569
705	1 BR/1 Bath	4	549	35	584	.00358	422
706	1 BR/1 Bath	4	516	33	549	.00357	570
707	1 BR/1 Bath	4	549	35	584	.00358	421
708	1 BR/1 Bath	4	507	33	540	.00357	571
709	2 BR/1 Bath	5	686	47	733	.00412	420
710	2 BR/2 Bath	6	739	53	792	.00444	372, 419
711	2 BR/2 Bath	6	739	53	792	.00444	373, 418

FLOOR 8

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in <u>Sq. Ft.</u>	Approx. Net Lanai Floor Area in <u>Sq. Ft.</u>	Approx. Net Total Floor Area in <u>Sq. Ft.</u>	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
801	2 BR/2 Bath	6	739	53	792	.00444	366, 417
802	2 BR/2 Bath	6	739	53	792	.00444	367, 416
803	2 BR/1 Bath	5	686	47	733	.00412	415
804	1 BR/1 Bath	4	516	33	549	.00357	572
805	1 BR/1 Bath	4	549	35	584	.00358	414
806	1 BR/1 Bath	4	516	33	549	.00357	573
807	1 BR/1 Bath	4	549	35	584	.00358	413
808	1 BR/1 Bath	4	507	33	540	.00357	607
809	2 BR/1 Bath	5	686	47	733	.00412	412
810	2 BR/2 Bath	6	739	53	792	.00444	368, 401
811	2 BR/2 Bath	6	739	53	792	.00444	369, 402

FLOOR 9

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in <u>Sq. Ft.</u>	Approx. Net Lanai Floor Area in <u>Sq. Ft.</u>	Approx. Net Total Floor Area in <u>Sq. Ft.</u>	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
901	2 BR/2 Bath	6	739	53	792	.00444	347, 403
902	2 BR/2 Bath	6	739	53	792	.00444	348, 404
903	2 BR/1 Bath	5	686	47	733	.00412	405
904	1 BR/1 Bath	4	516	33	549	.00357	608
905	1 BR/1 Bath	4	549	35	584	.00358	406
906	1 BR/1 Bath	4	516	33	549	.00357	609
907	1 BR/1 Bath	4	549	35	584	.00358	364
908	1 BR/1 Bath	4	507	33	540	.00357	610
909	2 BR/1 Bath	5	686	47	733	.00412	363
910	2 BR/2 Bath	6	739	53	792	.00444	349, 362
911	2 BR/2 Bath	6	739	53	792	.00444	365, 361

FLOOR 10

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in <u>Sq. Ft.</u>	Approx. Net Lanai Floor Area in <u>Sq. Ft.</u>	Approx. Net Total Floor Area in <u>Sq. Ft.</u>	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
1001	2 BR/2 Bath	6	739	53	792	.00444	343, 360
1002	2 BR/2 Bath	6	739	53	792	.00444	344, 359
1003	2 BR/1 Bath	5	686	47	733	.00412	358
1004	1 BR/1 Bath	4	516	33	549	.00357	514
1005	1 BR/1 Bath	4	549	35	584	.00358	357
1006	1 BR/1 Bath	4	516	33	549	.00357	613
1007	1 BR/1 Bath	4	549	35	584	.00358	355
1008	1 BR/1 Bath	4	507	33	540	.00357	612
1009	2 BR/1 Bath	5	686	47	733	.00412	356
1010	2 BR/2 Bath	6	739	53	792	.00444	345, 354
1011	2 BR/2 Bath	6	739	53	792	.00444	346, 353

FLOOR 11

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in <u>Sq. Ft.</u>	Approx. Net Lanai Floor Area in <u>Sq. Ft.</u>	Approx. Net Total Floor Area in <u>Sq. Ft.</u>	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
1101	2 BR/2 Bath	6	739	53	792	.00444	339, 352
1102	2 BR/2 Bath	6	739	53	792	.00444	340, 351
1103	2 BR/1 Bath	5	686	47	733	.00412	350
1104	1 BR/1 Bath	4	516	33	549	.00357	601
1105	1 BR/1 Bath	4	549	35	584	.00358	336
1106	1 BR/1 Bath	4	516	33	549	.00357	602
1107	1 BR/1 Bath	4	549	35	584	.00358	335
1108	1 BR/1 Bath	4	507	33	540	.00357	603
1109	2 BR/1 Bath	5	686	47	733	.00412	334
1110	2 BR/2 Bath	6	739	53	792	.00444	333, 341
1111	2 BR/2 Bath	6	739	53	792	.00444	332, 342

FLOOR 12

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in <u>Sq. Ft.</u>	Approx. Net Lanai Floor Area in <u>Sq. Ft.</u>	Approx. Net Total Floor Area in <u>Sq. Ft.</u>	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
1201	2 BR/2 Bath	6	739	53	792	.00444	309, 331
1202	2 BR/2 Bath	6	739	53	792	.00444	310, 330
1203	2 BR/1 Bath	5	686	47	733	.00412	329
1204	1 BR/1 Bath	4	516	33	549	.00357	604
1205	1 BR/1 Bath	4	549	35	584	.00358	328
1206	1 BR/1 Bath	4	516	33	549	.00357	605
1207	1 BR/1 Bath	4	549	35	584	.00358	327
1208	1 BR/1 Bath	4	507	33	540	.00357	606
1209	2 BR/1 Bath	5	686	47	733	.00412	326
1210	2 BR/2 Bath	6	739	53	792	.00444	325, 337
1211	2 BR/2 Bath	6	739	53	792	.00444	324, 338

FLOOR 14

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in <u>Sq. Ft.</u>	Approx. Net Lanai Floor Area in <u>Sq. Ft.</u>	Approx. Net Total Floor Area in <u>Sq. Ft.</u>	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
1401	2 BR/2 Bath	6	739	53	792	.00444	272, 323
1402	2 BR/2 Bath	6	739	53	792	.00444	273, 322
1403	2 BR/1 Bath	5	686	47	733	.00412	321
1404	1 BR/1 Bath	4	516	33	549	.00357	564
1405	1 BR/1 Bath	4	549	35	584	.00358	320
1406	1 BR/1 Bath	4	516	33	549	.00357	563
1407	1 BR/1 Bath	4	549	35	584	.00358	319
1408	1 BR/1 Bath	4	507	33	540	.00357	562
1409	2 BR/1 Bath	5	686	47	733	.00412	318
1410	2 BR/2 Bath	6	739	53	792	.00444	307, 317
1411	2 BR/2 Bath	6	739	53	792	.00444	308, 316

FLOOR 15

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
1501	2 BR/2 Bath	6	739	53	792	.00444	268, 315
1502	2 BR/2 Bath	6	739	53	792	.00444	269, 314
1503	2 BR/1 Bath	5	686	47	733	.00412	313
1504	1 BR/1 Bath	4	516	33	549	.00357	561
1505	1 BR/1 Bath	4	549	35	584	.00358	312
1506	1 BR/1 Bath	4	516	33	549	.00357	560
1507	1 BR/1 Bath	4	549	35	584	.00358	301
1508	1 BR/1 Bath	4	507	33	540	.00357	559
1509	2 BR/1 Bath	5	686	47	733	.00412	302
1510	2 BR/2 Bath	6	739	53	792	.00444	270, 303
1511	2 BR/2 Bath	6	739	53	792	.00444	271, 304

FLOOR 16

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
1601	2 BR/2 Bath	6	739	53	792	.00444	249, 305
1602	2 BR/2 Bath	6	739	53	792	.00444	265, 306
1603	2 BR/1 Bath	5	686	47	733	.00412	264
1604	1 BR/1 Bath	4	516	33	549	.00357	558
1605	1 BR/1 Bath	4	549	35	584	.00358	263
1606	1 BR/1 Bath	4	516	33	549	.00357	557
1607	1 BR/1 Bath	4	549	35	584	.00358	262
1608	1 BR/1 Bath	4	507	33	540	.00357	556
1609	2 BR/1 Bath	5	686	47	733	.00412	261
1610	2 BR/2 Bath	6	739	53	792	.00444	266, 260
1611	2 BR/2 Bath	6	739	53	792	.00444	267, 259

FLOOR 17

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
1701	2 BR/2 Bath	6	739	53	792	.00444	245, 258
1702	2 BR/2 Bath	6	739	53	792	.00444	246, 257
1703	2 BR/1 Bath	5	686	47	733	.00412	256
1704	1 BR/1 Bath	4	516	33	549	.00357	555
1705	1 BR/1 Bath	4	549	35	584	.00358	255
1706	1 BR/1 Bath	4	516	33	549	.00357	554
1707	1 BR/1 Bath	4	549	35	584	.00358	254
1708	1 BR/1 Bath	4	507	33	540	.00357	553
1709	2 BR/1 Bath	5	686	47	733	.00412	253
1710	2 BR/2 Bath	6	739	53	792	.00444	247, 252
1711	2 BR/2 Bath	6	739	53	792	.00444	248, 251

FLOOR 18

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
1801	2 BR/2 Bath	6	739	53	792	.00444	241, 250
1802	2 BR/2 Bath	6	739	53	792	.00444	242, 236
1803	2 BR/1 Bath	5	686	47	733	.00412	235
1804	1 BR/1 Bath	4	516	33	549	.00357	552
1805	1 BR/1 Bath	4	549	35	584	.00358	234
1806	1 BR/1 Bath	4	516	33	549	.00357	551
1807	1 BR/1 Bath	4	549	35	584	.00358	233
1808	1 BR/1 Bath	4	507	33	540	.00357	550
1809	2 BR/1 Bath	5	686	47	733	.00412	232
1810	2 BR/2 Bath	6	739	53	792	.00444	243, 231
1811	2 BR/2 Bath	6	739	53	792	.00444	244, 230

FLOOR 19

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
1901	2 BR/2 Bath	6	739	53	792	.00444	229, 237
1902	2 BR/2 Bath	6	739	53	792	.00444	228, 238
1903	2 BR/1 Bath	5	686	47	733	.00412	227
1904	1 BR/1 Bath	4	516	33	549	.00357	536
1905	1 BR/1 Bath	4	549	35	584	.00358	226
1906	1 BR/1 Bath	4	516	33	549	.00357	535
1907	1 BR/1 Bath	4	549	35	584	.00358	225
1908	1 BR/1 Bath	4	507	33	540	.00357	534
1909	2 BR/1 Bath	5	686	47	733	.00412	224
1910	2 BR/2 Bath	6	739	53	792	.00444	223, 239
1911	2 BR/2 Bath	6	739	53	792	.00444	222, 240

FLOOR 20

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
2001	2 BR/2 Bath	6	739	53	792	.00444	207, 221
2002	2 BR/2 Bath	6	739	53	792	.00444	208, 220
2003	2 BR/1 Bath	5	686	47	733	.00412	219
2004	1 BR/1 Bath	4	516	33	549	.00357	533
2005	1 BR/1 Bath	4	549	35	584	.00358	218
2006	1 BR/1 Bath	4	516	33	549	.00357	532
2007	1 BR/1 Bath	4	549	35	584	.00358	217
2008	1 BR/1 Bath	4	507	33	540	.00357	531
2009	2 BR/1 Bath	5	686	47	733	.00412	216
2010	2 BR/2 Bath	6	739	53	792	.00444	209, 215
2011	2 BR/2 Bath	6	739	53	792	.00444	210, 214

FLOOR 21

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
2101	2 BR/2 Bath	6	739	53	792	.00444	167, 213
2102	2 BR/2 Bath	6	739	53	792	.00444	168, 212
2103	2 BR/1 Bath	5	686	47	733	.00412	201
2104	1 BR/1 Bath	4	516	33	549	.00357	530
2105	1 BR/1 Bath	4	549	35	584	.00358	202
2106	1 BR/1 Bath	4	516	33	549	.00357	529
2107	1 BR/1 Bath	4	549	35	584	.00358	203
2108	1 BR/1 Bath	4	507	33	540	.00357	528
2109	2 BR/1 Bath	5	686	47	733	.00412	204
2110	2 BR/2 Bath	6	739	53	792	.00444	169, 205
2111	2 BR/2 Bath	6	739	53	792	.00444	170, 206

FLOOR 22

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
2201	2 BR/2 Bath	6	739	53	792	.00444	161, 163
2202	2 BR/2 Bath	6	739	53	792	.00444	160, 164
2203	2 BR/1 Bath	5	686	47	733	.00412	159
2204	1 BR/1 Bath	4	516	33	549	.00357	510
2205	1 BR/1 Bath	4	549	35	584	.00358	158
2206	1 BR/1 Bath	4	516	33	549	.00357	527
2207	1 BR/1 Bath	4	549	35	584	.00358	157
2208	1 BR/1 Bath	4	507	33	540	.00357	526
2209	2 BR/1 Bath	5	686	47	733	.00412	156
2210	2 BR/2 Bath	6	739	53	792	.00444	155, 165
2211	2 BR/2 Bath	6	739	53	792	.00444	154, 166

FLOOR 23

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
2301	2 BR/2 Bath	6	739	53	792	.00444	144, 153
2302	2 BR/2 Bath	6	739	53	792	.00444	145, 151
2303	2 BR/1 Bath	5	686	47	733	.00412	150
2304	1 BR/1 Bath	4	516	33	549	.00357	507
2305	1 BR/1 Bath	4	549	35	584	.00358	152
2306	1 BR/1 Bath	4	516	33	549	.00357	508
2307	1 BR/1 Bath	4	549	35	584	.00358	149
2308	1 BR/1 Bath	4	507	33	540	.00357	509
2309	2 BR/1 Bath	5	686	47	733	.00412	148
2310	2 BR/2 Bath	6	739	53	792	.00444	146, 147
2311	2 BR/2 Bath	6	739	53	792	.00444	133, 162

FLOOR 24

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	Approx. Net Living Floor Area in Sq. Ft.	Approx. Net Lanai Floor Area in Sq. Ft.	Approx. Net Total Floor Area in Sq. Ft.	<u>Common Interest</u>	<u>Designated Parking Stall(s)</u>
2401	2 BR/2 Bath	6	739	53	792	.00444	132, 140
2402	2 BR/2 Bath	6	739	53	792	.00444	131, 141
2403	2 BR/1 Bath	5	686	47	733	.00412	130
2404	1 BR/1 Bath	4	516	33	549	.00357	471
2405	1 BR/1 Bath	4	549	35	584	.00358	129
2406	1 BR/1 Bath	4	516	33	549	.00357	472
2407	1 BR/1 Bath	4	549	35	584	.00358	128
2408	1 BR/1 Bath	4	507	33	540	.00357	473
2409	2 BR/1 Bath	5	686	47	733	.00412	127
2410	2 BR/2 Bath	6	739	53	792	.00444	126, 142
2411	2 BR/2 Bath	6	739	53	792	.00444	125, 143

PERMITTED ALTERATIONS TO APARTMENTS

1. Paragraph 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 of Directors or the Declarant:

“(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, 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 and 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 of Directors or the Declarant, 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 of Directors, the Association, any apartment owner, the Declarant or any other person.

“b. Certain Work Prohibited. Notwithstanding anything to the contrary in this Declaration, 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, (3) shall enclose any lanai, balcony or patio, or (4) 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 of Directors and such percentage, number, or group of apartment owners or other parties as may be required by this Declaration or the Bylaws. As used in this subparagraph, “nonmaterial structural additions to the common elements” means a structural addition to the common elements which does not jeopardize the soundness of safety of the Project, reduce the value thereof, 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 Residential Tower or Parking Structure, 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 Residential Tower, the Parking Structure and the elements therein.

“c. Connection between Apartments.

“(1) 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.

“(2) 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, and (C) if the cost of such alteration or removal, as reasonably determined by the Board of Directors, shall exceed the sum of \$25,000.00, the Board of Directors may require that the owner provide evidence satisfactory to the Board of Directors 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 Declarant and the Board of Directors 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 paragraph 19, without the consent or joinder of the Association, the Board, the Declarant or any other person.

“(3) 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.

“(4) Notwithstanding any alteration or additions permitted under this subparagraph 19.c, such shall not affect the common interest or limited common interest allocable to any apartment.”

PARKING INFORMATION

(a) There are four hundred two (402) parking stalls physically located on the Project, as described in the declaration and at Section C.7. of the Public Report. Three hundred seventy-six (376) stalls are located within the Parking Structure and twenty-six (26) are located outside of the buildings and designated for visitor parking. The Declarant has established a common parking plan in the House Rules for the benefit of the Association and the individual apartment owners. The parking plan may be disbanded by the Association by a vote of seventy-five percent (75%) of the apartment owners.

(b) Paragraph 28 of the Declaration states as follows:

“Use of Parking Stalls. To the extent allowed by law, the use of the parking stalls which are appurtenant to each of the apartments will be governed by the provisions of the House Rules. The Declarant has established a common parking plan in the House Rules for the benefit of the Association and the individual apartment owners. The parking plan may be disbanded by the Association by a vote of seventy-five percent (75%) of the apartment owners.”

(c) Paragraph IV.H of the House Rules states as follows:

“H. To the extent allowed by law, the use of each parking stall or stalls appurtenant to each residential apartment as limited common elements (except for those parking stalls appurtenant to Apartment 103 as limited common elements) shall be governed by the rules set forth herein. Such use of the parking stalls is instituted for the convenience of individual apartment owners (except for the owner of Apartment 103 who shall not participate in the system established in this paragraph IV.H) and the Association of Apartment Owners as a whole. The use of the parking stalls in the Parking Pool (as hereinafter defined) shall be in accordance with the following rules:

- “1. All parking stalls appurtenant to all apartments (except for those appurtenant to Apartment 103) shall be placed in and used as a part of a parking pool system (the “Parking Pool”) which shall be operated by the Association. Each apartment shall have the right to use at least one parking stall in the Parking Pool for every parking stall that is a limited common element appurtenant to that apartment (the “Entitled Amount of Parking Stalls”).
- “2. An access card to the Parking Pool stalls shall be issued by the Association to each residential apartment owner who shall be a member of the Parking Pool. The Board and/or Managing Agent shall adopt procedures governing the issuance and use of such access cards including, without limitation, charges for the issuance or reissuance of such cards.

- “3. Parking in the Parking Pool area shall be on an unassigned basis. Parking Pool participants shall be allowed to park in any parking stall that is part of the Parking Pool, up to the Entitled Amount of Parking Stalls, regardless of the actual ownership of the parking stall.
- “4. The Association, through the Board and the Managing Agent, reserves the right to require that motor vehicles that are parked in the Parking Pool and used infrequently be moved to other stalls in the Parking Pool area.
- “5. Compact motor vehicles and motorcycles may only be parked in stalls designated as compact stalls. Larger vehicles may only be parked in regular stalls. The Board, in its sole discretion, shall determine what constitutes a compact motor vehicle. Violation of this section IV.H.5 shall result in a one dollar (\$1.00) per day fine.
- “6. All motor vehicle owners in the Parking Pool who will not use or move their motor vehicles for a period of one week or more must have the permission of the Board or the Managing Agent to do so. The Board or the Managing Agent may elect, at its sole discretion, to have the vehicle moved to another stall in the Parking Pool area.
- “7. Subject to these House Rules, the Bylaws of the Association and the Declaration, and the prior written consent of the Board, an apartment owner, or such owner’s designated agent, may assign such owner’s right to use a parking stall in the Parking Pool, on the condition that the person or persons assigned such right shall abide by these House Rules, and the owner or designated agent as applicable shall assume the responsibility for the user’s conduct. An apartment owner or such owner’s designated agent must notify the Managing Agent of the identity of the assignee together with such assignee’s vehicle description, and length of anticipated use and such other information as the Managing Agent shall reasonably request. Only occupants of the Project shall be permitted to use the parking stalls in the Parking structure and parking access cards. As used herein “occupants” shall mean persons who reside or work in the Project on a regular basis.
- “8. The Parking Pool system shall be designed so that parking stalls will be available for use at all times desired by the residents of the apartments in the Project to the extent of the residents’ Entitled Amount of Parking Stalls. To the extent parking stalls in the Parking Pool are not being used by residents of the apartments in the Project, the Association shall institute a program to permit rental of such unused stalls to third parties on a monthly basis (no daily basis) at market rates (initially, \$65 per month),

during the hours of 7:00 a.m. to 7:00 p.m. In addition, to the extent uncovered parking stalls in the Parking Pool on the top floors of the Parking structure are not being used by residents of the apartments in the Project, the Association shall institute a program to permit rental of such unused stalls to residents of the Project on a monthly basis at market rents (initially, \$50 per month), during the hours of 7:00 p.m. to 7:00 a.m. All income from the rental parking operations shall accrue to the Association to reduce maintenance fees. The Managing Agent shall use its best judgment to determine the quantity of parking stalls available for rental and such quantity shall be reviewed by the Board on a monthly basis to confirm that adequate parking is available for use at all times desired by the residents of the apartments in the Project to the extent of the residents' Entitled Amount of Parking Stalls.

- “9. In the event that the Parking Pool system is discontinued, as provided in the Declaration, each owner will thereafter take possession of the individual parking stall assigned and conveyed with such owner's residential apartment. Said stall shall be used as a limited common element appurtenant to the designated residential apartment, reserved for its exclusive use in a manner not inconsistent with these House Rules, the Bylaws of the Association, the Declaration, or any other rules established by the Association of Apartment Owners from time to time.”

COMMON ELEMENTS, LIMITED COMMON ELEMENTS, COMMON INTEREST

1. Paragraphs 5, 6 and 7 of the Declaration states as follows:

“1. 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, without limitation:

- a. The Land in fee simple.
- b. All foundations, columns, girders, beams, floor slabs, 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, elevator lobby areas, entrances, entryways and exits of the Project, all maintenance rooms, elevator machine rooms, mechanical rooms, electrical rooms, trash rooms, recreation rooms, mail rooms, management rooms, security rooms and common toilet facilities.
- d. All yards, grounds, paths, walkways, walkway railings, landscaping, refuse facilities and gardens.
- e. All driveways and driveway ramps, loading and service areas, parking stalls and parking areas (both in the Parking Structure and on the surrounding grounds), and the Parking Structure.
- f. All ducts, vents, shafts, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, pipes, wiring 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), cable television (if any), air conditioning, sewer, refuse, telephone, and radio and television signal distribution.
- g. Any and all apparatus and installations existing for common use, such as elevators, tanks, pumps, motors, fans, compressors and, in general, all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.
- h. All mechanical, electrical and air conditioning equipment originally installed and located within any pump room, mechanical room, fire control room, transformer room or electrical room or located elsewhere in the Project (whether or not utilized for or serving only one apartment).
- i. The limited common elements described below.

“2. 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. Each of the parking stalls designated on Exhibit C shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it is assigned, as set forth in Exhibit C subject to the right of the apartment owners to transfer parking stalls from one apartment to another as set forth in Section 9.b below or as provided in the Act. Each apartment shall always have at least one (1) parking stall appurtenant to it. The use of the parking stalls shall be governed by the provisions of paragraph 28 of this Declaration.

b. 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.

c. Apartments numbered 102, 110 and 111 on the ground floor, and each apartment with an apartment number containing the last two digits 01, 02, 03, 09, 10, and 11 on floors 2 through 23 as shown on the Condominium Map, shall have appurtenant thereto and reserved for its exclusive use a fifty (50) gallon water heater within a closet or closets located off the common corridors as shown on the Condominium Map; provided, however, that access to such water heater shall be subject to such rules established by the Association of Apartment Owners of 215 North King St (hereinafter referred to as the “Association”) from time to time. Apartment numbered 108 on the ground floor, and each apartment with an apartment number containing the last two digits 08 on floors 2 through 23 as shown on the Condominium Map, shall have appurtenant thereto and reserved for its exclusive use a forty (40) gallon water heater within a closet or closets located off the common corridors as shown on the Condominium Map; provided, however, that access to such water heater shall be subject to such rules established by the Association from time to time.

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

“3. Percentage of Undivided Interest. Each apartment shall have appurtenant thereto an undivided interest in the common elements of the Project as shown in Exhibit C hereto (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, except as herein expressly provided for, the same percentage interest for all other purposes, including, without limitation, voting.”

Exhibit "H"

I. It is anticipated that the following shall be encumbrances against title at the time of conveyance to apartment owners:

1. -As to Lots 2-B, area 5,872 square feet, and 2-D, area 144 square feet, as shown on Map 3; and Lot 2-C-1, area 37,156 square feet, and 2-C-2, area 167 square feet, as shown on Map 4, which maps are filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 325 of Oahu Railway and Land Company): GRANT TO CITY AND COUNTY OF HONOLULU DATED June 6, 1928, file as Land Court Document No. 15885, granting an easement for building, constructing, laying, maintaining and operating an underground sewer or sewers with an appurtenant manhole extending to the surface of the ground on and across Lot 2-C-2.

3. Notice of Pendency of Action, Law No. 20196, dated September 2, 1949, filed as Land Court Document No. 112472, in favor of the State of Hawaii, to acquire any abutter's rights of access appurtenant to Lots 2-A, 2-B, 2-D, 2-C-1 and 2-C-2.

4. RESTRICTION OF ACCESS RIGHTS SHOWN on Map 5, as set forth by Land Court Order No. 11848, filed March 18, 1953, affecting Lots 2-A, 2-B and 2-D.

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain AGREEMENT FOR ISSUANCE OF CONDITIONAL USE PERMIT UNDER SECTION 4.40-17 OF THE LAND USE ORDINANCE (LUO) DATED November 11, 1986, filed as Land Court Document No. 1491153, by GAMLON CORPORATION

6. Condominium Map No. _____, recorded in said Office.

7. The benefits and the burdens of the restrictions, covenants, agreements, obligations, conditions, easements and other provisions, and any and all easements appurtenant to or encumbrances on said apartment, and said common elements, as created by, referred to or set forth in the aforesaid Declaration of Condominium Property Regime and the Bylaws of the Association of Apartment Owners of 215 North King St dated _____, recorded in said Office as Document Nos. _____ and _____, respectively, and in all rules and regulations which from time to time may be duly promulgated pursuant to said Declaration and Bylaws, which conditions are and shall constitute covenants running with the land and equitable servitude to the extent provided by law and set forth in said instruments.

Exhibit "H"

8. Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, and/or in said Bylaws, and/or as delineated on said Condominium Map.

II. The encumbrances against title appearing in the title report dated August 6, 2003, prepared by Title Guaranty of Hawaii are as follows:

1. For Real Property Taxes that may be due and owing reference is made to the Office of the Tax Assessor, City & County of Honolulu.

2. -As to Lots 2-B, area 5,872 square feet, and 2-D, area 144 square feet, as shown on Map 3; and Lot 2-C-1, area 37,156 square feet, and 2-C-2, area 167 square feet, as shown on Map 4, which maps are filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 325 of Oahu Railway and Land Company): GRANT TO CITY AND COUNTY OF HONOLULU DATED June 6, 1928, file as Land Court Document No. 15885, granting an easement for building, constructing, laying, maintaining and operating an underground sewer or sewers with an appurtenant manhole extending to the surface of the ground on and across Lot 2-C-2.

3. Notice of Pendency of Action, Law No. 20196, dated September 2, 1949, filed as Land Court Document No. 112472, in favor of the State of Hawaii, to acquire any abutter's rights of access appurtenant to Lots 2-A, 2-B, 2-D, 2-C-1 and 2-C-2.

4. RESTRICTION OF ACCESS RIGHTS SHOWN on Map 5, as set forth by Land Court Order No. 11848, filed March 18, 1953, affecting Lots 2-A, 2-B and 2-D.

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain AGREEMENT FOR ISSUANCE OF CONDITIONAL USE PERMIT UNDER SECTION 4.40-17 OF THE LAND USE ORDINANCE (LUO) DATED November 11, 1986, filed as Land Court Document No. 1491153, by GAMLON CORPORATION

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

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

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

CONSTRUCTION WARRANTIES

1. Paragraph 20 of the Sales Contract and Deposit Receipt states as follows:

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

“a. 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.

“b. 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.

“c. The Condominium Map for the Project which has been or will be recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii and the Real Estate Commission is intended only to show the layout, location, apartment numbers and dimensions of the apartments, approximate elevations of the Project and parking plans and any other detail which is specifically required to be shown under Section 514A-12 of the Act. Buyer acknowledges that the Condominium Map, consisting of the floor plans and elevations, 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.

“d. Buyer has examined and approved the estimate of monthly maintenance charges and assessments for the Apartment as shown in the Public Report for the Project. Seller makes no promise or warranty about the accuracy of those amounts. Buyer understands that those amounts are only estimates and may change for many reasons. Buyer accepts and approves any changes in such estimate made by Seller or the Managing Agent.”

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees

Monthly Fee x 12 Months = Yearly Total

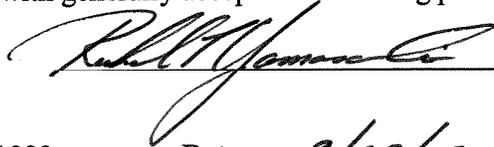
Apartment

2 Bedroom/2 Bath	91 units	\$179.08/month/unit	\$195,555.36
2 Bedroom/1 Bath	44 units	\$166.17/month/unit	\$87,737.76
1 Bedroom/1 Bath on Makai Side	46 units	\$144.39/month/unit	\$79,703.28
1 Bedroom/1 Bath on Mauka Side	68 units	\$144.00/month/unit	\$117,504.00
1 Bedroom/1 storage/1 Bath	2 units	\$146.00/month/unit	<u>\$3,504.00</u>
		TOTAL:	\$484,004.40

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

<u>Estimate of Initial Maintenance Fees</u>	<u>Monthly Fee x 12 Months = Yearly Total</u>	
Utilities and Services		
Air Conditioning	N/A	N/A
Electricity		
<input checked="" type="checkbox"/> Common elements only	6,000	72,000
<input type="checkbox"/> Common elements and apartments		
Elevator	1,100	13,200
Gas	N/A	N/A
Refuse Collection	1,650	19,800
Telephone	380	4,560
Water and Sewer	6,400	76,800
Maintenance, Repairs and Supplies		
Building	1,700	20,400
Grounds	100	1,200
Management		
Management Fee	2,650	31,800
Payroll and Payroll Taxes	14,450	173,400
Office Expenses	550	6,600
Insurance	6,533	78,396
Reserves(*)	4,000	48,000
Taxes and Government Assessments	625	7,500
Audit Fees	215	2,580
Other – Cable TV	<u>N/A</u>	<u>N/A</u>
Sub-Total:	46,353	556,236
Less – Parking Income	(5,500)	(66,000)
Interest and Late Fees	<u>(520)</u>	<u>(6,240)</u>
TOTAL	40,333	483,996

I, Richard T. Yamasaki, as agent and employed by National Ind-Comm LLC, the condominium managing agent or the developer, for the condominium project 215 NORTH KING ST, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



(*) Mandatory reserves in effect January 1, 1993.

Date: 9/29/03

SUMMARY OF THE PERTINENT PROVISIONS OF THE SALES CONTRACT

A specimen Sales Contract and Deposit Receipt (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 this Contract by Buyer and Seller, an effective date for a Contingent Final Public Report or Final Public Report for the Project has not been issued by the Real Estate Commission, this Contract shall not be legally binding upon either Buyer or Seller. In such event, this 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 above. UNTIL THE EFFECTIVE DATE FOR THE CONTINGENT FINAL PUBLIC REPORT OR 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 or, at Seller's option, directly to Buyer's mortgagee prior to or no later than five (5) business days after the date of Seller's notice to Buyer of Seller's acceptance of this Contract, (a) a financial statement certified by Buyer to be true and accurate as of the date of such delivery, in form and content sufficient to fully disclose Buyer's financial circumstances as of the date of delivery, including, without limitation, the identification and the reasonably accurate valuation of any assets as of the date of delivery, (b) a completed loan application to one or more lending institutions, if Buyer requires financing, and (c) any other information required by Seller.

3. Any breach of the covenants and warranties contained herein shall constitute a default hereunder by Buyer entitling Seller to retain all sums paid hereunder as liquidated damages as provided therein.

4. In addition to such other remedies which may be available to Seller by law or pursuant to this Contract, Seller may impose a late charge of one percent (1%) per month on the amount of any such payment which is not paid in the manner specified above. Such late charge shall accrue commencing on the date the payment is due and payable as provided herein.

5. Buyer shall, prior to or within five (5) business days from the date of execution of the Contract, apply for mortgage financing.

6. Seller, in its sole discretion, may elect to cancel the Contract if (a) Buyer's application or eligibility for a mortgage loan is rejected by a mortgage lender or mortgage lenders, or Buyer's loan approval or mortgage commitment is not approved within the fifty (50)

calendar day period; (b) Buyer fails to supply any proposed mortgage lender with full financial information or fails to supply Seller with the required Cash Evidence; (c) Buyer, after having had a loan approval or mortgage commitment disapproved by Seller, is thereafter unable to have such approval or commitment modified or revised to the satisfaction of Seller within thirty (30) business days thereafter; (d) Seller, in its sole discretion, after reviewing the written Cash Evidence submitted to Seller or Buyer's mortgagee, as the case may be, by Buyer, determines that Seller is not satisfied as to Buyer's ability to make the cash deposit payments; or (e) Seller is unable to make seventy percent (70%) of the apartments in the Project available to purchase by Owner-Occupant Purchasers as is required by Seller's lender and Buyer does not intend to be an Owner-Occupant of the Apartment. This right to terminate of Seller shall exist only while the Contract is a reservation and shall end upon issuance of an effective date for a Contingent Final Public Report or Final Public Report for the Project.

7. Buyer shall pay for all closing costs, including, without limitation, the cost of drafting the Apartment Deed and the cost of the acknowledgments thereof; recording fees; the State of Hawaii conveyance tax (note: in connection with the conveyance tax, Seller and Buyer do hereby appoint the Escrow Agent as their agent for the purpose of filing the affidavit in respect thereto); the escrow fees; the cost of obtaining financing or a financing commitment for any portion of the purchase price and all expenses incident thereto; the expense of credit reports; preparation of all of Buyer's mortgage documents (which costs shall be paid directly to Buyer's mortgagee and shall in no event be reimbursed by Seller); any costs incurred for Buyer's title insurance; any costs and fees otherwise require to be paid by Buyer in this Agreement, including maintenance fees and start-up fees; and any cost incurred by Buyer or Seller as a result of Buyer's requesting changes in a document after Buyer has been given notice by the Escrow Agent that such document will be prepared. Buyer shall also pay for any attorneys' fees and costs incurred by Seller in connection with any failure by Buyer to timely pre-close and close as set forth herein and otherwise perform all obligations of Buyer as set forth herein;

8. The estimated project completion date and the final closing and closing dates are as described in the Contract.

9. Buyer may be required to prepay maintenance fees, real property taxes, and a non-refundable Project start-up fee as more particularly described in the Contract.

10. Buyer's right to inspect the project documents, inspect the Apartment and have delivery of possession are as more particularly described in the Contract.

11. Buyer specifically acknowledges and accepts certain enumerated conditions regarding on-going 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 circumstances.

12. After the Effective Date of the Contingent Final Public Report or 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 elements, 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.

13. Buyer specifically acknowledges and agrees that the Declaration of Condominium Property Regime for 215 North King St contains reservations of certain rights and certain other provisions under which Buyer consents to certain actions by Seller and others, as more particularly described in the Contract and the Declaration.

14. Seller shall have certain rights and remedies against Buyer in the event Buyer fails to perform any of the 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.

15. 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.

16. Buyer hereby intentionally waives, relinquishes and subordinates the priority or superiority of any interest under the Contract in favor of the liens or charges upon the Project of the construction lender's mortgage loan.

17. Buyer may not assign Buyer's rights hereunder without Seller's prior written consent, which consent may be withheld by any reason whatsoever in its sole discretion.

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.

SUMMARY OF THE PERTINENT PROVISIONS OF THE ESCROW AGREEMENT

A copy of the Escrow Agreement between the Seller and Title Guaranty Escrow Services, Inc. (“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 such Sales Contract 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 bank, savings and loan association or other financial institution that pays interest on deposits. Except for specific circumstances stated in the Escrow Agreement, any interest earned on funds deposited in escrow under this Agreement shall accrue to the credit of Seller.

3. No disbursements of funds held in escrow shall be made unless and until the following conditions have been fulfilled: (a) The Real Estate Commission shall have issued an effective date for a Final Report on the Project; provided, however, to the extent any Sales Contracts are entered into and a Purchaser’s funds are obtained prior to the issuance of an effective date for a Final Public Report by the Real Estate Commission, no disbursements shall be made from such Purchaser’s funds until (i) an effective date for such Final Public Report shall have been issued; and (ii) the Purchaser has been given a copy of said Final Public Report, has had an opportunity to read the Report, has acknowledged receipt of same and has waived Purchaser’s right to cancel on the Real Estate Commission’s form of “Receipt for Public Report(s) and Notice of Right to Cancel” or the Purchaser is deemed to have done these things under Section 514A-62, Hawaii Revised Statutes; and (iii) the Seller has notified Escrow in writing that, since the things described in (i) and (ii) above have happened, the Purchaser and the Seller may not cancel or rescind the Sales Contract; and in the same written notice, the Seller has notified Escrow that, either the time in which the Seller and the Purchaser could cancel or rescind the Sales Contract has passed, or that the Seller and the Purchaser have agreed that they will not cancel or rescind the Sales Contract (Technically, under the Condominium Law, the Sales Contract must “become binding” and the requirements of Sections 514A-40, 514A-39.5 and 514A-63, Hawaii Revised Statutes, must have been met.); (b) Seller shall have given Escrow a written waiver of any option reserved in any Sales Contract to cancel such Sales Contract; and (c) Seller shall have delivered to Escrow a certificate from Seller’s architect stating that the Project is in compliance with the Federal Fair Housing Amendments Act of 1988, as amended.

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. The balance of all escrow funds shall be paid to Seller, on order, after the lapse of forty-five (45) days from the filing of the Affidavit of Publication of Notice of Completion as provided for under Section 507-43, Hawaii Revised Statutes, as amended; provided, however, that if any notice of a mechanic's or materialmen's lien has been filed against any of the property included within the Project, or suit thereon is filed, Escrow shall retain a sum equivalent to one and one-half (1-1/2) times the amount of every such claim for disposition thereof to satisfy and release every such claim, and upon every such release the balance shall be disposed of in accordance with Seller's instructions.

5. A Purchaser shall be entitled to a return of funds and Escrow shall pay such funds to such Purchaser, without interest, if any one of the following has occurred: (a) Seller and the Purchaser shall have requested Escrow in writing to return to the Purchaser the funds of the Purchaser held hereunder by Escrow; or (b) Seller shall have notified Escrow of Seller's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller where such option or request of cancellation or rescission is not based upon a default by the Purchaser under the Sales Contract; or (c) With respect to a Purchaser whose funds were obtained prior to the issuance of an effective date for the Final Report, the Purchaser has exercised such Purchaser's right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or (d) The Purchaser has exercised such Purchaser's right to rescind the contract pursuant to Section 514A-3, Hawaii Revised Statutes, as amended.

A Purchaser shall be entitled to a return of funds and Escrow shall pay such funds to such Purchaser, without interests pursuant to chapter 514A, Part VI, Hawaii Revised Statutes, if Seller or the Purchaser shall so request in writing and the prospective Purchaser has not obtained adequate financing, or a commitment for adequate financing, by a date which is no earlier than fifty (50) calendar days after Seller's execution and acceptance of the Sales Contract.

6. Escrow shall give each Purchaser entitled to a return of funds notice thereof by registered, certified or regular mail, postage prepaid addressed to such Purchaser at the Purchaser's address shown on the Sales Contract or any address later made known in writing to Escrow by such Purchaser. If such Purchaser shall not have claimed such refund within sixty (60) days, Escrow shall deposit such funds into a special account in a bank or other depository selected by Escrow, in the name of Seller, as trustee for the benefit of such Purchaser. After notifying the Purchaser of all such facts at the Purchaser's address as described herein and delivering all partially executed conveyance documents to Seller, Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such Purchaser.

7. Except for the Sales Contracts 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 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.

ADDITIONAL RESERVED RIGHTS OF DEVELOPER

1. Paragraph 8 of the Declaration states in part as follows:

“f. Declarant shall have the right to conduct extensive sales activities on the Project, including, without limitation, the use of model apartments, sales and management offices, and extensive sales displays and activities until the earlier of seven (7) years from the date of recordation of this Declaration or the closing of the sale of the last unsold apartment in the Project.

“g. Declarant, 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 seven (7) years from the date of recordation of this Declaration.

“h. For a period of seven (7) years from the date of recordation of this Declaration, Declarant, 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 Declarant, its agents, employees, contractors, licensees, successors and assigns as a result of such activity or activities.

“i. For a period of seven (7) years from the date of recordation of this Declaration, the Declarant 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 Property, 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 Property 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 Property 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 Property 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 Declarant, 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."

2. Paragraph 24 of the Declaration states as follows:

"Declarant's Repurchase Option. Declarant shall have the right to repurchase an apartment from an apartment owner for a period of ten (10) years from the date this Declaration is recorded upon the following terms and conditions, if and only if an apartment owner shall have made a complaint to Declarant about the physical condition of such apartment owner's apartment or the Project or any matter in connection with the apartment or the Project and Declarant after a good faith and diligent effort shall be unable to rectify the complaint to such apartment owner's satisfaction within a reasonable period of time, as determined by Declarant in the exercise of its sole discretion. The exercise of said option shall be upon:

"a. Option Notice. Declarant shall give such apartment owner written notice of Declarant's exercise of its option to repurchase such apartment owner's apartment.

"b. Option Closing. The closing of the purchase shall be no earlier than six (6) months nor later than nine (9) months from the date of delivery of Declarant's written notice of its exercise of the option. The closing costs shall be apportioned between such apartment owner and Declarant in accordance with customary practice in the State of Hawaii.

"c. Option Purchase Price. The purchase price for the apartment shall be a price equal to the aggregate of (i) the price at which the apartment owner purchased the interest in the apartment which is proposed to be transferred, (ii) the cost of any improvements added by the apartment owner attributable to the interest in the apartment proposed to be transferred; and (iii) five percent (5%) per annum simple interest on the apartment owner's equity in the interest in the apartment proposed to be transferred for the period of such apartment owner's ownership of the interest prepared to be sold. The purchase price shall be paid in cash at the closing.

"d. Purchase of Appliances. All appliances originally sold with the apartment (or their replacements) shall remain in the apartment at the date of closing and shall be a part of the property purchased by Declarant as evidenced by the standard conditions of the form of residential deposit receipt, offer and acceptance used by the Honolulu Board of Realtors or similar group at the time of exercise of the option.

"e. Option Binding on Successors and Assigns. This right to repurchase given by each apartment owner shall be binding upon each and every apartment owner, such apartment owner's heirs, personal representatives, successors and assigns (including, without limitation, any subsequent owners of the apartment), and shall be an encumbrance upon the apartment.

“f. Assignment of Option. Declarant’s right to repurchase may be assigned by Declarant without the prior written consent of any apartment owner or any other person; provided, however, that upon the exercise of the right of repurchase granted hereunder, the person exercising such right shall provide to the apartment owner and apartment owner’s mortgagee a copy of the assignment instrument by which such person acquired the right to repurchase hereunder.

“g. Mortgagee Protection. The Declarant’s right to repurchase an apartment granted by this paragraph 24 shall be subordinate to the interest of any mortgagee of record. Declarant shall not exercise its right to repurchase an apartment under any option granted under this paragraph 24 if within sixty (60) days of giving notice to an apartment owner and such owner’s mortgage lender of Declarant’s intent to exercise such option, the mortgage lender cures or commences a foreclosure action against the apartment. The restrictions prescribed in this paragraph 24 shall be automatically extinguished upon any transfers of title to a mortgage holder or other party pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced; or when a mortgage is assigned to a federal housing agency. Any provision herein to the contrary notwithstanding, a mortgagee under a mortgage covering any interest in the apartment prior to commencing mortgage foreclosure proceedings, may notify Declarant in writing of (i) any default of the mortgage under the mortgage within ninety (90) days after the occurrence of the default, and (ii) any intention of the mortgagee to foreclose the mortgage; provided that the mortgagee’s failure to provide such written notice to Declarant shall not affect such holder’s rights under the mortgage.”

3. Paragraph 18 of the Sales Contract states in part as follows:

“a. Seller, its agents and Seller’s mortgage lender have reserved the right and easement to conduct extensive activities on or from the Project, including the common elements, in connection with the sale or leasing of the Apartments in the Project, including the use of model apartments, sales, leasing and management offices, parking stalls and extensive sales and leasing displays and other activities. These rights and easements may exist until all of the apartments in the Project are sold or leased.

“b. Seller has reserved the right to grant rights-of-way and other easements over, under, across, or through the common elements for any reasonable purpose; provided, however, that such right is subject to, and may not be exercised in any manner which is inconsistent with, in derogation of or which would limit, abrogate or interfere with, the exclusive use of any limited common elements or any rights or easements reserved in favor of any owner.

“c. Seller has reserved an easement over and upon any portion of the Project, including the common elements and any Apartment, as may be reasonably necessary for the completion of any improvements to and correction of defects and other punch-list items in the common elements or any apartment in the Project.

“d. In the event Buyer disputes the terms of this Agreement or refuses to perform any of Buyer’s obligations hereunder prior to Final Closing, Seller shall have the right, but not the obligation, to cancel this Agreement in which event Seller shall refund, without interest, Buyer’s deposit and any other funds advanced by Buyer under this Agreement. This right is without limitation to Seller’s right to declare a default on the part of Buyer pursuant to the paragraph E.22 hereof.

“e. Seller shall have the right to repurchase the Apartment from Buyer upon the terms and conditions as set forth in the Declaration. This right shall include the right to exercise this option to repurchase if and only if Buyer shall have made a complaint to Seller about the physical condition of Buyer’s apartment or the Project or any matter in connection with the apartment or the Project and Seller shall be unable to rectify the complaint to Buyer’s satisfaction within a reasonable period of time, as determined by Seller in the exercise of its sole and absolute discretion.”

4. Buyers shall acknowledge the following conditions in paragraph 16 of the Sales Contract:

“a. Seller’s Right to Make Changes.

(1) At any time prior to the conveyance of all of the apartments in the Project to persons other than Seller or any mortgagee of Seller, Seller reserves the right to modify the Project Documents as may be required by law, the Real Estate Commission, a title insurance company, an institutional mortgagee or any governmental agency and Buyer authorizes Seller to make and specifically approves all changes to said documents and the Project.

(2) Seller reserves the right to amend or change the common interest appurtenant to, the limited common interest assigned to, the configuration of, the number of rooms of, the size of or the location of any apartment in the Project for which an apartment deed has not been recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (the “Recording Office”).

(3) Seller reserves the right to require alterations of the Project (and to modify any of such Project Documents accordingly) to change the configuration of, to alter the number of rooms of, to decrease or increase the size of, or to change the location of any other apartment and/or parking area, and to make other minor changes in Buyer’s Apartment, any of the other apartments, or the common elements.

(4) Buyer acknowledges that the Project architect in its sole discretion may (i) make any changes it deems appropriate in the common elements of the Project (including without limitation the lobbies, the Project landscaping, the parking areas, whether such changes relate to financial or aesthetic considerations) and (ii) may increase or decrease the thickness of any foundation, wall, column or floor slab within or outside the Apartment resulting in the room dimensions becoming smaller or larger than those shown on the Condominium Map, or resulting in a building height or elevation different from those shown on the Condominium Map or stated

in the Declaration. The Project architect may make changes necessary to correct any design errors or other shortcomings; and the Project architect may vary the type of window glass and install different types of glass throughout the Project to achieve the best combination of energy savings and aesthetics. Buyer hereby authorizes and specifically approves any such changes.

(5) Seller reserves the right to deviate from the plans and specifications for the Project and to substitute materials of equal utility and service, without Buyer's consent or approval, subject, however, to the above provisions. Seller may increase or decrease the number of parking stalls.

(6) Buyer hereby irrevocably appoints Seller Buyer's attorney-in-fact, coupled with an interest, to execute any documents reasonably necessary or convenient to implement the foregoing provisions and any requirements which may be imposed by any governmental agency in connection with the Project.

(7) Notwithstanding subparagraphs E.16.a(1), (2), (3) or (4) above, any such modification shall be subject to Buyer's right to rescind pursuant to paragraph E.17 herein and to Section 514A-63 of the Act.

"b. The Declaration and the Condominium Map as the Only Description of the Apartment and Project. Buyer acknowledges that this sale of the Apartment may be a "pre-sale", i.e., a sale of a condominium apartment in a project which is yet to be built and which has not been completed. Buyer expressly agrees that the description of the Apartment, as contained in the Declaration and the Public Report(s), is intended to be the sufficient and the definitive description, as against any other map, artist's rendering or other descriptive document. The Apartment, therefore, is being purchased with reliance solely on the description contained herein, in the Declaration and Public Report(s) and on the Condominium Map (without regard to any other portions of the plans and specification of the Project), as hereinafter set forth. Buyer acknowledges that the version of the Condominium Map on file at the Real Estate Commission at the time of the issuance of a Preliminary Public Report, if applicable, may be a preliminary version and that the final version of the Condominium Map will be filed with the Real Estate Commission and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii prior to the issuance of the Final Public Report. Buyer agrees to accept modifications in the specifications and design both before and after the Effective Date as long as the overall value of the Property is maintained. Buyer is aware that in the course of construction, changes will be made to plans and specifications, and acknowledges Seller's rights to make such changes both before and after the Effective Date, in Seller's discretion, subject only to any right to cancellation and refund as may be provided in paragraph E.17 of this Agreement and by Section 514A-63.

"c. Conditions Acknowledged by Buyer. Buyer specifically acknowledges and accepts the following conditions, 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 circumstances:

(1) Other apartments in the Project (including apartments similar or comparable to Buyer's Apartment) may be sold by Seller to other buyers upon terms and conditions different from or more favorable than the terms and conditions offered to Buyer. Buyer agrees to release Seller from any claim arising therefrom and waives any right to require any change in any of the terms and conditions of this Agreement on account thereof.

(2) The Project is to be provided with a professionally designed security system which is intended to discourage access to the Project by unauthorized persons without undue inconvenience to authorized residents and guests. Despite the foregoing, Buyer understands that neither the Association nor Seller shall in any way be considered insurers or guarantors of safety or security within the Project, and neither the Association nor Seller shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

(3) It is possible that construction of the residential apartments in the Project may be completed before completion of portions of the common elements. Notwithstanding that construction of certain common elements may not be completed, Buyer understands and agrees that Buyer may be required to close on Buyer's purchase of the Apartment if the other conditions of purchase are met."

5. Manager's Apartment. Declarant will own Apartment 103 on the ground floor and lease the Apartment to the Association for use as the resident manager's apartment pursuant to a standard rental agreement for five (5) years at a rent of \$850 per month, which rental will be a common expense of the Association. Thereafter, the lease will be a month to month rental.

National Ind-Comm, LLC
681 South King Street, Suite 204
Honolulu, Hawaii 96813
(808) 526-2404 Office / (808) 521-2714 Fax

_____, 2003

Re: 215 North King Street (the "Project")

Gentlemen:

The common interest for 215 North King Street was calculated using the following factors: (a) the history and experience of similar projects; (b) number and type of apartments; and (c) square footage of each apartment and total square footage of all apartments.

The common interest of an apartment is calculated by dividing the square footage of the apartment by the total square footage of all apartments then adjusting this result with consideration given to occupancy and corresponding burdens on utilities and common expenses.

The projected monthly budget for the Project is \$40,333.00. The maintenance fee for an apartment is determined by multiplying the total maintenance budget for the Project by the common interest of the apartment. There are six types of apartments in the Project. The monthly maintenance fee for each type of apartment is as follows: \$179.08 for a 2-bedroom/2-bath (01, 02, 010, 011, 102, 110, 111), \$166.17 for a 2-bedroom/1-bath (03,09), \$146.00 for a 1-bedroom/1-bath/storage (103, 109), \$144.39 for a 1-bedroom/1-bath on the Makai side (05, 07, 105, 107), \$144.00 for a 1-bedroom/1-bath on the Mauka side (04, 06, 106) and \$144.00 for a 1-bedroom/1-bath on the Mauka side (08, 108).

Very truly yours,