

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Waikiki Terrace LLC, a Hawaii limited liability company
Address 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815

Project Name(*):LUANA WAIKIKI
Address: 2045 Kalakaua Avenue, Honolulu, Hawaii 96815

Registration No. 5252

Effective date: January 14, 2004
Expiration date: February 14, 2005

Preparation of this Report:

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

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

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

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

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

Type of Report:

- 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 _____
- FIRST 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.

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:

SPECIAL ATTENTION

THE DEVELOPER HAS DISCLOSED THAT THE APARTMENTS IN THE PROJECT WILL BE OFFERED AND SOLD **WITHOUT WARRANTIES** FROM THE DEVELOPER AS TO THE HABITABILITY, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR USE OR PURPOSE, WORKMANSHIP, MATERIALS, OR DEFECTS OF ANY KIND AND WITHOUT ANY OTHER EXPRESS OR IMPLIED WARRANTIES WITH REGARD TO THE APARTMENT AND ANY FURNISHINGS, FIXTURES OR APPLIANCES IN APARTMENT, THE PROJECT OR ANY OF THE COMMON ELEMENTS OR LIMITED COMMON ELEMENTS. EACH APARTMENT SHALL BE SOLD BY THE DEVELOPER AND ACCEPTED BY THE PURCHASER STRICTLY IN "**AS IS**" CONDITION AS OF THE DATE OF CLOSING. NO REPRESENTATIONS OF ANY KIND ARE MADE ABOUT INCOME POTENTIAL OR FINANCIAL BENEFITS FROM OWNERSHIP.

TABLE OF CONTENTS

	Page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer	
Attorney for Developer	
General Contractor	
Real Estate Broker	
Escrow Company	
Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A: DEVELOPER'S RIGHT TO CHANGE DOCUMENTS AND CERTAIN OTHER RIGHTS	
EXHIBIT B: DESCRIPTION OF BUILDING	
EXHIBIT C: APARTMENT TYPES AND BOUNDARIES OF APARTMENTS	
EXHIBIT D: APARTMENT TYPES, NUMBERS, AREAS, COMMON INTERESTS	
EXHIBIT E: PERMITTED ALTERATIONS	
EXHIBIT F: COMMON ELEMENTS AND LIMITED COMMON ELEMENTS	
EXHIBIT G: ENCUMBRANCES AGAINST TITLE	
EXHIBIT H: ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS (DISCLOSURE ABSTRACT)	
EXHIBIT I: SUMMARY OF SALES CONTRACT AND ESCROW AGREEMENT	

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: Waikiki Terrace LLC Phone: (800) 941-8886
 Name* (Business)
2045 Kalakaua Ave., Suite 1000
 Business Address
Honolulu, Hawaii 96815

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):

Manager: Kevin M. Showe
Members: Max Holdings, Inc., a Hawaii corporation
DeRussy Ventures LLC, a Hawaii limited liability company

Real Estate Broker*: Malama Realty, LLC Phone: (808) 941-8886
 Name (Business)
2045 Kalakaua Ave., Suite 1000
 Business Address
Honolulu, Hawaii 96815

Escrow* Island Title Corporation Phone: (808) 531-0261
 Name (Business)
1132 Bishop Street, 4th Floor
 Business Address
Honolulu, Hawaii 96813

General Contractor Not Applicable (conversion) Phone _____
 Name (Business)

 Business Address
 (Construction commenced 1969
 first occupied 1971)

Condominium Managing Agent Outrigger Hotels Hawaii dba Phone _____
Outrigger Hotels & Resorts (Business)
 Name
2375 Kuhio Avenue
 Business Address
Honolulu, Hawaii 96815

Attorney for Developer Cades Schutte Phone (808) 521-9200
 A Limited Liability Law Partnership (Business)
 LLP
 Attn: Bernice Littman
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)

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

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

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

The Declaration for this condominium is:

<input checked="" type="checkbox"/>	Proposed			
<input type="checkbox"/>	Recorded	Bureau of Conveyances:	Document No.	
			Book _____	Page _____
<input type="checkbox"/>	Filed -	Land Court:	Document No:	

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

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

The Condominium Map for this condominium project is:

<input checked="" type="checkbox"/>	Proposed		
<input type="checkbox"/>	Recorded -	Bureau of Conveyances Condo Map No.	
<input type="checkbox"/>	Filed -	Land Court Condo Map No.	

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

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

The Bylaws for this condominium are:

<input checked="" type="checkbox"/>	Proposed			
<input type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No.	
			Book _____	Page _____
<input type="checkbox"/>	Filed -	Land Court:	Document No.	

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules.*

*If Developer decides to adopt House Rules copies of the proposed House Rules will be provided to purchasers.

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	---	N/A

* 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"

III. THE CONDOMINIUM PROJECT

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

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Subleaseholds:

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

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

- Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 2045 Kalakaua Avenue, Tax Map Key (TMK): (1) 2-6-006:002
Honolulu,, Hawaii 96815

Address TMK is expected to change because _____

Land Area: 26,164 square feet acre(s) Zoning: Waikiki Special District/Resort Commercial Precinct

Fee Owner: Max Holdings, Inc.
 Name
88 Piikoi Street Suite 1507
 Address
Honolulu, Hawaii 96814

Lessor:
 Name
 Address

C. **Building and Other Improvements:**

1. New Building(s).
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion
2. Number of Buildings: 1 Floors Per Building: 17
 Exhibit "B" contains further explanations.
3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other: Steel
4. Uses Permitted by Zoning:

	No. of Apts.	<u>Use Permitted By Zoning</u>	
<input type="checkbox"/> Residential		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Commercial	<u>8</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Hotel	<u>217</u>	<input checked="" type="checkbox"/> Yes (Nonconforming)	<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: None except as required by accessibility laws

Number of Occupants: _____

Other: No rental pooling until Project sold. Individual Apartment deed prohibits time sharing. Restrictions to preserve hotel use See Exhibit H

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 4 Stairways: 5 Trash Chutes: 1

See Exhibits "C" and "D"

<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>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total Apartments: <u>225</u>					

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

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

Boundaries of Each Apartment:

See Exhibit "C"

Permitted Alterations to Apartments:

See Exhibit "E"

7. Parking Stalls:

Total Parking Stalls: 75

	<u>Regular</u>		<u>Compact</u>		<u>Handi capped</u>		TOTAL
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	* <u>66</u>	<u>0</u>	<u>6</u>	0	3	0	<u>75</u>
Guest	<u>0</u>	<u>0</u>	0	0	<u>0</u>	0	
Unassigned	<u>0</u>	0	0	0	0	0	
Extra for Purchase	*	0	*	0	*	0	
Other:	0	0	0	0	0	0	
Total Covered & Open	<u>66</u>		<u>6</u>		<u>3</u>		<u>75</u>

*Initially the 25 stalls in the lobby level are appurtenant to Apartment L-2 and the 50 stalls in the basement are appurtenant to the Front Desk Apartment but developer may decide in the future to make some available for purchase.

Each apartment will have the exclusive use of at least 0 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

- Commercial parking garage permitted in condominium project.
- Exhibit "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) No (Trash rooms)
- Other Exercise Room, Lobby

*Limited common element for front desk

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 12/31/04.
(Date)
- Water from the property is going onto the sidewalk area (Revised Ordinances of Honolulu 14.20.1)

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 because all apartments are for hotel or commercial use. But see reserve study for some of this information

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:

1. 75/ZBA-108 on October 2, 1975 to construct a wall within rear yard setback.
2. 85/WSD-42 on November 6, 1985 for air conditioning unit.
3. 90/WSD-4 on January 24, 1990 for minor alterations.
4. 90/WSD-32 on October 20, 1990 for minor modifications.
5. 91/VAR-13 on August 6, 1991 for trellis to encroach into front yard setback.
6. 91/WSD on October 4, 1991 for a porte cochere.
7. 94/VAR-54 on December 30, 1994 to allow a utility installation which is not a permitted use.

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* _____	_____	_____

*To Developer's knowledge but see page 20 Section V C Additional information .
 If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

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

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

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

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

described in Exhibit "F"

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit "F"*

as follows:

*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 "D"

as follows:

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

Exhibit "G" describes the encumbrances against the title contained in the title report dated November 5, 2003 and issued by Island Title Corporation.

Blanket Liens:

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

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

[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	Exhibit "G" describes a mortgage and other security interests held by a mortgage lender. The developer currently intends to pay this mortgage prior to conveyance of the property from developer's member to developer but may place another mortgage on the property. This means among other things that if the developer defaults under the mortgage, the lender may take over the project or cancel the sales contracts and refund deposits in escrow. Before an interest in an apartment is conveyed to a buyer the apartment must be free from 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:

Construction of the project was completed over 30 years ago by a prior unrelated developer. The current developer plans to make certain repairs to the building but makes no representations, warranties or other promises about those repairs and the project is being sold strictly in its "as is" condition as of the date of closing. Certain units are being reconfigured as indicated on the Condominium Map but the Developer makes no representations, warranties or other promises whatsoever, express or implied, as to the condition of the apartments, common elements or any improvements comprising part of the project, as to the habitability or merchantability of any apartment or the project, or as to the fitness of the apartments, the common elements and the project for any particular use or purpose. The Developer will assign to purchasers at closing any assignable warranty (if any) with respect to purchaser's apartment that is given by the repairing contractor .

2. Appliances:

The Developer makes no warranties whatsoever as to any appliances, fixtures or furnishings conveyed together with an apartment or otherwise used or owned in common by the association or apartment owners of the project. Where new appliances are being installed by Developer the Developer will assign warranties given by the manufacturer to the extent assignable.

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

The project was constructed beginning in or about 1969 and first occupied 1971.

H. **Project Phases:**

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

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

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit "I" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated as of November 26, 2003
Exhibit "I" contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all 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 and 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, King Kalakaua Building, 335 Merchant 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. 5252 filed with the Real Estate Commission on December 8, 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:**

ADDITIONAL DISCLOSURES CONCERNING THE PROJECT

1. Since the project obtained its original building permit in 1969 and was first occupied in 1971 many changes have been made to the zoning, building and other construction codes. The project is now in the Waikiki Special Design District and is no longer zoned for hotel use. The City and County Department of Planning and Permitting advises that the current hotel use is a lawful nonconforming use. If the Project suffered a major casualty, which caused its use to be discontinued for twelve consecutive months or eighteen months during any three year period the nonconforming use could not be continued (see Section 21-4.110 (c) of the Land Use Ordinance ("LUO")); or which caused the destruction of the Project to an extent of more than fifty percent (50%) of its replacement value at the time of destruction it could not be rebuilt in its current form (See LUO Section 21-4.110 (b)), without variances, which might not be obtainable. LUO Section 21-9.80-4 (e) has exceptions to the limitations on rebuilding after casualty but they might not be applicable to the specific situation. Nonconformity can affect the ability to obtain new building permits, particularly if the City considers that the permit seeks to increase the nonconformity.
 2. The title report shows a 10-foot road widening setback line, as shown on Waikiki-Diamond Head Planning Area Map, prepared by City and County Department of Transportation Services. This line might prevent the replacement of the entry features within the line. If the City and County of Honolulu decides to implement the roadway widening they may condemn the property within the setback line. The developer makes no representations concerning the compensation if any that would be paid by the City.
 2. The parking for the project is sufficient for hotel use but would not be sufficient for residential use. In order to maintain the lawful nonconforming use the apartment owners must continue to meet the definition of hotel use under the Land Use Ordinance ("LUO") of the City and County of Honolulu. Installation of any cooking facility in any lodging unit would cause the project to lose its characterization as a hotel. Further the LUO definition of a hotel requires that a hotel must have a majority of lodging units (without kitchens) and have twenty-four hour desk service. The Front Desk apartment will be required to provide such desk service. Additional details are provided in Exhibit H the Disclosure Abstract.
 3. The developer received from the current owner certain reports on the property including a phase I environmental site assessment with limited asbestos survey, property condition assessment, and barrier identification study under the Americans with Disabilities Act. The developer obtained reports on air quality (including mold) and a report on the condition of the post tension cables that are major structural elements. Copies of the reports are available for review at the sales office and every purchaser is encouraged to review them. No representation is made as to their accuracy. The reports revealed significant deferred maintenance, concrete cracking and major spalling, rusting of post tension cables and waterproofing failures and other areas in need of repair.
 4. The environmental site assessment includes the following information:
 - a. The presence of asbestos in a number of areas; a copy of the listing is attached to Exhibit H the Disclosure Abstract but because of the limited nature of the asbestos survey it may not be complete.
 - b. Two electrical transformers in the transformer vault in the basement have evidence of a release and there is inadequate evidence that the transformers are non-PCB units.
 - c. The age of the building makes it likely that it contains lead based paint but no testing for lead based paint was conducted.
 - d. There is a general possibility of lead and copper in drinking water from lines, pipes etc.
- A copy of the conclusions in the executive summary of the environmental site assessment is attached to Exhibit H the Disclosure Abstract.
5. While the developer plans to undertake certain repairs it does not make any representations as to the adequacy or completeness of the repairs. Prospective purchaser should take into account that the Project is more than thirty years old and even after renovations will remain an old building.
 6. Certain hotel rooms are being combined to create one-bedroom apartments and two two-bedroom apartments. The current and the renovated layouts can be seen on the Condominium Map. The lodging units are

7. Some barriers for persons with disabilities were identified by the barrier removal study. The developer has adopted a barrier removal plan that the Developer will implement while it holds apartments in the Project and operates them as a public accommodation. The Association may be responsible for the removal of architectural barriers in the common areas, to the extent readily achievable or if triggered by renovations.

Purchasers who plan to use their apartments as rentals or public accommodations should consult their own advisers about their obligations under disabilities laws.

7. The Indoor Air Quality and Mold Survey notes some areas of concern and contains recommendations, which prospective buyers are encouraged to review. They are attached to Exhibit H the Disclosure Abstract.

8. The Reserve Study includes descriptions of wear and tear to components and estimates of their useful lives. A number of components are described as poor and estimated to be replaced in several years. A summary of the reserve study is attached to Exhibit H the Disclosure Abstract. A copy of the Reserve Study will be provided to each purchaser. It has pictures of many of the components of the Building. Purchasers should note that this is a "pro forma" Reserve Study that shows some of the components not as they currently exist but after the developer's planned renovations. Developer makes no representations that the components listed in the Reserve Study, including the components developer plans to replace, will actually have the useful lives that are estimated in the Reserve Study.

9. The developer has recently been informed that a corner of the Building has an unusual and probably inadequate structural design that has caused cracking. A preliminary letter is attached to the Disclosure Abstract Exhibit H.

EXHIBIT A: DEVELOPER'S RIGHT TO CHANGE DOCUMENTS AND CERTAIN OTHER RIGHTS

As used in this Preliminary Public Report the term "Sell-Out Date" means the date on which all of the Apartments in the Project have been conveyed to persons other than Developer or Developer's mortgage lender or the last time-share interest (if any) in the Project has been transferred.

1. Easements for Sales Activities. Developer and the Apartment Owner of Apartment L-2 and their respective agents, employees, contractors, and licensees shall have the right and easement to conduct extensive sales activities in the Project, including the Common Elements (but not Limited Common Elements), including the use of model Apartments, sales and management offices, and extensive sales displays and activities, provided that the Developer's easement shall terminate on the Sell-Out Date. The Developer or the Apartment Owner of Apartment L-2 as the case may be, shall be responsible for any additional cleaning and repairs caused by its exercise of this easement. This right includes an exemption from sign restrictions in the Declaration.

2. Developer's Easement for Repair and Renovation. Until the Sell-Out Date, Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project as may be necessary or useful in the opinion of Developer for the completion of repairs and renovations to the Project.

3. Developer's Easement to Create Noise etc. Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project, to create and cause noise vibration, dust and other nuisances created by or resulting from any work connected with or incidental to the renovation, repair or sale of any Apartment or other improvements in the Project, and each Apartment owner, lessee, mortgagee, lien holder or other person with an interest in the Project waives any right, claim or action which such person may have or acquire against Developer, its agents, employees, contractors, licensees, successors and assigns as a result of such activity or activities.

4. Developer's Rights to Grant Easements. Developer reserves the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across, or through the Common Elements (including the Limited Common Elements) for any purpose Developer considers necessary or appropriate in Developer's sole discretion, which may include those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment or the Common Elements, or any easements for utilities benefiting the Project or any adjacent property, or for any public purpose, including the grant of designated easements over, under, across and through the Land for the pipeline transmission of water and other utilities, and other designated easements; provided, however, that in exercising its rights under this Section 4 Developer shall not do anything or permit anything to be done which shall unreasonably interfere with the use of the affected Common or Limited Common Element for its originally intended purpose, unless such action is required to ensure the public health, safety or welfare or to comply with any governmental rule, regulation, law or ordinance. The rights set out in this Section 4 shall continue for a period of twenty-four (24) months following the Sell-Out Date. Developer, by a recorded instrument, may transfer some or all of the rights under this Section 4 to the Association, to be exercised as determined by the Board.

5. Compliance with Laws. If the Project is found not to be in compliance with any federal, state or local law in effect at the time of completion of the Project, Developer shall have the right, at its election, at any time afterwards, to enter the Project and make such modifications to the Common Elements as are necessary, in Developer's judgment, to bring the Project into compliance with the applicable laws. This right shall include the right to cause noise, dust, vibrations, and other disturbances and nuisances incidental to modifying the Common Elements as required; provided, however, that Developer or any party performing such work on behalf of Developer shall make reasonable efforts to minimize such disturbances and nuisances.

6. Amendments by Developer

- a. Before First Conveyance. At any time prior to the first recording of a conveyance or transfer (other than for security) of an Apartment to a person other than Developer, Developer may amend the Declaration (including all Exhibits), the Bylaws and the Condominium Map in any manner, without the consent or joinder of any Apartment purchaser or any other party.
- b. As Built Amendment. The Developer has the right to file the "as-built" amendment to the Declaration and Condominium Map.
- c. Amendments Required by Law etc. Until the Sell-Out Date, Developer shall have the right (but not the obligation) to amend the Declaration and the Bylaws (and the Condominium Map, if appropriate) without the consent or joinder of any Apartment owner, lienholder or other person or entity, for the purpose of meeting any requirement

imposed by (i) any applicable law, (ii) the Real Estate Commission of the State of Hawaii, (iii) any title insurance company issuing a title insurance policy on the Project or any of the Apartments, (iv) any institutional lender lending funds on the security of the Project or any of the Apartments, or (v) any other governmental or quasi-governmental agency, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development and the Veterans Administration. However, no amendment which would change the common interest appurtenant to an Apartment or materially change the design, location or size of an Apartment shall be made without the consent of all persons having an interest in such Apartment and Developer cannot use the power of attorney granted under the Declaration to grant itself that consent.

- d. Amendments With Respect to Apartment 107. Apartment 107 has a Limited Common Element shown as Open Deck on the Condominium Map which lies over a portion of Apartment M-2. In the event that Developer determines in its sole discretion that such Open Deck is required for the installation of equipment for Apartment M-2, Developer may amend the Declaration to transfer the Open Deck from Apartment 107 to Apartment M-2 or any Apartment then existing that lies under the Open Deck. By accepting an Apartment deed of Apartment 107 any Apartment Owner of Apartment 107 consents to the amendments described in this Section 6.d and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same. Developer may include a limited power of attorney in favor of Developer to grant such consent in any deed from Developer of Apartment 107.

7. Subdivision etc. by Developer. It is the intention of Developer in connection with the offer for sale of the Commercial Apartments to enter into sales contracts for the sale of Commercial Apartments that are configured differently from the Commercial Apartments shown on the Condominium Map filed together with the Declaration and to exercise its rights under the Declaration to reconfigure the Commercial Apartments and their appurtenant Limited Common Elements from time to time to facilitate the sale of Commercial Apartments.

8. Developer Consent to Amendments. No matter what else the Declaration may say, no provision granting or reserving rights to Developer or the Apartment Owner of any Commercial Apartment may be amended without the prior written consent and joinder of Developer or such Apartment Owner, as the case may be.

9. Exercise of Developer's Rights. Developer shall have the absolute right, notwithstanding the lease, sale or conveyance of any Apartment, and without being required to obtain the consent or joinder of any Apartment Owner, lien holder or other persons, to exercise any and all rights reserved to Developer in the Declaration and to execute, record and/or file easements, amendments and any and all other instruments necessary or appropriate for the purpose of exercising Developer's rights. Any such action shall be deemed taken by Developer as the true and lawful attorney-in-fact of the respective Apartment Owners and lien holders. Each and every party acquiring an interest in any Apartment, the Project or the Land covered by the Declaration, by such acquisition, consents to the exercise of any of Developer's rights and to the recordation of such documents as may be necessary to effect the same; agrees to execute such documents and do such other things as may be necessary or convenient to effect the same; and appoints Developer his or her attorney-in-fact with full power of substitution to execute such documents and do such other things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of any such party.

10. Assignment of Developer's Rights. Developer may assign or mortgage or grant a security interest in whole or in part with respect to any rights reserved to Developer in the Declaration by a recorded instrument specifically assigning or mortgaging or granting a security interest in such rights, in connection with the conveyance or mortgaging of one or more Apartments in the Project, but such rights shall be held by only one person or entity at any time unless the assignment specifically provides otherwise.

EXHIBIT B: DESCRIPTION OF BUILDING

The Project has one (1) building, with a Basement, Lobby floor, Mezzanine level and fifteen additional stories numbered first through sixteenth (there is no thirteen floor) and contains two hundred and twenty-five (225) Apartments and Common Elements as described in the Declaration, constructed principally of concrete, hollow tile and steel (the "Building"). There are fifty (50) parking stalls in the Basement and twenty-five (25) on the Lobby floor. The Building contains a swimming pool, a fitness center, a guest laundry and other recreational facilities.

EXHIBIT C: APARTMENT TYPES AND BOUNDARIES OF APARTMENTS

A. APARTMENT TYPES

1. HOTEL APARTMENT TYPES						
Unit Type	Common interest	Net Living Area	B/B	L/D	AS/AT	DESCRIPTION
A	0.329522%	313	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom
B	0.329522%	313	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
C	0.332681%	316	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
D	0.332681%	316	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
E	0.392689%	373	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
F	0.381109%	362	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
G	0.323206%	307	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
H	0.329522%	313	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
I	0.329522%	313	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
J	0.329522%	313	0/1	L	AS	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
K	0.329522%	313	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
L	0.329522%	313	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
N	0.381109%	362	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
M	0.392689%	373	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
P	0.329522%	313	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
Q	0.329522%	313	0/1	L	AS	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
R	0.711684%	676	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
S	0.711684%	676	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
T	0.711684%	676	1/1	D	AT	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.

U	0.619039%	588	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom Note: This Apartment has a Limited Common Element lanai and open deck with aggregate area of 510 s.f. See Section 17.2.4 for further information concerning open deck.
V	1.185438%	1126	2/2	D	-	Two bedroom unit consisting of a living room with kitchen, bedroom, bathroom, master bedroom with bathroom and dressing room. Note the lanai area is the aggregate area of four Limited Common Element lanais.
W	1.008570%	958	2/2	D	AT	Two bedroom accessible unit consisting of a vestibule, living room with kitchen, bedroom, bathroom and master bedroom with bathroom. Note the lanai area is the aggregate area of four Limited Common Element lanais.

2. COMMERCIAL APARTMENT TYPES			
Unit No..	Common interest	Net Living Area	DESCRIPTION
L-1	0.925400%	879	A Commercial Apartment with five (5) rooms.
L-2	0.736951%	295	A Commercial Apartment with one (1) room.
L-3	0.722212%	673	A Commercial Apartment with one (1) room.
L-4	2.038195%	621	A Commercial Apartment with four (4) rooms, also called the Front Desk Apartment and containing the front desk.
M-1	4.249047%	4036	A Commercial Apartment with one (1) room.
M-2	4.615417%	4384	A Commercial Apartment with one (1) room. Note: Apartment M-2 contains a disused dumbwaiter which reduces the usable space.
M-3	1.987661%	1888	A Commercial Apartment with one (1) room.
M-4	1.150696%	1093	A Commercial Apartment with one (1) room.

B. BOUNDARIES OF APARTMENTS

1. Except as provided in Section 2 and Section 3 each Apartment shall be deemed to include: (i) the space that is bounded by the undecorated surfaces of its perimeter walls, floors and ceilings, (ii) all the walls and partitions which are not load-bearing within its perimeter walls, (iii) the interior decorated or finished surfaces of all walls, floors and ceilings, including floor coverings, (iv) any doors and door frames, windows and window frames along the perimeters, (v) all fixtures originally installed in the Apartment and their replacements. The respective Apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the party walls, (b) the undecorated or unfinished surfaces of the floors and ceilings surrounding each Apartment, and (c) any pipes, shafts, wires, conduits or other utility or services lines running through such Apartment which are utilized for or serve more than one Apartment, the same being considered Common Elements.

2. The exterior decorated or finished surface of the front door of each Hotel Apartment and the electronic locking mechanism of the front door shall be Common Elements to maintain uniformity but access to card keys to open the front door of the Apartment shall be controlled as provided in the Declaration. (See Section 4.3.2 of Exhibit H.)

3. Apartments L-1, L-2, L-3 and L-4 on the Lobby floor shall extend to the exterior surface of the wall, window or other separation from the Lobby or, in the case of Apartment L-3 the Building entrance. Where there is no wall or window, the boundary of the Apartment shall be an imaginary plane extending from the floor to the ceiling at the outer boundary of the Apartment as shown on the Condominium Map.

EXHIBIT C: APARTMENT TYPES AND BOUNDARIES OF APARTMENTS

EXHIBIT "D" Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

A. DESCRIPTION OF HOTEL APARTMENTS

Unit No	Unit Type	Common interest	Net Living Area	Lanai Area	B/B	L/D	AS/AT	DESCRIPTION
101	A	0.329522%	313	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom
102	B	0.329522%	313	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
103	A	0.329522%	313	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
104	G	0.323206%	307	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
107	U	0.619039%	588	510	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom Note: This Apartment has a Limited Common Element lanai and open deck with aggregate area of 510 s.f. See Section 17.2.4 for further information concerning open deck.
109	A	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
110	B	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
111	C	0.332681%	316	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
112	D	0.332681%	316	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
114	A	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
115	B	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
116	F	0.381109%	362	583	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
117	A	0.329522%	313	54	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
118	B	0.329522%	313	71	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
119	B	0.329522%	313	33	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
120	E	0.392689%	373	201	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
201	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
202	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
203	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
204	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
206	S	0.711684%	676	624	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.

D or L refer to Dwelling Unit or Lodging Unit. B/B refers to number of separate bedrooms and bathrooms. AS or AT refer to Accessible Shower or Accessible Tub. Lanais are Limited Common Elements not part of the Apartments. **ALL AREAS ARE APPROXIMATE.**
 IMANAGEDB:494408.6

Unit No..	Unit Type	Common interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AD	DESCRIPTION
207	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
209	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
210	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
211	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
212	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
214	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
215	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
216	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
217	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
218	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
219	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
220	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
301	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
302	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
303	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
304	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
306	T	0.711684%	676	70	1/1	D	AT	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
307	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
309	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
310	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
311	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
312	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
314	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.

EXHIBIT "D" Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

ALL AREAS ARE APPROXIMATE

Unit No..	Unit Type	Common interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AD	DESCRIPTION
315	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
316	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
317	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
318	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
319	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
320	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
401	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
402	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
403	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
404	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
406	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
407	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
409	H	0.329522%	313	34	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
410	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
411	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
412	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
414	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
415	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
416	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
417	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
418	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
419	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
420	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
501	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.

EXHIBIT "D" Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

ALL AREAS ARE APPROXIMATE

Unit No.	Unit Type	Common interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AD	DESCRIPTION
502	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
503	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
504	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
506	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
507	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
509	I	0.329522%	313	34	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
510	J	0.329522%	313	34	0/1	L	AS	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
511	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
512	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
514	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
515	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
516	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
517	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
518	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
519	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
520	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
601	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
602	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
603	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
604	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
606	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
607	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.

EXHIBIT "D" Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

ALL AREAS ARE APPROXIMATE

Unit No..	Unit Type	Common interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AD	DESCRIPTION
609	I	0.329522%	313	34	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
610	J	0.329522%	313	34	0/1	L	AS	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
611	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
612	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
614	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
615	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
616	N	0.381109%	362	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
617	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
618	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
619	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
620	M	0.392689%	373	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
701	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
702	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
703	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
704	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
706	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
707	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
709	P	0.329522%	313	34	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
710	Q	0.329522%	313	34	0/1	L	AS	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
711	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
712	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
714	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
715	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

EXHIBIT "D" Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

ALL AREAS ARE APPROXIMATE

Unit No.	Unit Type	Common interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AD	DESCRIPTION
718	V	1.185438%	1126	991	2/2	D	-	Two bedroom unit consisting of a living room with kitchen, bedroom, bathroom, master bedroom with bathroom and dressing room. Note the lanai area is the aggregate area of four Limited Common Element lanais.
801	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
802	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
803	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
804	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
806	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
807	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
809	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
810	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
811	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
812	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
814	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
815	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
816	N	0.381109%	362	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
817	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
818	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
901	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
902	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
903	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
904	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
906	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.

EXHIBIT "D" Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

ALL AREAS ARE APPROXIMATE

Unit No.	Unit Type	Common interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AD	DESCRIPTION
907	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
909	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
910	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
911	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
912	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
914	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
915	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
916	N	0.381109%	362	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
917	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
918	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1001	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1002	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1003	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1004	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1006	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1007	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1009	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1010	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1011	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1012	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1014	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1015	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1016	N	0.381109%	362	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.

EXHIBIT "D" Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

ALL AREAS ARE APPROXIMATE

Unit No..	Unit Type	Common interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AD	DESCRIPTION
1017	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1018	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1101	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1102	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1103	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1104	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1106	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1107	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1109	P	0.329522%	313	34	0/1	D	AT	Accessible studio unit consisting of a living/sleeping room with kitchen and bathroom.
1110	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1111	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1114	W	1.008570%	958	1385	2/2	D	AT	Two bedroom accessible unit consisting of a vestibule, living room with kitchen, bedroom, bathroom and master bedroom with bathroom. Note the lanai area is the aggregate area of four Limited Common Element lanais.
1201	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1202	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1203	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1204	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1206	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1207	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1209	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1210	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1211	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.

EXHIBIT "D" Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

ALL AREAS ARE APPROXIMATE

Unit No..	Unit Type	Common interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AD	DESCRIPTION
-----------	-----------	-----------------	-----------------	------------------	-----	-----	-------	-------------

1212	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1214	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1215	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1401	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1402	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1403	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1404	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1406	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1407	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1409	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1410	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1411	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1412	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1414	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1415	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1501	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1502	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1503	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1504	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1506	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1507	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1509	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

EXHIBIT "D" Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

ALL AREAS ARE APPROXIMATE

Unit No..	Unit Type	Common interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AD	DESCRIPTION
1510	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1511	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1512	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1514	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1515	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1601	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1602	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1603	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1604	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1606	S	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1607	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1609	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1610	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1611	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1612	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1614	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1615	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

EXHIBIT "D" Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

ALL AREAS ARE APPROXIMATE

EXHIBIT D: APARTMENT TYPES, NUMBERS, AREAS, COMMON INTERESTS

Unit No..	Common interest	Net Living Area	DESCRIPTION
L-1	0.925400%	879	A Commercial Apartment with five (5) rooms.
L-2	0.736951%	295	A Commercial Apartment with one (1) room.
L-3	0.722212%	673	A Commercial Apartment with one (1) room.
L-4	2.038195%	621	A Commercial Apartment with four (4) rooms, also called the Front Desk Apartment and containing the front desk.
M-1	4.249047%	4036	A Commercial Apartment with one (1) room.
M-2	4.615417%	4384	A Commercial Apartment with one (1) room. Note: Apartment M-2 contains a disused dumbwaiter which reduces the usable space.
M-3	1.987661%	1888	A Commercial Apartment with one (1) room.
M-4	1.150696%	1093	A Commercial Apartment with one (1) room.

EXHIBIT "D" Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

ALL AREAS ARE APPROXIMATE

EXHIBIT E: PERMITTED ALTERATIONS

1.1 Within an Apartment. Any alterations or additions within an Apartment or a Limited Common Element appurtenant to an Apartment, which do not affect the structural integrity of the Building or the soundness or safety of the Project, or reduce the value of the Project or impair any easement, shall require only the approvals provided in Section 1.3.

1.2 Adjacent Apartments An Apartment Owner owning two or more Apartments, which Apartments are separated only by Common Elements which are walls or doors, may alter or remove all or portions of the intervening walls or doors if the Apartment Owner satisfies the following conditions:

1.2.1 The Apartment Owner obtains the prior written approval of the Board, which may be withheld in the Board's sole discretion;

1.2.2 The structural integrity of the Building or the soundness and safety of the Project are not affected, the value of the Project is not reduced, and no easement or hereditament of the Project is impaired;

1.2.3 The remainder of the Common Element is restored to a finish substantially comparable to the finish of that Common Element prior to the work; and

1.2.4 On the termination of the common ownership of such adjacent Apartments, if the intervening walls or door shall have been altered or removed in accordance with this Section 1.2 each of the Apartment Owners of such Apartments shall be obligated to restore the intervening walls or doors to substantially the condition in which they existed before the alteration or removal.

If the adjacent Apartments remain in common ownership, the owner of the adjacent Apartments which have been altered or removed in accordance with this Section 1.2 may, at any time, restore the intervening walls or doors to substantially the condition in which they existed before the alteration or removal.

1.3 Additional Consents. Improvements in accordance with Sections 1.1 and Section 1.2 may be undertaken without an amendment to the Declaration or the filing of a complete set of floor plans of the Project as so altered. Such improvements, including their plans, which shall be prepared by a licensed architect, shall require the written approval of only the holders of liens affecting such Apartments (if the lien holders require such approval), the Board, and all other Apartment owners directly affected (as conclusively determined by the Board). Apartment owners shall be determined to be directly affected only if such improvements are visible from such Apartment Owners' Apartments or increase the transmission of sound or heat to such Apartments or decrease the transmission of light, all as determined by the Board.

1.4 PROTECTION OF HOTEL STATUS. NO MATTER WHAT ELSE THE DECLARATION SAYS, NO ALTERATION WILL BE PERMITTED THAT WILL REDUCE THE NUMBER OF LODGING UNITS IN THE PROJECT OR INCREASE THE NUMBER OF DWELLING UNITS AS DEFINED IN THE LUO.

1.5 Front Desk Apartment. The Front Desk Owner may from time to time install, maintain, move or rearrange the reception desk, nonloadbearing partitions, and other nonstructural improvements within the Front Desk Apartment and the Front Desk Elements (as defined in Exhibit F) and such improvements shall not be considered an alteration or addition to the Front Desk Apartment or the Front Desk Elements, but if the Front Desk Owner is not Developer, then Developer's prior written approval of the plans will be required until the Sell-Out Date.

1.6 Other Commercial Apartments. Any other Commercial Owner may from time to time install, maintain, move or rearrange nonloadbearing partitions and other nonstructural improvements within the Commercial Apartment and such improvements shall not be considered an alteration or addition to the Commercial Apartment, but if the Commercial Owner is not Developer, then Developer's approval of the plans will be required until the Sell-Out Date.

1.7 Limitation on Alterations to Lanais. . No Apartment Owner may make any alteration to the Limited Common Element lanai appurtenant to his Apartment, including enclosing or screening his lanai or adding any carpet, tile or other floor covering, except for the following, with the prior written approval of the Board:

1.7.1 The Apartment Owners of Apartments 101 through 104, 107, 109, 110 to 112, 114 to 120, 206, 718 and 1114 may install tile or other hard surface floor coverings; and

1.7.2 The Apartment Owners of Apartment 718 and 1114 may enclose or screen a portion of their respective lanais and may install awnings attached to the walls adjacent to their respective lanais.

1.8 Developer's Alteration Rights. Developer reserves the right to make any alterations to any Apartment owned by Developer or any Limited Common Element appurtenant only to Apartments owned by Developer without the consent of the Board or any other Apartment Owner.

1.9 Compliance with Law. All alterations made to any portion of the Project shall be made in compliance with applicable laws and any person making such alterations shall obtain and keep in effect all necessary permits.

1.10 Subdivision And Consolidation Of Commercial Apartments.

1.10.1 Subdivision.

(a) The Apartment Owner of a Commercial Apartment can amend the Declaration without the joinder of any other Apartment Owner to do any or all of the following:

(i) Subdivide the Apartment to create two or more Apartments;

(ii) Designate which Limited Common Elements of the subdivided Apartment will be appurtenant to the Apartments resulting from the subdivision;

(iii) Change parts of the existing Apartment to Limited Common Elements appurtenant to one or more of the Apartments resulting from the subdivision; and

(iv) Change parts of the Limited Common Elements appurtenant only to the subdivided Apartment into parts of one or more of the Apartments resulting from the subdivision.

(b) If the subdivided Apartment is the Front Desk Apartment, the Apartment Owner must designate which resulting Apartment must provide front desk service and key card service.

(c) The common interest that was appurtenant to the subdivided Apartment will be divided among the Apartments resulting from the subdivision according to the ratio of their net living areas. The total of the common interests for the newly created Apartments must be equal to the common interest of the subdivided Apartment.

1.10.2 Consolidation.

(a) The Apartment Owner of two or more Commercial Apartments can amend the Declaration without the joinder of any other Apartment Owner to do any or all of the following

(i) Consolidate the apartments into a single Apartment; and

(ii) Make any Common Element walls between the Apartments part of the Apartment or its Limited Common Elements. This does not apply, however, to load-bearing walls.

(b) The common interest of the newly created Apartment will be equal to the sum of the common interests of the Apartments being consolidated.

1.10.3 Consolidation and Resubdivision. The Apartment Owner of two or more Commercial Apartments can amend the Declaration without the joinder of any other Apartment Owner to consolidate and resubdivide the Apartments in a single amendment using the rights provided in Section 1.10.1 and Section 1.10.2.

1.10.4 Subdivision etc. by Developer. It is the intention of Developer in connection with the offer for sale of the Commercial Apartments to enter into sales contracts for the sale of Commercial Apartments that are configured differently from the Commercial Apartments shown on the Condominium Map filed together with this Declaration and to exercise its rights to reconfigure the Commercial Apartments and their appurtenant Limited Common Elements from time to time to facilitate the sale of Commercial Apartments.

1.10.5 Board Approval. Any Commercial Apartment Owner, except Developer, shall require the consent of the Board, which may be withheld in the Board's sole discretion, to an amendment consolidating or subdividing or both.

EXHIBIT F: COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

1. COMMON ELEMENTS. One (1) freehold estate is established by the Declaration in all parts of the Project other than the Apartments, which are Common Elements ("Common Elements"). The Common Elements include:

- 1.1 The Land, in fee simple;
- 1.2 The Limited Common Elements described in Section 2 below;
- 1.3 In the Basement, the spaces shown on the Condominium Map as Utility & Storage, CATV, Electrical Room, room marked Elec. Transformers, Storage, Mechanical, Sump, two spaces marked Util. and the space adjacent to parking stall 49 including the generator;
- 1.4 On the Lobby floor, the spaces shown on the Condominium Map as:
 - 1.4.1 Mechanical Equipment, two spaces marked Util, two spaces marked Mech. the space marked Dumpster Storage and the Trash Room;
 - 1.4.2 The Terrace;
 - 1.4.3 The Lobby and Lobby Entry; and
 - 1.4.4 The Porte Cochere at the entrance to the Project, the Driveway In and Driveway Out and the steps and ramp leading into the Building or the Terrace;
- 1.5 On the Mezzanine level, the spaces shown on the Condominium Map as:
 - 1.5.1 Lobby-M;
 - 1.5.2 The bathrooms and the spaces marked Jant off Lobby-M;
 - 1.5.3 Pool Equipment, Storage (Not part of M-1);
- 1.6 On the first floor:
 - 1.6.1 The swimming pool, pool deck and open deck;
 - 1.6.2 The men's restroom, women's restroom and accessible unisex restroom,
 - 1.6.3 The laundry; and
 - 1.6.4 The fitness center.
- 1.7 On the second floor Area 2-1 shown on the Condominium Map, for the placement of a portion of the split air conditioning system for the fitness center and the laundry, together with the conduits through the floor and the ceiling below linking the system to the fitness center and laundry
- 1.8 The hallways and elevator lobbies on the first floor through the twelfth floor and the fourteenth floor through the sixteenth floor;
- 1.9 The three full-sized elevators and one service elevator shown on the Condominium Map.
- 1.10 The two stairways leading from the basement to the sixteenth floor, one of which goes to the roof, the two stairways leading from the Lobby floor to the Mezzanine level and the stairway from the Terrace to the Pool Equipment and Storage Room (1.5.3).
- 1.11 Whether or not shown on the Condominium Map:
 - 1.11.1 All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roofs, exterior stairs and stairways, pumps, ducts, pipes, wires, conduits, and other utility or service lines located

outside of the Apartments and which are utilized for or serve more than one Apartment, and generally all equipment, apparatus, installations and personal property existing for common use in the Building or located on the Land;

1.11.2 All pipes, wires, ducts, conduits and other utility or service lines running through an Apartment which are utilized by or serve more than one Apartment; and ;

1.11.3 All landscaping, fences, gates, retaining walls, mailboxes, trash areas, maintenance structures and facilities and accessory equipment areas, including electrical and mechanical rooms or facilities located on the Land or within the Buildings and serving more than one Apartment;

1.11.4 All other improvements on the Land which are not part of any Apartment.

Descriptive phrases for Common Element spaces such as "Trash Room" are not intended to restrict the uses to which the Common Element may be put but only serve to identify the location of the Common Element.

2. Limited Common Elements. Certain of the Common Elements are set aside and reserved for the exclusive use of certain of the Apartments, and such Apartments shall have appurtenant to them exclusive easements for the use of their Limited Common Elements as follows:

2.1 Elements for Each Apartment. Each Apartment shall have appurtenant to it as Limited Common Elements all pipes, wires, ducts, conduits, and other utility or service lines located within or running through the Apartment and utilized by or serving only that Apartment.

2.2 Front Desk Elements

2.2.1 The following Limited Common elements are called Front Desk Elements and are appurtenant to and for the exclusive use of the Front Desk Apartment:

(a) Areas B-1, B-2, B-3, B-4, B-6, B-7 and B-8 in the Basement shown on the Condominium Map;

(b) The Utility Room Area T-1 and T-2 on each the first through twelfth and fourteenth through sixteenth floors shown on the Condominium Map and any laundry chutes and trash chutes within or adjacent to the Utility Rooms; and

(c) The signage areas shown on the front elevation of the Building as shown on the Condominium Map.

2.2.2 The signage areas shall include the decorated or finished surfaces of the signage areas or, if none, the undecorated or unfinished surfaces and a block of airspace projecting twelve inches from the surface in which the Owner of the Front Desk Apartment may install signage, together with the right to penetrate the surface of the signage areas for the purpose of attaching signage, provided that the structural integrity of the Building shall not be compromised.

2.3 Area B-5 Area B-5 in the Basement shown on the Condominium Map is appurtenant to and for the exclusive use of Apartment L-2.

2.4 Area L-1 Area L-1 on the Lobby floor shown on the Condominium Map is appurtenant to and for the exclusive use of Apartment L-3.

2.5 Areas M-1 and M-2

2.5.1 The bathrooms shown as Area M-1 on the Condominium Map are appurtenant to and for the exclusive use of Apartments M-1 and M-2;

2.5.2 The bathrooms shown as Area M-2 on the Condominium Map are appurtenant to and for the exclusive use of Apartments M-2 and M-3;

2.6 Basement Level Parking Stalls and Driveways.

2.6.1 Parking stalls 1 through 50 in the Basement, shown on the Condominium Map and listed in this Exhibit are appurtenant to and for the exclusive use of the Front Desk Apartment. This Exhibit shows which stalls are compact and numbers the parking stalls with the prefix B for Basement.

2.6.2 Parking stall B-18 includes its adjacent access aisle.

2.6.3 Each parking stall in the Basement shall include the surface of the Basement floor up to but not including the marking separating the parking stall from any adjacent parking stall, and shall include the airspace above such surface to a height of seven feet and six inches (7.5 feet). If there is a wall or pillar adjacent to a parking stall the parking stall does not include the wall or pillar. Certain parking stalls as listed in this Exhibit have intrusions of Common Elements that are excluded from the Limited Common Element parking stall.

2.6.4 The driveway ramp leading to and from the Basement, the driveways within the Basement and the markings delineating the parking stalls in the Basement are Limited Common Elements appurtenant to the Apartment or Apartments to which the parking stalls in the Basement are appurtenant.

2.6.5 The Front Desk Owner may use its parking stalls for valet parking and may permit its valet parking personnel or contractor to park vehicles across the lines between its parking stalls, if permitted by law, but not across any line separating the parking stalls of the Front Desk Owner from the parking stall of any other Owner. If any portion of the Basement driveway is adjacent only to parking stalls of the Front Desk Owner and no other Owner needs to use that portion of the driveway for access to the other Owner's parking stall, then the Front Desk Owner may permit its valet parking personnel or contractor to park vehicles within that portion of the driveway, if permitted by law. The Front Desk Owner may not obstruct access by the Owner or occupant of Apartment L-2 to Area B-5 and shall provide access for the Association to the Common Elements as needed or as required by law.

2.6.6 A "Basement Parking Element" is a parking stall in the Basement together with an undivided 0.02 interest in the Limited Common Elements described in Section 2.6.4 and any interest in an access aisle appurtenant to that parking stall.

2.7 Lobby Floor Parking Stalls and Driveways.

2.7.1 Parking stalls 1 through 25 on the Lobby floor shown on the Condominium Map and listed on this Exhibit are appurtenant to and for the exclusive use of Apartment L-2. This Exhibit shows which stalls are compact and numbers the parking stalls with the prefix L for Lobby floor.

2.7.2 Parking stalls L-22 and L-23 each includes a one-half interest in their common access aisle.

2.7.3 Each parking stall shall include the surface of the Lobby floor up to but not including the marking separating the parking stall from any adjacent parking stall, and shall include the airspace above such surface to a height of seven feet and six inches (7.5 feet). If there is a wall or pillar adjacent to a parking stall the parking stall does not include the wall or pillar. Certain parking stalls as shown on this Exhibit have intrusions of Common Elements that are excluded from the Limited Common Element parking stall.

2.7.4 The driveway ramp leading to and from the Lobby parking areas, the driveways within the Lobby parking areas and the markings delineating the parking stalls shall be Limited Common Elements appurtenant to the Apartment or Apartments to which the Lobby parking stalls are appurtenant.

2.7.5 The Owner of Apartment L-2 may use its parking stalls for valet parking and may permit its valet parking personnel or contractor to park vehicles across the lines between its parking stalls, if permitted by law, but not across any line separating the parking stalls of the Owner of Apartment L-2 from the parking stall of any other Owner. If any portion of the driveway is adjacent only to parking stalls of the Owner of Apartment L-2 and no other Owner needs to use that portion of the driveway for access to the other Owner's parking stall the Owner of Apartment L-2 may permit its valet parking personnel or contractor to park vehicles within that portion of the driveway, if permitted by law. The Owner of Apartment L-2 may not obstruct access by the Owner of Apartment L-3 to Area L-1 and shall provide access for the Association to the Common Elements as needed or as required by law.

2.7.6 A "Lobby Parking Element" is a parking stall in the Lobby together with an undivided 0.04 interest in the Limited Common Elements described in Section 2.7.4 and any interest in an access aisle appurtenant to that parking stall.

2.8 Lanais. Each lanai shown on the Condominium Map as leading off a Hotel Apartment is a Limited Common Element for the exclusive use of that Apartment, except as provided in this Section 2.8. The approximate aggregate area of the lanai or lanais appurtenant to each Hotel Apartment is listed in Exhibit D.

2.8.1 Common Element downspouts each tie in to a Common Element drain on the lanai of certain Apartments, including Apartment 206 and certain Apartments on the First floor.

2.8.2 The large lanai for Apartment 718 has an area shown on the Condominium Map as "Mech Not in LCE" that is a Common Element and not part of the Limited Common Element.

2.8.3 The large lanai for Apartment 1114 has two areas each shown on the Condominium Map as "Mech Not in LCE" that is a Common Element and not part of the Limited Common Elements.

2.8.4 No lanai may be screened or enclosed or have any floor covering except as permitted by the alterations provisions (see Exhibit E.)

2.9 What Limited Common Element Rooms Include. Limited Common Elements that are rooms or sets of rooms surrounded by walls, shall not include any portion of any Apartment or any portion of any Common Elements described in Section 1.1.1 or Section 1.11.1 except for pipes or other conduits serving only the respective Limited Common Elements. They shall not include the undecorated or unfinished walls, the floors and ceilings surrounding the Limited Common Elements. They shall include all the walls and partitions which are not load-bearing within such spaces or rooms or between Limited Common Element spaces or rooms that are appurtenant to the same Apartment or Apartments, all doors within or opening into such spaces or rooms (except that where a door is between the Limited Common Element and an Apartment the door will be part of the Apartment), all windows and perimeter glass, the inner decorated or finished surfaces of all walls, floors and ceilings and all fixtures and all equipment contained in such spaces and any replacements.

3. Common Expenses and Costs and Expenses Relating to Limited Common Elements. All provisions of the Bylaws relating to Common Expenses and Limited Common Expenses, and the rights and remedies of the Association in connection with them are incorporated into this Declaration by reference.

3.1 Allocation. Each Owner shall be liable for a proportionate share of all the Common Expenses. The method of determining and collecting Common Expenses shall be as set out in the Bylaws.

3.2 Liability. Each Owner is liable for all costs and expenses, including costs for maintenance, repair, replacement, additions and improvements to and landscaping of, any of the Limited Common Elements of the Project appurtenant to such Owner's Apartment ("Limited Common Expenses"). Because of the difficulty of allocating costs and expenses between Limited Common Expenses and Common Expenses, the methods by which the Limited Common Expenses will be charged to those Apartments is (a) by the allocation to those Apartments of an additional Common Interest as described in Exhibit H and (b) for certain Limited Common Elements (Hotel Apartment lanais and Areas M-1 and M-2) by requiring the Owners of those Limited Common Elements to provide direct administration.

3.3 Direct Administration of Certain Limited Common Elements.

3.3.1 At the election of the Owner of any Commercial Apartment, with at least thirty (30) days written notice to the Association, such Owner may undertake directly to maintain, repair and replace ("direct administration") all or a portion of the Limited Common Elements appurtenant only to that Commercial Apartment. Such Owner may change such election from time to time on at least thirty (30) days written notice to the Association. An Owner of a Commercial Apartment shall continue to pay Common Expenses in accordance with its Common Interest and shall not receive any reduction because of electing direct administration.

3.3.2 In the event that the Front Desk Owner has elected direct administration of the Basement Parking Elements and transfers a Basement Parking Element to another Apartment and all Owners of Basement Parking Elements stalls agree in writing to continue direct administration of the Basement Parking Elements,

then it shall continue on the terms and conditions set out in their agreement. Otherwise, the Association shall provide maintenance, repair and replacement of the Basement Parking Elements and the costs of maintenance, repair and replacement shall be allocated to each Owner of a Basement Parking Element by way of the additional Common Interest appurtenant to his Apartment as described in Exhibit H or transferred to his Apartment together with the Basement Parking Element.

3.3.3 In the event that the Owner of Apartment L-2 transfers any Lobby Parking Element to another Apartment and all Owners of Lobby Parking Elements shall agree in writing to continue direct maintenance, repair and replacement of the Lobby Parking Elements, then it shall continue on the terms and conditions set out in their agreement. Otherwise, the Association shall take over maintenance, repair and replacement of the Lobby Parking Elements and the costs of maintenance, repair and replacement shall be allocated to each Owner of a Lobby Parking Element by way of the additional Common Interest appurtenant to his Apartment as described in Exhibit H or transferred to his Apartment together with the Lobby Parking Element.

3.3.4 The Owners of Hotel Apartments shall clean and perform routine maintenance and repair of their individual lanais but any major maintenance and repair, that if performed inadequately would adversely affect the structural integrity or external appearance of the Project shall be performed by the Association and charged as a Common Expense on the grounds that the work protects the entire Project.

3.3.5 The Owners of Apartments to which Area M-1 is appurtenant shall jointly provide direct administration of Area M-1 and the Owners of Apartments to which Area M-2 is appurtenant shall jointly provide direct administration of Area M-2. Direct administration of Area M-1 and Area M-2 is not elective.

3.3.6 During any period of direct administration, if the Association holds any reserves for the affected Limited Common Elements, the Association shall make such reserves available to the Owner of the Apartment or Apartments to which such Limited Common Elements are appurtenant, for the purposes for which they have been reserved.

EXHIBIT F: COMMON ELEMENTS AND LIMITED COMMON ELEMENTS CONTINUED

PARKING STALL SCHEDULE

Parking Stall Number	Compact (C) or Regular (R)	Handicapped (H)	Intrusions into the parking space
L-1	R		Door to Apartment L-1
L-2	R		
L-3	R		
L-4	R		Door to DW storage room
L-5	R		
L-6	R		
L-7	R		Fire Hose Cabinet
L-8	R		
L-9	R		Door to Elevator Machine Room
L-10	R		Door to DW storage room
L-11	R		
L-12	R		
L-13	R		
L-14	R		
L-15	R		
L-16	R		
L-17	R		
L-18	R		
L-19	R		
L-20	R		
L-21	R		
L-22	R	H	
L-23	R		
L-24	R		
L-25	C		Duct

B-1	C		Aisleway to storage and stair
B-2	C		
B-3	C		
B-4	R		
B-5	R		
B-6	R		Air Conditioner
B-7	C		Door to Area B-8
B-8	R		
B-9	R		
B-10	R		
B-11	R		
B-12	R		
B-13	R		
B-14	R		
B-15	R		
B-16	R		
B-17	R		
B-18	R	H	Electrical room doors intrude into access aisle
B-19	R		Door to Electric Transformer Room
B-20	R		Door to Electric Transformer Room
B-21	R		Door to Area B-6
B-22	R		
B-23	R		
B-24	R		
B-25	R		
B-26	R		Duct
B-27	R		
B-28	R		

Parking Stall Number	Compact (C) or Regular (R)	Handicapped (H)	Intrusions into the parking space
B-29	R		
B-30	R		
B-31	R		
B-32	R		
B-33	R		
B-34	R		
B-3	R		
B-36	R		Fire extinguisher
B-37	R		
B-38	R		
B-39	R		
B-40	R		Mechanical equipment above reduces height to 6'2"
B-41	R		Mechanical equipment above reduces height to 6'2"
B-42	R		Mechanical equipment above reduces height to 6'2"
B-43	R		Mechanical equipment above reduces height to 6'2"
B-44	R		Mechanical equipment above reduces height to 6'2"
B-45	C		Mechanical equipment above reduces height to 6'2" Fire sprinkler valves
B-46	R		Mechanical equipment above reduces height to 6'2"
B-47	R		Mechanical equipment above reduces height to 6'2"
B-48	C		Mechanical equipment above reduces height to 6'2" Utility cage door, fire sprinkler line
B-49	R		Access required to mechanical Equipment above;
B-50	R		

EXHIBIT G: ENCUMBRANCES AGAINST TITLE

1. Real property taxes assessed by the City and County of Honolulu. For more information, contact the City and County Tax Assessment Office.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. Sidewalk and Landscape Maintenance Assessment along Kalakaua Avenue, District No. 100, Lot No. 3.
4. A 10-foot road widening setback line, as shown on the Waikiki-Diamond Head Planning Area Map, prepared by City and County Department of Transportation Services.
5. Any unrecorded leases and/or Short Term Occupancy Agreements affecting the said property.

6. MORTGAGE

Dated: March 17, 2003
Recorded: Document No. 2905295
Amount: \$5,000,000.00
Mortgagor: Max Holdings, Inc., a Hawaii corporation
Mortgagee: City Bank, a Hawaii corporation

7. NEGATIVE PLEDGE AGREEMENT:

Dated: March 17, 2003
Recorded: Document No. 2905296

8. ASSIGNMENT OF LEASE AND RENTS

Dated: March 17, 2003
Recorded: Document No. 2003-051791
Assignor: Max Holdings, Inc., a Hawaii corporation
Assignee: City Bank, a Hawaii corporation

9. FINANCING STATEMENT COVERING CERTAIN PERSONAL PROPERTY:

Recorded: March 20, 2003
Document No. 2003-051792
Debtor: Max Holdings, Inc
Secured Party: City Bank

10. Any recorded, unrecorded or unfiled leases, subleases or rental agreements and any liens, charges or exceptions against any lessees, sublessees or tenants named therein.

EXHIBIT "H"

DISCLOSURE ABSTRACT

January 14, 2004

1. (a) **PROJECT:** LUANA WAIKIKI
2045 Kalakaua Avenue
Honolulu, Hawaii 96815

- (b) **DEVELOPER:** Waikiki Terrace LLC
2045 Kalakaua Avenue
Honolulu, Hawaii 96815
Telephone: (808) 941-8886

- (c) **MANAGING AGENT:** OUTRIGGER HOTELS HAWAII
2375 Kuhio Avenue
Honolulu, Hawaii 96815
Telephone: (808) 921-6600

- (d) **REAL ESTATE AGENT:** Malama Realty, LLC
2045 Kalakaua Avenue Suite 1000
Honolulu, Hawaii 96815
Telephone: (808) 941-8886

2. **MAINTENANCE FEES AND MONTHLY ESTIMATE OF COSTS FOR EACH APARTMENT.**

The estimated maintenance fees for 2004 are listed on page 5 and the estimated 2004 budget begins on page 6.

3. **DESCRIPTION OF ALL WARRANTIES COVERING THE UNITS AND COMMON ELEMENTS.**

The Developer is not making any warranties relating to the materials and workmanship of the Project or the common elements. Prospective purchaser should take into account that the Project is more than thirty years old. The reports revealed significant deferred maintenance, concrete cracking and spalling, rusting of post tension cables and waterproofing failures and other area in need of repair. While the developer plans to undertake certain repairs it does not make any representations as to the adequacy or completeness of the repairs. Prospective purchaser should take into account that the Project is more than

thirty years old and even after renovations will remain an old building. Portions of reports are attached to this Disclosure Abstract.(See Section titled "Information from studies of the Property".)

4. USE OF APARTMENTS.

The Project is currently located in the Waikiki Special District and in the Resort-Commercial Precinct. The current zoning for the Project does not permit hotel use and the hotel is operated, to the best of Developer's knowledge, as a nonconforming hotel use. The Land Use Ordinance ("LUO") as currently in effect defines a hotel, dwelling unit, lodging unit and kitchen in Sec. 21-10.1 as follows:

"Hotel" means a building or group of buildings containing lodging and/or dwelling units in which 50 percent or more of the units are lodging units. A hotel includes a lobby, clerk's desk or counter with 24-hour clerk service and facilities for registration and keeping of records relating to hotel guests.

"Dwelling unit" means a room or rooms connected together, constituting an independent housekeeping unit for a family and containing a single kitchen. Two or more essentially separate structures, except for a token connection, such as a covered walkway or a trellis, do not constitute a single dwelling unit. Unless specifically permitted in use regulations, a dwelling unit shall not include a unit used for time sharing or a transient vacation unit as defined in [the LUO].

"Lodging unit" means a room or rooms connected together, constituting an independent living unit for a family which does not contain any kitchen. Unless specifically permitted in use regulations, "lodging unit" shall not include a unit used for time sharing or a transient vacation unit as defined in this chapter.

"Kitchen" means a kitchen facility for a housekeeping unit that exists when there is, on the premises of the housekeeping unit, an item from all three of the following categories:

- (1) Fixtures, appliances or devices for heating or cooking food;
- (2) Fixtures, appliances or devices for washing utensils used for dining and food preparation and/or for washing and preparing food;
- (3) Fixtures, appliances or devices for refrigeration of food.

If the Project were to fail to meet any part of the definition of a hotel under the LUO, its current use as a hotel would become unlawful and Developer makes no representations as to whether any other use would be lawful given the age of the Building, limited parking and any other relevant factors. Therefore, a primary purpose of the use provisions of the Declaration is to continue the status of the Project as a nonconforming hotel use. The Project and each of the Apartments are intended for and shall be restricted to the following purposes and uses:

4.1 Generally. Each Apartment shall be occupied and used only for the uses permitted in the applicable sections of this Section 4 (corresponding to portions of Section 10 of the Declaration). An Owner may rent his Apartment to any third party for any period by applicable zoning and any rules promulgated under

DISCLOSURE ABSTRACT

the zoning, provided that the rental agreement is in writing. The Owner shall provide each rental tenant with a copy of the Rules and Regulations and shall make a copy of the Declaration and Bylaws, as amended, available for the tenant's review. An Owner who rents his Apartment shall at all times remain primarily and severally liable to all other Owners and to the Association for any failure on the part of such Owner's tenant(s) to observe and comply with all provisions of this Declaration, the Bylaws, the Rules and Regulations, and all other applicable laws.

4.2 Hotel Apartments All Apartments on the first through twelfth floors and fourteenth through sixteenth floors shall be used only as hotel rooms (dwelling units or lodging units as defined by the LUO). No Owner or occupant of a lodging unit shall place or maintain in the Apartment any fixture, appliance or device of any kind for heating or cooking food, including any oven, toaster oven, microwave oven, toaster, rice cooker or hotplate. No Owner or occupant of any Apartment in the Project shall do anything that will increase the number of dwelling units in the Project or decrease the number of lodging units. Because of the importance of maintaining the required ratio of lodging units to dwelling units, in the event that any Owner or occupant of a lodging unit breaches this use restriction and does not cure the breach within twenty-four (24) hours after notice from the Board to do so, the Board shall have a right of access to the lodging unit to remove the offending fixture, appliance or device and by accepting a deed to the lodging unit Apartment or taking occupancy of the Apartment, all Owners and occupants waive any claim for trespass or otherwise in connection with such entry or removal. Any advertisement or listing of any lodging unit for a period of more than thirty (30) days shall specify that the lodging unit is a lodging unit and contains no kitchen. Any rental agreement for a lodging unit shall contain a copy of this paragraph and shall require the tenant to comply with it.

4.3 Front Desk Apartment

4.3.1 The Front Desk Apartment shall at all times include a clerk's desk or counter with 24-hour clerk service and facilities for registration and keeping of records relating to hotel guests. The remainder of the Front Desk Apartment may be used for any commercial purpose permitted by zoning and other applicable laws, provided that such use does not cause the Project to lose its status as a nonconforming hotel use.

4.3.2 The Front Desk operator shall at all times arrange for the issuance of card keys for the front doors of all Hotel Apartments to control access to the Apartments and shall issue such card keys to Hotel Owners.

(a) A Hotel Owner may elect:

(i) to take custody of the card keys for his Hotel Apartment in which case the Front Desk operator shall be relieved of responsibility; or

(ii) may elect to leave the card keys in the custody of the Front Desk operator with instructions to issue the card keys to the Hotel Owner's tenants or hotel guests; but in that event the Hotel Owner shall:

(1) Execute an indemnity agreement in a form provided by the Front Desk operator relieving the Front Desk operator and its employees and agents of liability in connection with the card keys except for gross negligence or willful misconduct;

(2) Provide the Front Desk operator in writing from time to time the names and addresses of the persons to whom the card keys are to be issued and the dates for which they are to be issued; and

DISCLOSURE ABSTRACT

(3) Pay a reasonable fee to the Front Desk operator for this service.

(b) As used in this subsection 4.3.2 “Front Desk operator” means the Front Desk Owner or such tenant or agent of the Front Desk Owner to whom the Front Desk Owner delegates its duties under this subsection b.

(c) Card keys shall also be provided to the Association for access to the Hotel Apartments when such access is permitted by the Declaration, the Bylaws or the Condominium Act.

(d) The Front Desk operator may charge a reasonable fee to Hotel Owners for issuance of card keys and replacement of lost card keys.

4.4 Other Commercial Apartments. The other Commercial Apartments may be used for any retail or other commercial purpose permitted by zoning and other applicable laws, provided that such use does not cause the Project to lose its status as a nonconforming hotel use.

4.5 TIME-SHARING PERMITTED BY THIS DECLARATION.

TO THE EXTENT PERMITTED BY LAW, ANY APARTMENT OR ANY INTEREST IN THE APARTMENT MAY BE SOLD, TRANSFERRED, CONVEYED, LEASED, OCCUPIED RENTED OR USED FOR OR IN CONNECTION WITH ANY TIME-SHARING PURPOSE OR UNDER ANY TIME-SHARING PLAN, ARRANGEMENT OR PROGRAM, INCLUDING ANY SO-CALLED “VACATION LICENSE,” “TRAVEL CLUB MEMBERSHIP” OR “TIME INTERVAL OWNERSHIP” ARRANGEMENT. THE TERM “TIME-SHARING” AS USED IN THIS DECLARATION SHALL BE DEEMED TO INCLUDE, BUT IS NOT LIMITED TO, ANY PLAN, PROGRAM OR ARRANGEMENT UNDER WHICH THE RIGHT TO USE, OCCUPY, OWN OR POSSESS AN APARTMENT OR APARTMENTS IN THE PROJECT ROTATES AMONG VARIOUS PERSONS ON A PERIODICALLY RECURRING BASIS ACCORDING TO A FIXED OR FLOATING INTERVAL OR PERIOD OF TIME, WHETHER BY WAY OF DEED, LEASE, ASSOCIATION OR CLUB MEMBERSHIP, LICENSE, RENTAL OR USE AGREEMENT, COTENANCY AGREEMENT, PARTNERSHIP OR OTHERWISE. IF REQUIRED BY LAW, ANY SUCH USE SHALL BE REGISTERED UNDER CHAPTER 514E, HAWAII REVISED STATUTES, AS AMENDED. ANY APARTMENT MAY BE USED FOR TRANSIENT VACATION RENTAL PURPOSES. THIS SECTION F DOES NOT SUPERSEDE ANY APPLICABLE ZONING REQUIREMENTS, HOWEVER, AND TIME SHARING IS NOT CURRENTLY PERMITTED BY THE ZONING FOR THE PROPERTY.

Although the Declaration permits time sharing Apartments sold to individual buyers under this registration will be prohibited by their Apartment Deeds from time sharing. Only time share developers purchasing multiple apartments from the Developer will be permitted to time share their Apartments and if they choose to do so will be required by Hawaii law to register them under Chapter 514E Hawaii Revised Statutes.

**A. ESTIMATE OF MAINTENANCE FEES
AND
B. ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS
2004**

Unit Type	% Common Interest	Mo. Unit Assess.	Mo. Reserve Assess.	Total Mo Assess.
G	0.323206%	250.38	22.36	272.74
A, B, H, I, J, K, L, P, Q	0.329522%	255.27	22.80	278.07
C, D	0.332681%	257.72	23.01	280.73
F, N	0.381109%	295.24	26.36	321.60
E, M	0.392689%	304.21	27.17	331.38
U	0.619039%	479.55	42.82	522.37
R, S, T	0.711684%	551.32	49.23	600.55
V	1.185438%	918.33	82.01	1,000.34
W	1.008570%	781.32	69.77	851.09
L-1	0.925400%	716.89	64.02	780.91
L-2	0.736951%	570.90	50.98	621.88
L-3	0.722212%	559.48	49.96	609.44
L-4	2.038195%	1,578.94	141.00	1,719.94
M-1	4.249047%	3,291.64	293.94	3,585.58
M-2	4.615417%	3,575.45	319.29	3,894.74
M-3	1.987661%	1,539.79	137.50	1,677.29
M-4	1.150696%	891.42	79.60	971.02

See Budget attached.

DISCLOSURE ABSTRACT

ASSOC OF APARTMENT OWNERS -
Luana Waiikiki
Budget for the Period 01/01/04 - 12/31/04

Department #7150700

Annual BOD Mtg

	2004 JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
- REVENUE -													
5330 General Assessment	77,347	77,347	77,347	77,347	77,347	77,347	77,347	77,347	77,347	77,347	77,347	77,347	928,164
5700 Interest Income	25	25	25	25	25	25	25	25	25	25	25	25	300
5050 Office Rental Income	0	0	0	0	0	0	0	0	0	0	0	0	0
5310 Rental Income (Tour Desk)	0	0	0	0	0	0	0	0	0	0	0	0	0
5510 Vending Income	25	25	25	25	25	25	25	25	25	25	25	25	300
5955 Other Income	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Total Revenue	77,687	922,564											

- EXPENSES -													
610700 Salaries & Wages Administration	4,269	4,300	4,300	4,300	4,300	4,300	4,431	4,431	4,431	4,431	4,431	4,431	52,385
610935 Salaries & Wages Accounting	1,120	1,120	1,120	1,120	1,120	1,120	1,153	1,153	1,153	1,153	1,153	1,153	13,638
610970 Salaries & Wages Security	0	0	0	0	0	0	0	0	0	0	0	0	0
610950 Salaries & Wages Maintenance	4,520	4,348	4,520	4,434	4,520	4,434	4,619	4,619	4,531	4,619	4,531	4,619	54,314
610955 Salaries & Wages Grounds	0	0	0	0	0	0	0	0	0	0	0	0	0
6113 Salaries & Wages Housekeeping	2,542	2,378	2,542	2,460	2,542	2,460	2,619	2,619	2,534	2,619	2,534	2,619	30,468
6130 Vacation Pay	437	437	437	437	437	437	448	448	448	448	448	448	5,277
6147 Holiday	228	211	228	217	228	217	224	224	224	224	224	224	2,683
6148 Sick Pay	170	165	170	168	170	168	175	175	172	175	172	175	2,085
6155 Payroll Taxes & Benefits	4,018	4,015	4,004	3,950	4,134	4,075	4,247	4,114	4,165	4,114	4,165	4,247	49,286
6182.01 EPO-Housing Allowance	52	48	52	51	52	51	53	53	51	53	51	53	621
6182.02 Bonus Annual PkT	218	218	218	218	218	218	224	224	224	224	224	224	2,652
6182.03 Bonus Annual GR 1-7	626	626	626	626	626	626	645	645	645	645	645	645	7,626
6129 Payroll Recoveries - R&M Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
6129 Payroll Recoveries - Billable	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Payroll & Related	17,854	17,775	18,006	17,775	18,345	18,101	18,847	18,500	18,592	18,500	18,592	18,847	220,185

- OPERATING -													
6802 Accounting Fees	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	22,500
6301 Provision for Bad Debt	100	100	100	100	100	100	100	100	100	100	100	100	1,200
6220.01 Director's Expense - Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
6220.01 BRD Telephone	25	25	25	25	25	25	25	25	25	25	25	25	300
6220.01 Board Travel & Meetings	100	100	100	100	100	100	100	100	100	100	100	100	1,200
6452 Dues & Publications	25	25	25	25	25	25	25	25	25	25	25	25	300
7602 Employee Motivation	40	40	40	40	40	40	40	40	40	40	40	40	480
6905.01 General Excise Tax	15	15	15	15	15	15	15	15	15	15	15	15	180
6804 Legal Fees	333	333	333	333	333	333	333	333	333	333	333	333	4,000
6820 Licenses & Taxes	200	200	200	200	200	200	200	200	200	200	200	200	2,400
6702 Copier Expenses	250	250	250	250	250	250	250	250	250	250	250	250	3,000
6704 Office Equipment	175	175	175	175	175	175	175	175	175	175	175	175	2,100
6706 Office Supplies	200	200	200	200	200	200	200	200	200	200	200	200	2,400
6753 Housekeeping Supplies	400	400	400	400	400	400	400	400	400	400	400	400	4,800
6806 Other Professional Fees	456	456	456	456	456	456	456	456	456	456	456	456	5,472
6782 Postage & Freight	185	185	185	185	185	185	185	185	185	185	185	185	2,220
6952 Telephone - Local Service	245	245	245	245	245	245	245	245	245	245	245	245	2,940
6954 Telephone - Long Distance	150	150	150	150	150	150	150	150	150	150	150	150	1,800
6960 Telephone Maintenance	180	180	180	180	180	180	180	180	180	180	180	180	2,160
7056 Travel	25	25	25	25	25	25	25	25	25	25	25	25	300
7054 Meetings	100	100	100	100	100	100	100	100	100	100	100	100	1,200
7052 Business Entertainment	37	37	37	37	37	37	37	37	37	37	37	37	444
6272 Automobile Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
8120 Rent	37	37	37	37	37	37	37	37	37	37	37	37	444
Total Administrative	5,491	5,291	6,666	5,291	5,291	5,716	5,291	5,541	6,841	5,956	5,291	6,141	68,821

- MAINTENANCE -													
7112 Building	400	400	400	400	400	400	400	400	400	400	400	400	4,800
7132 Contract Electrical	350	350	350	350	350	350	350	350	350	350	350	350	4,200
7149 Cable Television	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	41,664
7180 Contract Plumbing	400	400	400	400	400	400	400	400	400	400	400	400	4,800
6440 Decorations	250	250	250	250	250	250	250	250	250	250	250	250	3,000
7138 Elevator	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	26,552
7140 Equipment Rental	100	100	100	100	100	100	100	100	100	100	100	100	1,200
7142 FF&E Maintenance	500	500	500	500	500	500	500	500	500	500	500	500	6,000
7154 Grounds & Landscaping	150	150	150	150	150	150	150	150	150	150	150	150	1,800

ASSOC IF APARTMENT OWNERS -
Iana Waikiki
Budget for the Period 01/01/04 - 12/31/04

2004	Annual												2004
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
7136	150	150	150	150	150	150	150	150	150	150	150	150	1,800
7160	100	100	1,100	100	100	100	100	100	100	100	100	100	4,239
7164	150	150	150	150	150	150	150	150	150	150	150	150	1,800
7168	100	100	100	100	100	100	100	100	100	100	100	100	1,200
7190	150	150	150	150	150	150	150	150	150	150	150	150	1,800
7184	250	250	250	250	250	250	250	250	250	250	250	250	3,000
7186	450	450	450	450	450	450	450	450	450	450	450	450	5,400
7179	400	400	400	400	400	400	400	400	400	400	400	400	4,800
7192	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
7560	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
7195	350	350	350	350	350	350	350	350	350	350	350	350	4,200
7148	0	0	0	0	0	0	0	0	0	0	0	0	0
7172	750	0	0	0	0	0	0	0	0	0	0	0	750
Total Maintenance	14,933	14,183	15,183	14,183	14,803	14,222	15,183	14,183	14,183	14,183	15,183	15,183	175,605

-UTILITIES-

7210	20,150	18,850	20,150	19,500	20,150	19,500	20,150	20,150	19,500	20,150	19,500	20,150	237,900
7230	4,016	4,015	4,016	4,015	4,015	4,015	4,016	4,016	4,015	4,015	4,015	4,016	48,183
7240	1,860	1,740	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	21,960
7250	1,686	1,578	1,686	1,632	1,686	1,632	1,686	1,686	1,632	1,686	1,632	1,686	19,908
7260	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Utilities	27,712	26,183	27,712	26,947	27,712	26,947	27,712	27,712	26,947	27,712	26,947	27,712	327,951

-OTHER-

7780	958	958	958	958	958	958	958	958	958	958	958	958	11,500
8090	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,131	7,131	7,223	7,223	7,223	85,788
8300	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	42,167
8120	27	27	27	27	27	27	25	25	25	25	25	25	312
Total Other Expenses	11,625	11,625	11,625	11,625	11,625	11,625	11,630	11,630	11,622	11,722	11,722	11,722	139,788
Total Operating Expenses:	77,987	75,136	79,192	75,821	77,776	76,611	79,656	77,566	78,194	78,083	77,735	79,605	932,360
Total Operating Cash Flow	(280)	2,561	(1,495)	1,876	(79)	1,066	(959)	131	(497)	(386)	(39)	(1,908)	4

-NON-CASH-

8070	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Total Non-Cash	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Net Profit/Loss	(390)	2,461	(1,595)	1,776	(179)	986	(1,059)	31	(597)	(486)	(138)	(2,008)	(1,196)
Total Expenses Less Other Income	77,637	74,766	78,642	75,471	77,426	76,261	78,306	77,216	77,844	77,733	77,385	79,255	928,160

2004 Annual 928,160

2004 Monthly 77,347

General Assessment Maintenance Fees

ASSO OF APARTMENT OWNERS -
Luana Waikiki
Budget for the Period 01/01/04 - 12/31/04

Department #150700

2004
TOTAL

Sq Feet	Unit Sq Ft	Unit Type	# Units in Type	% Common Interest	% Total Assess.	2004 General Assess.	2004 Annual per unit	Monthly per type	2004 Mo. Unit Assess.	2004 Reserve Assess.	2004 Total Mo Assess.	Annual Reserve Contrib.	2004 Annual Ops Assess.	Var. % +/-	2004 Annual Ops Assess.	Monthly Assess.
4605	307	Studio-C	15	0.32206%	4.85%	44,997.97	2,999.86	3,749.85	249.99	22.32	272.31	4,018.34				
38751	313	Studio-A, B, H, I, J, K, L, P, Q	127	0.329522%	41.85%	388,428.74	3,058.49	32,368.49	254.87	22.76	277.63	34,686.07				
9164	316	Studio-C, D	29	0.332681%	9.65%	89,546.45	3,087.81	7,462.28	257.32	22.98	280.30	7,996.58				
3258	362	Studio-F, N	9	0.381109%	3.43%	31,835.70	3,537.30	2,653.02	294.78	26.32	321.10	2,842.98				
2238	373	Studio-E, M	6	0.392689%	2.36%	21,868.72	3,644.79	1,822.38	303.73	27.12	330.85	1,952.86				
8820	588	1 Bedroom-U	15	0.619039%	9.29%	86,185.04	5,745.67	7,182.15	478.81	42.76	521.57	7,696.39				
9464	678	1 Bedroom-R, S, T	14	0.711684%	9.86%	92,477.92	6,605.57	7,708.44	550.46	49.16	599.62	8,298.22				
1128	1128	2 Bedroom-V	1	1.165438%	1.19%	11,002.76	11,002.76	916.90	916.90	81.88	998.78	982.55				
958	958	2 Bedroom-W	1	1.008570%	1.01%	9,361.14	9,361.14	780.10	780.10	69.66	849.76	835.96				
879	879	Apt L1	1	0.925400%	0.93%	8,589.19	8,589.19	715.77	715.77	63.92	779.69	767.02				
700	700	Apt L2 + LLC Office (Parking)	1	0.736951%	0.74%	6,840.08	6,840.08	570.01	570.01	50.90	620.91	610.82				
686	686	Apt L3 + Dumb Waiter	1	0.722112%	0.72%	6,703.28	6,703.28	558.61	558.61	49.88	608.49	598.61				
1938	1938	Apt L4 + LCE (OHH FO & Pkg)	1	2.038195%	2.04%	18,917.71	18,917.71	1,576.48	1,576.48	140.78	1,717.26	1,689.36				
4036	4036	Apt M1	1	4.249047%	4.25%	39,437.96	39,437.96	3,286.50	3,286.50	293.48	3,579.98	3,521.61				
4384	4384	Apt M2	1	4.615417%	4.62%	42,838.46	42,838.46	3,569.87	3,569.87	318.79	3,888.66	3,825.47				
1888	1888	Apt M3	1	1.987661%	1.99%	18,448.68	18,448.68	1,537.39	1,537.39	137.29	1,674.68	1,647.47				
1083	1083	Apt M4	1	1.150696%	1.15%	10,680.30	10,680.30	890.03	890.03	79.48	969.51	953.76				
94986		Total General Assessments	225		100.0%	928,160.11		77,346.27				82,884.26	13,779	Total Comm	10,112.83	

Per Kevin's Reserve Study, dtd 5/24/03, need to contribute \$82,951

ASSOCIATES OF APARTMENT OWNERS -
Liana Waliki
Budget for the Period 01/01/04 - 12/31/04

Department #116700	2004 JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2004 TOTAL	
														Annual BOD Mtg
6110.551	Salaries & Wages Grounds													N/A - work done by Maint
6113	Salaries & Wages Housekeeping Hourly													
	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
Number of Staff per day: 1 ea, 7 days/wk	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	
Hours per day	10.25	10.25	10.25	10.25	10.25	10.25	10.56	10.56	10.56	10.56	10.56	10.56	10.56	
Average Rate	2.542	2.373	2.542	2.460	2.542	2.460	2.619	2.619	2.534	2.619	2.534	2.619	30,468	
Total Hourly Housekeeping:	11,361	11,026	11,362	11,164	11,362	11,184	11,669	11,669	11,496	11,669	11,496	11,669	137,167	
Payroll Summary:														
6110.700	4,259	4,300	4,300	4,300	4,300	4,300	4,431	4,431	4,431	4,431	4,431	4,431	52,385	
6110.550	1,854	1,854	1,854	1,854	1,854	1,854	1,891	1,891	1,891	1,891	1,891	1,891	22,470	
6110.550	2,666	2,484	2,666	2,580	2,666	2,580	2,728	2,728	2,728	2,728	2,728	2,728	31,844	
6113	2,542	2,378	2,542	2,460	2,542	2,460	2,619	2,619	2,534	2,619	2,534	2,619	30,468	
Total Salaries & Wages	11,361	11,026	11,362	11,164	11,362	11,184	11,669	11,669	11,496	11,669	11,496	11,669	137,167	
6130	437	424	437	431	437	431	449	449	442	449	442	443	5,277	
6147	226	211	226	217	226	218	232	232	224	232	224	232	1,883	
6148	267	267	267	267	267	267	274	274	274	274	274	274	3,246	
6155	493	473	493	485	493	485	508	508	498	508	498	508	5,109	
6170.01	170	165	170	168	170	168	175	175	172	175	172	175	2,055	
6182.01	12,954	12,571	12,537	12,361	12,955	12,763	13,305	12,877	13,106	12,877	13,106	13,305	154,717	
6182.02	4,016	3,897	3,896	3,892	4,016	3,957	4,125	3,992	4,063	3,992	4,063	4,125	47,964	
6182.03	0	0	0	0	0	0	0	0	0	0	0	0	0	
6802	0	0	0	0	0	0	0	0	0	0	0	0	0	
6901	27	25	27	26	27	26	27	27	26	27	26	27	318	
6820.01	25	24	25	25	25	25	26	26	25	26	25	26	303	
6820.6950	0	0	0	0	0	0	0	0	0	0	0	0	0	
6820.01	52	49	52	51	52	51	53	53	51	53	51	53	621	
6182.02	118	118	118	118	118	118	122	122	122	122	122	122	1,440	
6182.03	100	100	100	100	100	100	102	102	102	102	102	102	1,212	
6802	218	218	218	213	218	218	224	224	224	224	224	224	2,652	
6901	626	625	626	623	626	626	645	645	645	645	645	645	7,926	
6820.01	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,800	
6820.6950	75	75	75	75	75	75	75	75	75	75	75	75	900	
6820.01	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	22,500	
6901	100	100	100	100	100	100	100	100	100	100	100	100	1,200	
6820.01	0	0	0	0	0	0	0	0	0	0	0	0	0	
6820.6950	25	25	25	25	25	25	25	25	25	25	25	25	300	
6820.01	25	25	25	25	25	25	25	25	25	25	25	25	300	

Prepared By: M Burdick
12/8/03 11:42 AM

ASSC OF APARTMENT OWNERS -
Luana Walkiki
Budget for the Period 01/01/04 - 12/31/04

Department #7150700

	2004	Annual	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2004	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
6752 Postage & Freight	0	0	0	0	0	0	0	0	0	0	0	0	0
General Mailing Notice	185	185	185	185	185	185	185	185	185	185	185	185	2,220
Ap. Misc Consp/Newsletters	0	0	0	0	0	0	0	0	0	0	0	0	0
	185	185	185	185	185	185	185	185	185	185	185	185	2,520
6952 Cost of Local Service	120	120	120	120	120	120	120	120	120	120	120	120	1,440
Verizon Service - phones split 50/5 40/60/10	55	55	55	55	55	55	55	55	55	55	55	55	660
GM Cell Phone - 50% of \$110 TIC	35	35	35	35	35	35	35	35	35	35	35	35	420
Asst GM Cell Phone - 50% of \$70	35	35	35	35	35	35	35	35	35	35	35	35	420
Mainit Chief - 50% of \$70	245	245	245	245	245	245	245	245	245	245	245	245	2,940
6954 Cost of Long Distance	0	0	0	0	0	0	0	0	0	0	0	0	0
Long Distance Calls	150	150	150	150	150	150	150	150	150	150	150	150	1,800
6980 Telephone Maintenance	180	180	180	180	180	180	180	180	180	180	180	180	2,160
Time & Materials Basis @ \$90/hour \$180													
2 Hrs/mc													
7056 Travel	25	25	25	25	25	25	25	25	25	25	25	25	300
Dept Head Training	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Conference (50%)	25	25	25	25	25	25	25	25	25	25	25	25	300
7054 Meetings	0	0	0	0	0	0	0	0	0	0	0	0	0
Rental of Equipment-Annual Meeting	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0
7052 Business Entertainment	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Owner Relations	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Meeting Reception	100	100	100	100	100	100	100	100	100	100	100	100	1,200
	125	125	125	125	125	125	125	125	125	125	125	125	1,500
[Travel, Meetings & Business Ent. (Total)]	125	125	125	125	125	125	125	125	125	125	125	125	1,500
6272 Automobile (Vehicle)	37	37	37	37	37	37	37	37	37	37	37	37	444
Fuel/Mileage Reimb	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Automobile	37	37	37	37	37	37	37	37	37	37	37	37	444
8120 Rent	0	0	0	0	0	0	0	0	0	0	0	0	0
Building	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Misc building repairs	400	400	400	400	400	400	400	400	400	400	400	400	4,800
7132 Contract Electrical	350	350	350	350	350	350	350	350	350	350	350	350	4,200
Misc R&M, WITH YTD 9/03=\$335/mo	350	350	350	350	350	350	350	350	350	350	350	350	4,200
7149 Cable Television	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	41,664
\$16/unit, including GET	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	3,472	41,664
7180 Contract Plumbing	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Plumbing repairs	400	400	400	400	400	400	400	400	400	400	400	400	4,800
WITH YTD 9/03 = \$400/mo													

Disclosure Abstract
Page 12 of 19

ASOC JF APARTMENT OWNERS -
Luana Walkiki
Budget for the Period 01/01/04 - 12/31/04

2004 JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
250	250	250	250	250	250	250	250	250	250	250	250	3,000
0	0	0	0	0	0	0	0	0	0	0	0	1,000
250	250	250	250	250	250	250	250	250	250	250	250	4,000
2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	25,932
2,161	2,161	2,161	2,161	2,781	2,161	2,161	2,161	2,161	2,161	2,161	2,161	28,552
100	100	100	100	100	100	100	100	100	100	100	100	1,200
100	100	100	100	100	100	100	100	100	100	100	100	1,200
500	500	500	500	500	500	500	500	500	500	500	500	6,000
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
500	500	500	500	500	500	500	500	500	500	500	500	6,000
150	150	150	150	150	150	150	150	150	150	150	150	1,800
150	150	150	150	150	150	150	150	150	150	150	150	1,800
150	150	150	150	150	150	150	150	150	150	150	150	1,800
0	0	0	0	0	0	0	0	0	0	0	0	0
150	150	150	150	150	150	150	150	150	150	150	150	1,800
0	0	0	0	0	0	0	0	0	0	0	0	0
100	100	1,000	100	100	100	1,000	100	100	100	100	100	39
100	100	1,000	100	100	100	1,000	100	100	100	100	100	3,000
100	100	1,000	100	100	100	1,000	100	100	100	100	100	1,200
100	100	1,000	100	100	100	1,000	100	100	100	100	100	1,200
150	150	150	150	150	150	150	150	150	150	150	150	1,800
150	150	150	150	150	150	150	150	150	150	150	150	1,800
150	150	150	150	150	150	150	150	150	150	150	150	1,800
0	0	0	0	0	0	0	0	0	0	0	0	0
150	150	150	150	150	150	150	150	150	150	150	150	1,800
150	150	150	150	150	150	150	150	150	150	150	150	1,800
100	100	100	100	100	100	100	100	100	100	100	100	1,200
0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
100	100	100	100	100	100	100	100	100	100	100	100	1,200
150	150	150	150	150	150	150	150	150	150	150	150	1,800
150	150	150	150	150	150	150	150	150	150	150	150	1,800
250	250	250	250	250	250	250	250	250	250	250	250	3,000
250	250	250	250	250	250	250	250	250	250	250	250	3,000
450	450	450	450	450	450	450	450	450	450	450	450	5,400
0	0	0	0	0	0	0	0	0	0	0	0	0
450	450	450	450	450	450	450	450	450	450	450	450	5,400
400	400	400	400	400	400	400	400	400	400	400	400	4,800
400	400	400	400	400	400	400	400	400	400	400	400	4,800
2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
0	0	0	0	0	0	0	0	0	0	0	0	0
2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000

Disclosure Abstract

ASSO OF APARTMENT OWNERS -
Luana Waikiki
Budget for the Period 01/01/04 - 12/31/04

Department #7150700

	2004												TOTAL	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
7560 Security Services	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
Wacknab - 23% of ORT '03 budget	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
Shared Exp w/Maile Sky Court	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7195 Swimming Pool Maintenance	250	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Chemicals-1/2 of RSC '03 budget	100	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Parts and Other Supplies	350	350	350	350	350	350	350	350	350	350	350	350	350	4,200
7148 TV Repair & Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Owners' Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7172 Uniforms	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance:	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1 Supervisor 5 sets @ \$50	250	250	250	250	250	250	250	250	250	250	250	250	250	3,000
2 Employees 5 sets @ \$50	500	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Grounds:	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Security:	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	750	750	750	750	750	750	750	750	750	750	750	750	750	9,000
7210 Electricity	20,150	18,850	20,150	19,500	20,150	19,500	20,150	20,150	19,500	20,150	19,500	20,150	19,500	237,900
Est Cost per day	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	650.00	237,900
WTH YTD 9/03=\$19256/mo., \$634/day	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7230 Gas	20,150	18,850	20,150	19,500	20,150	19,500	20,150	20,150	19,500	20,150	19,500	20,150	19,500	237,900
Propane for 4 BBQs - \$.50/day	16	15	16	15	16	15	16	15	16	15	16	15	16	183
Water Heaters-WTH YTD 9/03=\$5K/	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Reduced \$1/kmo based on antip. HECO respraisal	4,016	4,015	4,016	4,015	4,016	4,015	4,016	4,015	4,016	4,015	4,016	4,015	4,016	48,163
7240 Sewer	1,860	1,740	1,860	1,800	1,860	1,800	1,860	1,800	1,860	1,800	1,860	1,800	1,860	21,960
WTH YTD 9/03=\$1726/mo., \$57/day@60.00	1,860	1,740	1,860	1,800	1,860	1,800	1,860	1,800	1,860	1,800	1,860	1,800	1,860	21,960
7250 Water	1,674	1,595	1,674	1,620	1,674	1,620	1,674	1,620	1,674	1,620	1,674	1,620	1,674	19,764
Est \$/day	12	12	12	12	12	12	12	12	12	12	12	12	12	144
Fire Meter	1,686	1,573	1,686	1,632	1,686	1,632	1,686	1,632	1,686	1,632	1,686	1,632	1,686	19,808
7280 Utility Reimbursements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7780 Liability Insurance	958	958	958	958	958	958	958	958	958	958	958	958	958	11,500
General Liability	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6/16/03 Sue Savio Premium Est	958	958	958	958	958	958	958	958	958	958	958	958	958	11,500
8090 Property Insurance	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	3,583	43,000
Type of Policy	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Earthquake	152	152	152	152	152	152	152	152	152	152	152	152	152	1,825
Boiler & Machinery	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	32,000
Flood	458	458	458	458	458	458	458	458	458	458	458	458	458	5,500
Umbrella	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Auto (120/103)	225	225	225	225	225	225	225	225	225	225	225	225	225	2,700
Directors & Officers	38	38	38	38	38	38	38	38	38	38	38	38	38	456
Crime /Fidelity	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	85,788
6/16/03 Sue Savio Premium Est	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	85,788
8300 Management Fees	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	42,167
\$15/unit plus GET - 225 units	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	3,516	42,167

ASSOC F APARTMENT OWNERS -
 Laana Walkiki
 Budget for the Period 01/01/04 - 12/31/04

Department #7150700

	2004 JAN	FEB	Annual BOD Mig MAR	APR	MAY	BOD Mig JUN	JUL	AUG	SEP	BOD Mig OCT	NOV	DEC	2004 TOTAL
8995 Other Expense	25	25	25	25	25	25	25	25	25	25	25	25	300
Merrill Accounts Charge (2)	2	2	2	2	2	2	2	2	2	2	2	2	12
Condo Association Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
	27	27	27	27	27	27	25	25	25	25	25	25	312
8070 Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0
	100	100	100	100	100	100	100	100	100	100	100	100	1,200
	100	100	100	100	100	100	100	100	100	100	100	100	1,200
8155 Federal Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
8150 State of Hawaii Income Taxes paid from Special Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0

I, Avery Aoki, as agent and employed by Outrigger Hotels Hawaii, the condominium managing agent for the condominium project, Luana Waikiki, hereby certify that the above estimates of maintenance fee assessments and maintenance fee disbursements for 2004 were prepared in accordance with generally accepted accounting principles.

Avery E. Aoki

Date: December 5, 2003

DISCLOSURE ABSTRACT

Page 16 of 19

MANAGEDB:506795.2

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXPLANATION REGARDING RESERVES

The figure for "Reserves" for 2004 in this Disclosure Abstract is based on the Association's independent, third party reserve study by Metropolitan Management, Inc. dated May 28, 2003 revised October 15, 2003, a copy of which is delivered to each purchaser. The Developer has been informed that the reserve study is in the form contemplated by §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended (collectively, the "Reserves Law").

CALCULATION OF COMMON INTERESTS

Common interests were calculated by taking the net living area of Hotel Apartments, Apartment L-1, and Apartments M-1, M-2, M-3 and M-4 and the weighted net living area of Apartments L-2, L-3 and L-4. The weighting calculation is shown below. This produces an aggregate weighted net living area for the Project of 94,986 square feet.

The common interest of an individual Apartment is calculated by dividing the net living area (or weighted area) of the Apartment by 94,986 and expressing the result as a percentage:

$\frac{\text{Apartment Area}}{94,896} \times 100 = \text{Common Interest \%}$

Unit Type	(1) Area or Weighted Area of Each Apartment:	(2) No. of Units in each Type	(1) x (2) Total Area or Weighted Area of Apartments in Type	(3) Common Interest per Apartment in Type	(2) x (3) Total Common Interest of Apartments in Type
G	307	15	4605	0.323206%	4.85%
A, B, H, I, J, K, L, P, Q	313	127	39751	0.329522%	41.85%
C, D	316	29	9164	0.332681%	9.65%
F, N	362	9	3258	0.381109%	3.43%
E, M	373	6	2238	0.392689%	2.36%
U	588	15	8820	0.619039%	9.29%
R, S, T	676	14	9464	0.711684%	9.96%
V	1126	1	1126	1.185438%	1.19%
W	958	1	958	1.008570%	1.01%
Apt L-1	879	1	879	0.925400%	0.93%
Apt L-2)	700	1	700	0.736951%	0.74%
Apt L-3	686	1	686	0.722212%	0.72%
Apt L-4	1936	1	1936	2.038195%	2.04%
Apt M-1	4036	1	4036	4.249047%	4.25%
Apt M-2	4384	1	4384	4.615417%	4.62%
Apt M-3	1888	1	1888	1.987661%	1.99%
Apt M-4	1093	1	1093	1.150696%	1.15%
			94986		100.00%

DISCLOSURE ABSTRACT

Apartments L-2, L-3 and L-4 have weighted areas for the calculation of common interests. Apartment L-4 the Front Desk has been weighted at 25% of its actual area because of the obligations placed upon the Front Desk Apartment in the Declaration. For the purpose of calculating common interests, the Limited Common Elements appurtenant to Apartments L-2, L-3 and L-4 that will be maintained by the Association were added to the area of the Apartment at a weighted formula. Weighting is based on Developer's opinion of the likely use of the space and its affect on the common expenses. As provided in the Declaration, if a Limited Common Element that affects the common interest of an Apartment is transferred, the corresponding portion of the common interest will be transferred also.

Required or Probable Use.	Space	Sq Ft	Weighting Value	Weighted Sq Ft
Office	L-2	295	1.00	295
Lobby Parking	25 stalls	4,050	0.10	405
	Total L-2	4,345		700
Retail	Apt L-3	673	1.00	673
Storage	Area L-1	128	0.10	13
	Total L-3	801		686
Front Desk	Apt L-4	621	0.25	155
Hskp/Maint Employee Areas	Areas B-1 through B-4 and B-6 through B-8,	2,869	0.25	717
Makai Utility Rm/floor	Area 1-1	1,395	0.10	140
Mauka Utility Rm/floor	Area 1-2	1,035	0.10	104
Employee Restroom	Area L-2	100	0.10	10
Basement Parking	50 stalls	8,100	0.10	810
	Total L-4	14120		1,926
Office	L-2	295	1.00	295
Lobby Parking	25 stalls	4,050	0.10	405
	Total L-2	4,345		700
Retail	Apt L-3	673	1.00	673
Storage	Area L-1	128	0.10	13
	Total L-3	801		686

Based on the total weighted square footage of the Project and the weighted square footage of each parking stall, 0.017055% (16.2/94986 x 100) is added to the common interest of an Apartment to which a parking stall is appurtenant. The area of a parking stall for this calculation is based on a typical stall area of approximately 162 square feet

DISCLOSURE ABSTRACT

INFORMATION FROM STUDIES OF THE PROPERTY

Note several are summaries and prospective purchasers are encouraged to review the materials in full. The Developer makes no representations, warranties or other promises that the studies are complete, accurate or reveal all defects. Waikiki Terrace is the name of the property prior to conversion.

1. Executive Summary of Property Condition Assessment.
2. Letter reports on post-tensioned cables.
3. Introduction and Summary and Conclusions of Mold Survey
4. Executive Summary of Phase I Environmental Assessment
5. Executive Summary of Barrier Identification Survey
6. Reserves Cash Flow Computation from Reserve Study (not including inflation projection)
7. Preliminary report on structural issue.

1. EXECUTIVE SUMMARY

1.1. Introduction

Property Condition Assessment (PCA) of Waikiki Terrace Hotel, located at 2045 Kalakaua Avenue, Honolulu, HI 96815 (the property). The PCA walk-through survey (i.e., site inspection) was conducted on December 11 and 12, 2002. This survey was conducted in accordance with the scope of services outlined in the order dated December 6, 2002, and ASTM E 2018-99, *Standard Guide for Property Condition Assessments*.

Property Summary Table	
Property Type (Occupancy)	Hotel
County	Honolulu
Property Owner	Max Holdings Company
Property Management	Castle Resorts & Hotel
Year Constructed	1971
Number of Buildings	One
Number of Residential Units	242 guestrooms
Number of stories	17 (includes mezzanine) +basement
Net Rentable Floor Area	Not provided
Gross Floor Area	187,063 square feet
Apparent Occupancy Status	Not provided
Site Area	26,164 SF (0.60 acres)
Number of Parking Spaces	77 total, 3 handicap accessible
General Condition of Site	Good to Fair
General Condition of Building(s)	Good to Fair
Construction Documents Available?	Yes
Reported Adequacy of Utilities	Yes
Estimated Remaining Economic Useful Life	Not less than 35 years with proper maintenance and repairs

The property was constructed in 1971 and contains 242 guestrooms and interior parking garage. The general manager and her assistant currently use two of the guestrooms on the first floor level. Property management reported that the lobby, mezzanine, common interior corridors, and guestroom carpet flooring were replaced in 1998. This renovation also included elevator cab control ADA upgrades and installation of strobe lights throughout the common interior areas of the building.

1.2. Code Classification and Compliance

This report provides a summary with regard to building, zoning, and fire/life safety code compliance based on inspections performed by local governing authorities, that were reported to by third party inspection services, or that were detected during the assessment by the field observer. However, the walk-through survey is not intended to identify all code deficiencies and includes only obvious deficiencies that the field observer noted during the survey.

Relevant data with regard to local municipal code classification and compliance is presented in the following summary table:

Code Classification Summary	
<i>Category</i>	<i>Description of Classification and Code Compliance Reference Contact Name and Phone #:</i>
Tax Map/Block/Lot/Parcel I.D.	TMK# 2-6-006-002
Certificate of Occupancy	Issued by the City and County of Honolulu Building Department on August 4, 1971
Construction Type	Type I per Certificate of Occupancy
Zoning Classification	Resort Commercial per Mr. Keith Tamura (808) 523-4554
Building Code Compliance	None per Mr. Ivan Matsumoto (808) 527-6341
Fire Code/Life Safety Compliance	None per Mr. Matthew Zane (808) 831-7785
Flood Zone	AO – Flood depths of 1-3 feet (usually sheet flow on sloping terrain): average depths determined. For areas of alluvial fan flooding, velocities also determined (Community Panel Number 15003C0370E dated 11/20/2000)

Code Classification Summary	
<i>Category</i>	<i>Description of Classification and Code Compliance Reference Contact Name and Phone #:</i>
Seismic Zone Classification	Zone 2A, an area of low to moderate probability of damaging ground motion

According to Mr. Keith Tamura with the City and County of Honolulu Department of Planning and Permitting Zoning Branch, the property is currently zoned Resort Commercial and is a non-conforming use. Mr. Tamura further stated that there was a zoning variance issued in 1975 (75-ZBA-108). The variance of Section 21-842 includes a portion of the Comprehensive Zoning Code pertaining to the following; "yard spacing, B-5 Resort Commercial District, to permit, according to submitted plans, construction of a concrete masonry unit wall within the rear yard at 2045 Kalakaua Avenue, Waikiki." The Zoning Board of Appeals of the City and County of Honolulu approved the application of variance of Section 21-842 on October 16, 1975. A copy of this document is included in Attachment C.

1.3. Opinions of Probable Costs and Deviations from the Guide (ASTM E 2018-99)

The Immediate Repairs and Deferred Maintenance Cost Estimate contained in this report is an opinion of probable costs to remedy material physical deficiencies observed during the walk-through survey or otherwise brought to the attention of by property representatives, municipal regulatory authorities, or other sources such as previous reports. This cost estimate specifically excludes deficiencies that can be remedied with routine or normal maintenance or minor repairs.

Opinions of probable costs for Immediate Repairs and Replacement Reserves (on-going repairs or replacement required during the evaluation period) are also limited to construction-related costs; they do not include design, management fees, or other indirect costs unless specifically requested by the Client and identified later in this report. Estimates of probable costs also do not take into account marketability issues, such as upgrades of exterior facades or interior common areas, or potential future upgrades that might trigger fire/life safety system or handicap accessibility upgrades. Additionally, the estimates are for budget purposes only, are preliminary, and are based on nationally recognized estimating guides as published by *R.S. Means* and *Marshall and Swift*, the owner's or property manager's historical cost information, other consultant's cost estimates, other third party cost estimates such as from vendors or contractors, published commercial data, and the professional experience of the property inspector and reviewer.

The actual costs will probably vary depending on such matters as type and design of suggested remedy, quality of materials and installation, manufacturer and type of equipment or system selected, field conditions, and other factors.

ASTM Guide E 218-99 uses a threshold of \$3,000 as the minimum value for probable costs that are to be included in the cost estimates, either individually or in the aggregate for like items. In order to more comprehensively address physical deficiencies, this report uses a threshold of \$1,000 as the minimum value for probable costs, either individually or in the aggregate for like items. Remedies for material life safety and building code violations are included in the cost estimates regardless of cost.

The property appeared to be in good to fair condition overall. The Replacement Reserve Costs identified in this report are stated in terms of dollars per guestroom and are based on the number of guestrooms reported by management. More detailed summaries of the Reserve Costs and the Immediate Repairs and Deferred Maintenance Costs are included in Tables 1.3a and 1.3b, respectively.



MICHAEL K. KASAMOTO
 Consulting Structural Engineer
 1712 S. King Street, Suite 203 Honolulu, Hawaii 96826
 Phone (808) 955-6834 • Fax (808) 955-2483

RECEIVED
 MAY 02 2003

April 24, 2003

Metropolitan Management
 55 Merchant Street Suite 2000
 Honolulu, HI 96813

METROPOLITAN MANAGEMENT

Attention: Mr. Ralph Ahles (ph. 536-3511, fax 537-3655)

Subject: Waikiki Terrace Hotel – estimate of post-tensioned anchor repairs and preliminary recommendations

Dear Mr. Ahles,

BRIEF DESCRIPTION OF BUILDING: The structure is a 16 story structure consisting of post-tensioned flat plate concrete slabs (7.5" thick), reinforced concrete walls, columns, and pilecaps. The foundation consists of precast concrete piles. The structural drawings appear to specify the "Prescon" buttonhead parallel wire system. However, observation on the rig revealed that the Atlas single strand system was used instead. The Atlas system consists of 1/2" diameter, 7 wire wound strands, steel wedges, and cast-iron anchors. The post-tension tendons appear to be uniformly distributed in the mauka-makai (north-south) direction and the ewa-diamondhead (east-west) direction. From the 3rd floor to the roof, there are approximately 994 tendons in the mauka-makai (north-south direction) and 2562 tendons in the ewa-diamondhead (east-west) direction.

OBSERVATIONS

On April 3 and April 21, 2003, I went to the Waikiki Terrace Hotel to observe the post-tensioned anchors for the building slabs. On April 11 and April 14, 2003, I went up on the "rig" with Structural Systems Inc. to observe the anchors up close.

By far, the makai (south) side of the building had the worst spalling and rusted post-tension anchors. The diamondhead (east) and mauka (north) sides were not as bad, but spalling and rusted tips of post-tension tendons were observed. Spalling and anchor damage were especially bad where AC units were observed to be dripping water onto the slab edges. For portions of the building where the rig was not used, observation was done with binoculars. No rusted post-tension anchors were observed on the ewa side of the building. The reason is probably because the "dead-end" post-tension anchors were embedded in a monolithic concrete pour. However, it should be noted that the exterior observations of the post-tension anchors and pockets do not necessarily indicate the condition of the tendons on the interior of the slab.

A summary of the post-tension anchor survey is as follows:

<u>Location</u>	<u>Exposed anchors</u>	<u>Observed "suspect" anchors*</u>	<u>Circular crack at anchors</u> (Approximate number)
Makai side	83	202	692
Diamondhead side	0	141	2421
Mauka side	0	43	951

Ewa side	<u>0</u>	<u>0</u>	<u>0</u>
Total	83	386	4064

- These anchor pockets had rusted p.t. strand tips visible or felt "hollow" when tapping on the pocket or the grout was protruding out.

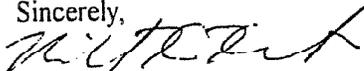
While on the rig, several anchor pockets were opened up to observe the condition of the anchor casting and the tendon. On the makai side, several anchor castings and tendons were observed to be badly rusted. On the diamondhead side, the 4 anchor pockets and tendons that were observed were found to be in good condition. Therefore, some percentage of the "suspect" anchors will have to be repaired, and a percentage of the anchor pockets with circular cracks observed will have to be repaired. For the purposes of estimating the number of anchors that will need to be repaired, it will be assumed that all 83 of the exposed anchors on the makai side will need to be repaired, 100% of the "suspect" anchors on the makai side will need to be repaired, 25% of the "suspect anchors on the diamondhead and mauka sides will need to be repaired, and 25% of the anchors with circular crack will need to be repaired.

Based on my observations, the observations of Structural Systems' crew on the rig, and the above assumptions, the total number of post-tensioned anchor and/ or tendon repairs could be as much as $[83 + 202 + (141 + 43) \times 0.25 + 4064 \times 0.25] = 1347$ anchors.

PRELIMINARY RECOMMENDATIONS:

1. As part of the repair of the post-tensioned anchors and tendons, some temporary shoring of the floors may be required depending on the number of tendons that are detensioned at one time
2. Investigative work should be done before proceeding with the post-tension repairs
 - a. Contractor should conduct a number of "pull-tests" to determine if strands still have tension in them.
 - b. Contractor should open up slabs in a number of locations to observe the condition of the tendons, whether there is tension in the tendons, and whether there has been water intrusion.
 - c. Ground penetration radar or X-ray of the slab should be considered.
 - d. Anchor pocket material should be checked. If the anchor pocket material is found to contain gypsum or have high chloride content, it is recommended that all anchor pocket material be removed and replaced with a cementitious grout material or Set 45.
3. After post-tension and spall repairs have been done, all lanai slabs and slab edges should be protected with a waterproof membrane.
4. The owner should allow for some contingency funds to be able to do future post-tension repairs.

Sincerely,



June 27, 2003

Metropolitan Management
55 Merchant Street Suite 2000
Honolulu, HI 96813

Attention: Mr. Ralph Ahles (ph. 536-3511, fax 537-3655)

Subject: Waikiki Terrace Hotel – June 25, 2003 field observation of “invasive probes” of post-tension tendons

Dear Mr. Ahles,

On June 25, 2003, I went to the Waikiki Terrace Hotel to observe the “invasive probes” of the post-tension tendons. Structural Systems, Inc. was asked to perform the work. Mr. Joe Pelletier of Sealmasters, Mr. Joe Enright of Structural Systems, Inc., Mr. Ralph Ahles, Mr. Duane Lee, Mrs. Reiko Ohtake, Mr. Kevin Showe, Mr. Joe Enright, Mr. Calvin Yokoo, Mr. Ed Golden, Mr. Mark Geoghegan, and other contractors and interested parties were present to observe the exposed tendons.

The “invasive probes” were done in rooms 306 and 310. A total of 4 “invasive probes” were done. The “invasive probes” consisted of excavating the 7.5” thick slab about 4 feet to 6 feet from the anchor in order to inspect the condition of the post-tension tendons.

Invasive probe #1 (room 306), makai side of building

An 18” x 18” excavation was done in line with the exposed anchor castings from the lanai. The concrete was lightweight concrete with black, cinder-like aggregate. A #6 rebar about 2” from the top of slab running east-west and #4 bar about 3” from the top of slab running north-south were observed. Four bundled tendons were found about 4.5 inches from the top of the slab. The black plastic sheaths were opened up. Two of the tendon had a thin coating of black grease on them. The third tendon had a yellowish white chalky material in the sheath. The 4th tendon had a grayish material in the sheath. No water was observed. A screwdriver was used to try to pry the individual strands. The strands could not be moved at all. All 4 tendons were observed to be in good condition.

Invasive probe #2 (room 306), makai side of building

An 18” x 18” excavation was done in line with the anchor castings which appeared to be exposed to the most water from the AC unit. The concrete was lightweight concrete with black, cinder-like aggregate. A #6 rebar about 2” from the top of slab running east-west was observed. Four bundled tendons were found about 5.5 inches from the top of the slab. The black plastic sheaths were opened up. Four of the tendons had a thin coating of black grease on them. No water was observed. A screwdriver was used to try to pry the individual strands. The strands could not be moved at all. All 4 tendons were observed to be in good condition.

Invasive probe #3 (room 310), diamondhead side of building

An 8" x 18" excavation was done in line with the anchor castings which appeared to be exposed to the most water from the AC unit. The concrete was lightweight concrete with black, cinder-like aggregate. Four tendons were found about 4.75 inches from the top of the slab. The black plastic sheaths were opened up. The tendons had a thin coating of black grease on them. No water was observed. A screwdriver was used to try to pry the individual strands. The strands could not be moved at all. All 2 tendons were observed to be in good condition.

Invasive probe #4 (room 310), diamondhead side of building (reported to Mike Kasamoto by Scott Patton of Structural Systems, Inc.)

An 16" x 16" excavation was done in line with the exposed anchor castings from the lanai. The anchor pockets appeared to be in good condition. The concrete was lightweight concrete with black, cinder-like aggregate. Two bundled tendons were found about 4.5 inches from the top of the slab. No water was observed. The black plastic sheaths were opened up. Two of the tendon had a coating of black grease on them. All 2 tendons were observed to be in very good condition.

Structural Systems Inc. will reseal and regrease the 12 exposed tendons and then fill the four excavations with SET 45 repair material.

Conclusions and Recommendations

All 14 tendons observed in the excavations appeared to be in good condition. The favorable observations of fourteen 3rd floor post-tensioned tendons cannot be extrapolated to the other floors. It cannot be concluded from this very small sampling that all of the other 3500 or so post-tensioned tendons are in similar condition. But the findings of the 4 "invasive probes" are definitely positive.

Where the tendon "tails" are observed to have a significant loss of cross-section, it is recommended that the anchor castings and 4 to 6 feet of tendon be replaced with encapsulated anchor castings and retensioned. Approximately 104 such anchors were observed on the makai side. By retensioning the tendons, in effect, a "load test" of the existing tendon will be performed.

Since lab tests indicate that there is gypsum in the anchor pocket material, it is recommended that all stressing anchor pockets be cleaned out and refilled with a cementitious repair mortar. Repair materials containing gypsum and exposed to moisture have been found to promote corrosion of steel. If when cleaning out the anchor pocket, a badly rusted tendon tail is found, replacement of the anchor casting and 4 to 6 feet of tendon is recommended.

Sincerely,

M. L. R. F.

Breathe easy

I. INTRODUCTION

In June 2003, AIRCARE ENVIRONMENTAL SERVICES, INC. conducted an investigation of the back-of-the-house areas at the Waikiki Terrace Hotel. This indoor air quality (IAQ) and mold survey was requested by Mr. Ralph Ahles, Metropolitan Management, National Housing Corporation's representative and Mr. Kevin Showe, National Housing Corporation, potential new owners of the property. The purpose of the investigation was to determine the impacts on planned renovations in regards to potential mold contamination.

The hotel's back-of-the-house areas are currently served by a central air conditioning system. The mezzanine portion of the back-of-the-house areas sustained considerable water damage in recent months. Though mechanical plans and repair history were unavailable during the investigation, the source of the water intrusion appeared to have been from leaking or condensation from the air conditioning system and from precipitation from outdoor sources.

Under these terms and criteria, the following professional services were performed:

- **Visual Inspection and Assessment of Indoor Environment:** Inspection and assessment of the back-of-the-house areas to determine housekeeping practices and visible microbial contamination.

A moisture meter was used to assist in locating any potentially high moisture levels within wall cavities.

- **Microbial Screen Sampling:** Samples were collected using the WallChek™ device that works in conjunction with Air-O-Cell™ cassettes to sample areas within a wall cavity. The Air-O-Cell™ cassette is a unique sampling device designed for the rapid collection and analysis of a wide range of particles, including fungal spores.

Sample collection conformed to methods recommended by the ACGIH. Samples were sent to an independent certified microbiological laboratory for enumeration and identification of spore trap fungi samples to determine species and possible health concerns suggested by industry professionals.

Breathe easy

The following ten (10) back-of-the-house areas were selected for sampling:

Lobby

Reservations Manager's Office Wall/Reservation's Wall
Reservations Manager/Accounting Manager's Wall
Pony Wall (divider wall: Reservations Department/Entry to Lobby)
Front Desk (office wall behind front desk)

Mezzanine

Ballroom (Sample A-back of ballroom)
Ballroom (Sample B-kitchen entrance to ballroom)
Kitchen
Bar
Mezzanine Restaurant (Sample A-mauka wall)
Mezzanine Restaurant (Sample B-pillar)

IAQ test results conducted by AIRCARE ENVIRONMENTAL SERVICES, INC. were compared to the latest regulatory industry standards. Existing standards are guidelines and each case is evaluated on an individual basis to assure proper IAQ. Test results represent "moments in time/space" of the sampled medium and are primarily used as a baseline for this study.

II. SUMMARY AND CONCLUSION

Visual Inspection and Assessment

Visual inspection of the back-of-the-house areas revealed generally good housekeeping except where described below. Moisture levels appeared to be low in all back-of-the-house areas tested:

Lobby: The hotel lobby common areas appeared to be in good condition. There was no visible evidence of water intrusion or microbial contamination observed.

Front Desk: Generally good housekeeping except for stained and damaged ceiling tiles, stained carpets in the offices behind the Front Desk area, evidence of previous water intrusion.

Bellman's Department: There was no visible evidence of water intrusion or microbial contamination observed. The Bellman's Department is surrounded on three sides by hollow-tile and concrete walls and a gated fence makes up the last wall.

Accounting Manager's Office: The Accounting Manager's Office's back door opens to the Bellman's Department. Heavy dust accumulation was noted only on the manager's

Breathe Easy

side of the door. Heavy dust accumulation was also noted within the Manager's Office on walls and return vent. According to the Reservation's Manager, in the adjacent room, the Accounting Manager's return vent services the Accounting and Reservations Offices. The system recirculates the air that eventually funnels through to the vent in the Accounting Manager's Office. Old and stained carpets were observed. It is important to note that the Accounting Manager has relocated her desk to the Reservations Department to avoid flu-like symptoms that she experienced in the Accounting Manager's Office.

Reservations Manager's Office: A stained ceiling tile was also observed in this office. According to the Reservation's Manager, the stain was from a leak that originated from the "Veranda Restaurant" above. The Office vent appeared dusty and the carpet appeared old and stained. Some damaged ceiling tiles were observed. Two (2) dusty supply vents were observed.

Reservation's Department: Dirty light fixtures and old and stained carpet were observed. Damaged ceiling tiles were observed.

Mezzanine: The common areas on the Mezzanine appeared to be in relatively good condition with no visible evidence of water intrusion observed.

Ballroom: Musty odor, lifting of fabric wall covering, stained walls, dirty supply vents and dirty ceiling tiles were observed. An active leak was also observed at the entrance to the kitchen.

Kitchen: Severe damage to kitchen walls and floor tiles was observed. Dirty exhaust vents, stained, damaged, and bowed ceiling tiles and musty odor was observed. The kitchen was very dusty and in disrepair at the time of the investigation.

Bar: Musty odor, water damaged window ledges, missing fixtures, lifting wall covering and painted surfaces, stained and missing ceiling tiles and dusty return vents were observed.

Restrooms: A strong sewage odor was observed.

Conference Room Area: Except for slightly dirty ceiling tiles, missing light fixtures and a dirty supply vent, the Conference Room was in relatively good condition with no significant odors observed.

Mezzanine Restaurant: Musty odor, stained carpet, stained walls, missing fixtures, dirty supply vents, bubbling paint and stained, missing and damaged ceiling tiles were observed. A swarm of flies occupied the area near the outside window ledge.

Breathe easy

Microbial Screen Sampling

Microbial screening of air samples within the back-of-the-house areas revealed the following airborne fungi spores (see Fungal Spore Glossary for definitions):

Front Desk Sample:

Amerospores
Aspergillus/Penicillium

Reservations/Accounting Samples:

Amerospores
Aspergillus/Penicillium
Basidiospores
Chaetomium
Cladosporium

Mezzanine (Ballroom, Kitchen, Bar, Restaurant) Samples:

Alternaria
Amerospores
Ascospores
Aspergillus/Penicillium-Like
Basidiospores
Chaetomium
Cladosporium
Curvularia
Nigrospora
Pithomyces/Ulocladium
Rust
Smuts/Myxomycetes
Stachybotrys
Unidentified Conidia

No heightened levels of spores were observed in the back-of-the-house areas selected. However, the existence of *Stachybotrys*, *Aspergillus*, Amerospores and Ascospores indicate an existing moisture issue within the kitchen/ballroom wall, kitchen, bar and restaurant pillar locations sampled. As noted previously, during the investigation, the area near the kitchen/ballroom sample was dripping and the carpet and curtain were stained and wet. According to the maintenance staff, the cause was probably pipe condensation from the air conditioning system. A more probable cause was a leaking pipe rather than condensation due to the frequency of the water droplets. Investigators were unable to access the area of the leakage at the time of the investigation to confirm.

Breathe easy

III. RECOMMENDATIONS

The following is recommended for the back-of-the-house areas within the Waikiki Terrace Hotel:

- Materials such as, ceiling tiles, light fixtures, carpets, walls, wall coverings, supply and return registers and ducts, AHUs and HVAC insulation should be cleaned or replaced when damaged, contaminated or stained, as necessary, to prevent potential aerosolization of contaminants into the occupied spaces. Surfaces exhibiting excessive dust or debris accumulation should be cleaned.
- HVAC systems should be cleaned and contaminated surfaces, disinfected. Replace or remove any contaminated insulation. Application of an anti-fungal coating will also prevent further mold growth.
- We recommend keeping relative humidity below 60% and temperatures between 68°F to 76°F where possible. Studies have demonstrated that maintaining levels within the recommended ranges are important for minimizing IAQ problems such as fungal proliferation.
- Damaged or missing window seals should be repaired or replaced to prevent the potential for water intrusion and subsequent mold growth as well as, preventing other contaminants such as insects from entering the indoor spaces.
- Sources of water intrusion should be found and repaired immediately. Water should be thoroughly extracted within 48 hours of the intrusion to mitigate the potential for moisture reservoirs and to prevent fungal growth.
- The HVAC system should function efficiently to provide adequate ventilation and minimize potential IAQ issues. It is suggested that a test and balance contractor be consulted to provide adjustments and/or recommendations for efficient, cost effective strategies.
- Proper containment, personal protective equipment (PPE) and procedures should be utilized and followed when disturbing or removing contaminated materials to protect against further contamination and to insure the safety of workers and visitors of the hotel.

It is recommended that the U.S. Environmental Protection Agency (EPA) and the New York City Guidelines be consulted when removing or disposing of damaged and contaminated materials.

Breathe easy

- Develop and implement appropriate protocols to address employee health concerns as they occur.
- Proper maintenance procedures should be developed and maintained. Scheduled cleaning should be incorporated as part of the resort's preventative maintenance program. Good mechanical hygiene and good housekeeping practices should optimize clean air delivery.

These procedures are *vital* in the mitigation of future climatic/comfort complaints.

No part of this report is meant as medical advice, nor should it be construed as such. The main purpose of this report is to provide guidance in addressing potential air quality concerns as limited to the scope of this assignment.

EXECUTIVE SUMMARY

Phase I Environmental Site Assessment with a Limited Asbestos Survey and Mold/Fungal Evaluation, Waikiki Terrace Hotel, 2045 Kalakaua Avenue, Honolulu, Oahu, Hawaii (the "subject property"). The objective of the assessment was to provide an independent, professional opinion regarding recognized environmental conditions, as defined by ASTM, associated with the subject property.

This assessment was performed under the conditions of, and in accordance with Proposal Number 02-HI-9467, dated December 16, 2002, and ASTM E1527-00, *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*. Any exceptions to, additions to, or deletions from the ASTM practice are described in the report. Details of the work performed, sources of information, and findings are presented in the report. Limitations of the assessment are described in Sections 1.2 and 1.3.

The subject property is a resort hotel property, located on 26,164 square feet in a vacation resort setting. The subject property is developed with a 17-story hotel building, containing a lobby and mezzanine level below 15 guest room floors (with a total of 242 guest rooms), and two basement parking levels. Parking is also provided on the lobby level. The building at the subject property was constructed during 1971. The planned short term use for the subject property is continued operation as a resort hotel.

The historical research presented in this report has established the use of the subject property since 1909-1913. Topographic maps from 1909-1913 and 1927-1930 indicated small square structures, most likely houses, in the general vicinity of the subject property. Kalakaua Avenue was also shown, and the areas to the south and west were labeled "Fort DeRussy." A fire insurance map from 1927 showed the subject property mostly vacant, with one residential dwelling in the southern portion. The 1947 and 1956 fire insurance maps showed the subject property developed with a drugstore, liquor warehouse, auto stand (garage), bar with adjoining liquor store, and an ice cream factory. According to the 1975 fire insurance map, the current hotel building on the subject property was built during 1971-72. Tax assessment records showed that various entities have owned and/or leased the subject property since 1940, but none of the past owners or lessees appear to have conducted activities of environmental concern at the subject property.

This assessment has revealed no evidence of *recognized environmental conditions*, as defined by ASTM, in connection with the subject property, except for the following:

- An electrical transformer vault containing two large floor-mounted transformers is located in the B-1 basement level of the subject building. These transformers are owned by the property owner (Otake Holdings, Inc.). According to Mr. Calvin Yoko'o, Chief Engineer at the subject property, the vault door formerly had a small, paper sign indicating that the transformers were non-PCB units. However,

EXECUTIVE SUMMARY
(Continued)

the sign was old and faded, and was discarded when the door was replaced recently. Mr. Yoko'o had no other documentation on the PCB status of the transformers. During site inspection, the concrete floor around the transformers was cracked and stained, and a floor drain and capped pipe end were observed on the floor between the two transformers. According to Mr. Yoko'o, the floor drain empties into the sump located on the B-2 Basement Level, which discharges to Kalakaua Avenue. Mr. Yoko'o had no knowledge of the capped pipe end in the transformer vault.

This finding is considered a recognized environmental condition because there is evidence of a release. Documentation should be obtained, if available, to assess whether the transformers contain (or formerly contained) PCB fluids. If no documentation is available, the fluids within the transformer(s) should be sampled and analyzed for PCB content. Whether or not this documentation is available, recommends cleaning the stained floor, repairing the cracks in the floor, and conducting a subsurface investigation to assess potential contamination to the underlying soil and groundwater.

The following environmental conditions, which are not considered to be *recognized environmental conditions*, as defined by ASTM, were revealed during this assessment:

- A limited asbestos survey, consisting of the collection of 133 total samples, was conducted that included sampling and analysis of suspect asbestos-containing materials (ACM) from the subject building. Based on polarized light microscopy (PLM) analysis, the following materials were confirmed as ACM:
 - A total of 46 mudded joint packings (MJPs) on elbows and joints of fiberglass-insulated domestic hot water pipes, located in the hot water heater room and air handler unit (AHU) room of the mechanical penthouse on the building rooftop.
 - Approximately 150 square feet of 12- by 12-inch beige (with brown streaks) floor tile and associated mastic, located in the telephone equipment room of the penthouse on the building rooftop.
 - Approximately 50 linear feet of mastic underneath beige cove base, located in the telephone equipment room of the penthouse on the building rooftop.
 - Approximately 150,000 square feet of joint compound on gypsum wall board, located on interior walls throughout the building (except for structural and load-bearing walls).
 - Approximately 450 square feet of mastic underneath 9- by 9-inch light brown floor tiles, located in the employee breakroom on the B-1 Basement Level.
 - Approximately 450 square feet of 2- by 4-foot "fissure" drop ceiling panels, located in the employee breakroom on the B-1 Basement Level.

EXECUTIVE SUMMARY (Continued)

- Approximately 60,000 square feet of stucco finish coat, located on textured exterior walls throughout the building.
- Approximately 70 square feet of 12- by 12-inch beige (with brown streaks) floor tile and associated mastic, located in the storage room of the Terrace Ballroom on the Mezzanine Level.

Because asbestos is present, the building owner or leased space tenant must comply with applicable USEPA NESHAPS and local regulations. By rule, the hazard communication requirements of OSHA 29 CFR 1926.1101 must be implemented for identified ACM and PACM. An Operations and Maintenance Program is recommended to implement these requirements. This is required for PACM, as well as asphalt and vinyl flooring installed before 1981, unless an asbestos inspection, complying with 40 CFR Part 763, Subpart E (AHERA), confirms that ACM is not present.

Prior to any activities (i.e., repair, renovation, demolition) which may disturb suspect ACM or PACM, these and similar materials should be sampled and analyzed for possible asbestos content. If these materials are found to contain asbestos, the building owner or leased space tenant may be required to comply with applicable USEPA, OSHA, NESHAPS, and state and local regulations.

- performed an inspection of the subject building for evidence of mold and fungal growth, which revealed that the majority of the building has been well maintained with no visible mold observed in the public areas or in the guest rooms inspected. In addition, the hotel has a cleaning program for the air-conditioning units in the guest rooms, which includes regularly-scheduled replacement of the air filters and cleaning of the condensate pans. However, noted visible mold/fungal growth on the walls and floors throughout the Terrace Ballroom kitchen areas, located on the mezzanine level. The kitchen areas have not been in use for approximately one year, and it appeared that these areas were not cleaned sufficiently following the kitchen closure.

Based on our limited inspection, recommends that the kitchen areas associated with the Terrace Ballroom be thoroughly cleaned with a non-ionizing detergent such as tri-sodium phosphate (TSP). The hotel should continue their cleaning program for the guest rooms, making sure that the condensate pans in the individual air-conditioning units are free from standing water, mold/fungal growth, and algae growth. Commensurate care should also be applied to the cooling coils and fan assemblies. The AHUs associated with the HVAC system for the lobby and mezzanine levels, including the ballroom on the mezzanine level, should be dismantled and thoroughly inspected, and should be included in the cleaning program that is currently used for the guest rooms.

EXECUTIVE SUMMARY
(Continued)

- A dumbwaiter formerly used to transport goods to the Terrace Ballroom kitchen was observed in the B-1 basement level, near the transformer vault. The mechanical equipment for this dumbwaiter was not readily apparent, so it is unknown whether it is a hydraulic- or electric-powered dumbwaiter.

This finding is not considered a *recognized environmental condition* because there is no evidence of a release. However, recommends further investigation to determine whether the dumbwaiter is hydraulic- or electric-powered. If it is hydraulic- powered, recommends assessing the equipment and surrounding area for evidence of releases and testing the hydraulic fluid for PCBs.

Executive Summary

Architectural Barrier Identification Study and Barrier Removal Cost Report

Waikiki Terrace Hotel

2045 Kalakaua Avenue, Honolulu

January 10, 2003

The following is an Executive Summary of our findings of the barrier identification survey conducted on the Waikiki Terrace Hotel 2045 Kalakaua Avenue, Honolulu on January 10, 2003. The Survey was conducted to identify existing architectural barriers, as that term is defined in the ADA, Title III rules and regulations, and to provide a recommended course of action and an estimated cost, to remove each barrier for compliance with the applicable provisions of the ADA, Title III Accessibility Guidelines (ADAAG).

Barrier Removal

The removal of existing architectural barriers is subject to the "readily achievable" clause in Title III. That is, the removal of a particular barrier must be "affordable and easily accomplished" prior to modifying a particular element. A plan should be developed, based on existing budgetary projections, outlining a time line to remove existing architectural barriers.

The U. S. Department of Justice, the enforcement agency for Title III of the ADA suggests that barriers be removed in the following priority. This priority has been included in the barrier identification report.

- Priority #1: Arrival points and entrances (i.e. pedestrian routes, parking and passenger loading zones)
- Priority #2: Interior routes (i.e.: corridors, stairs, elevators, doors, thresholds and door hardware).
- Priority #3: Restrooms
- Priority #4: Other features (i.e. drinking fountains, public payphones, etc.)

Employment Areas

Barrier removal in places restricted to employees only is not required. However, whenever a planned alteration to such locations is conducted, then at that time architectural barriers must be removed. In addition, whenever an existing employee, or new hire, who may have a disability requests a modification to accommodate their disability, then that modification, as long as it does not place an undue financial hardship on the employer, must be completed.

Cost Report

The estimated costs to remove each barrier include labor and materials. These costs do not include fees associate with plans, specifications or engineering work, unknown existing conditions (i.e.: upgrade of the electrical system to facilitate additional visual alarm strobe lights or additional work often completed in conjunction with barrier removal such as the replacement of floor or wall tile in restrooms). The estimated costs in the report may be used when applying for a tax credit, after removing architectural barriers, under the Omnibus Tax Reconciliation Act.

Parking

Each accessible parking stall and access aisle must be identified with signage. I have attached a copy (see report overview) of the new State of Hawaii Title 11, Chapter 219 regulations outlining the requirements for signage at accessible parking stalls and access aisles. This regulation applies to all parking lots, both public and private. Under HRS Ch. 291, Part III, lots not displaying these new signs after July 1, 2002 would be subject to fines between \$250. and \$500. each day of the violation. (See rules and diagrams in the Overview section of this report).

###

The following report is an overview of our findings. The master report must be viewed to determine all barriers identified and the specific recommendations and estimated costs for their removal.

Pedestrian Access

An accessible pedestrian route is provided leading from the public sidewalk to the landing at the entrance stairway. Directional signage is provided indicating that an accessible route is provided via a ramp to the lobby side entrance. The ramp along the side of the building leading to the entrance does not provide an intermediate level landing and the handrails are not provided on both sides of the ramp, for the full length of the ramp.

Parking

Parking is provided for seventy vehicles. Three designated accessible parking stalls are provided including a van accessible stall. One accessible parking stall does not provide an access aisle that extends the full length of the stall. Relocate the non-compliant accessible parking stall to the parking stall adjacent to the pedestrian exit opposite the service elevator.

The signage at the head of the stalls does not comply with the new requirements of the HAR 11-219. Compliant signage has been ordered or is on property and installation has been planned.

Entrances

The side entrance complies. The door leading from the garage to the lobby entrance provides non-accessible door hardware.

Interior Paths of Travel

The elevators do not provide tactile (raised numbers) and Braille signage indicating the floor number on the elevator door jambs on all floors.

"Exit" signage is not presently displayed in tactile, raised lettering, and Braille in ballroom and restaurant. "Staff Only" signage is not displayed in tactile/Braille in the corridors and adjacent to the ballroom.

Door hardware at the Business Center is not an accessible type.

Tables at the restaurant and pool do not provide the required knee clearance.

Guestrooms

A total of 242 guestrooms are provided including seven (7) designated accessible guestrooms, of which three (3) provide roll-in showers. A total of ten (10) guestrooms, accessible to persons with mobility impairments, including three (3) with roll-in showers are required. A total of seventeen (17) rooms including the above rooms are required to be accessible to persons with hearing impairments. A total of five (5) hearing impaired kits are available.

Two designated accessible rooms, one with a tub and one with a roll-in shower, were surveyed and it was indicated that these rooms were typical of the remainder of the accessible rooms. The master report must be viewed to determine barrier removal requirements for the accessible guestrooms.

Restrooms

Public restrooms are provided on the Mezzanine level, at the pool and in the restaurant, none of the restrooms are accessible, the master report must be viewed to determine the barrier removal requirements at each restroom. At such time as at least one set of restrooms is altered to comply, then directional signage must be provided at the other restrooms indicating the location of the accessible restrooms.

Other Access

An accessible route is not provided to the Spa located at the pool.

The freestanding drinking fountain at the fitness center is located higher than 36" to the spout. Either provide a hi/low double bowl fountain or a cup dispenser.

The stage located in the ballroom does not provide the required accessible route (ramp or lift). Until such time as a ramp or lift is readily achievable (affordable), the stairs must provide accessible handrails.

The following report must be referenced to determine all barriers identified and detailed corrective actions

(A) RESERVES CASH FLOW COMPUTATIONS

COMPONENT	[A] USEFUL LIFE	[B] REMAIN LIFE	[C] REPLACE COST	[D] ANNUAL CONTRIB	[E] SCHEDULE BALANCE	[F] ACTUAL BALANCE	[G] ANNUAL DEFICIT	[H] 100% CONTRIB	[I] 50% CONTRIB	[J] PERCENT FUNDED
1 AIR-CONDITIONING SYSTEM										
Chiller #2 (Carrier)	25	24	110,000	4,400	4,400	3,300	46	4,446	2,223	75%
Chiller #2 Water Pumps	15	10	5,000	333	1,667	1,250	42	375	188	75%
Chiller #2 Water Pipe Insulation	30	10	25,000	833	16,667	12,500	417	1,250	625	75%
Fan Coil Units	30	3	56,000	1,867	50,400	37,800	4,200	6,067	3,033	75%
2 DOMESTIC WATER SYSTEM										
Booster Pumps (Vertical Drive)	20	2	30,000	1,500	27,000	20,250	3,375	4,875	2,438	75%
Pressure Regulating Valves (PRV's)	5	2	2,500	500	1,500	1,125	188	688	344	75%
3 DRIVEWAY/RAMP SURFACES										
Front Entrance Drive-Thru	20	19	20,000	1,000	1,000	750	13	1,013	507	75%
Upper Parking Access Ramp	20	19	36,000	1,800	1,800	1,350	24	1,824	912	75%
Lower Parking Access Ramp	20	19	30,000	1,500	1,500	1,125	20	1,520	760	75%
4 ELECTRICAL SYSTEM										
Electrical Capacitor Bank	30	29	20,000	667	667	500	6	672	336	0%
Electrical Main Switch Gear	30	20	300,000	10,000	100,000	75,000	1,250	11,250	5,625	75%
Electrical Dry Transformers	30	20	22,000	733	7,333	5,500	92	825	413	75%
5 ELEVATORS										
Cab Interiors	10	9	15,000	1,500	1,500	1,125	42	1,542	771	75%
Control Modernization	30	15	330,000	11,000	165,000	123,750	2,750	13,750	6,875	75%
6 EMERGENCY POWER										
Basement Generator	30	25	70,000	2,333	11,667	8,750	117	2,450	1,225	75%
ATS Panel To Basement Generator	30	25	10,000	333	1,667	1,250	17	350	175	75%
Roof-Top Generator	30	5	25,000	833	20,833	15,625	1,042	1,875	938	75%
ATS Panel To Roof-Top Generator	30	5	5,500	183	4,583	3,438	229	413	206	75%
7 EXHAUST SYSTEMS										
Basement Garage Exhaust Fan	25	15	35,000	1,400	14,000	10,500	233	1,633	817	75%
Main Switch Gear Room Fans	20	8	1,000	50	600	450	19	69	34	75%
Building Ventilator Fans	20	8	20,000	1,000	12,000	9,000	375	1,375	688	75%
8 FIRE ALARM SYSTEM										
Fire Annunciator Panel	30	15	12,000	400	6,000	4,500	100	500	250	75%
Fire Sprinkler Flow Signal/Main Panel	30	15	2,500	83	1,250	938	21	104	52	75%
Fire Sprinkler Flow Signal Alarm	30	20	12,800	427	4,267	3,200	53	480	240	75%
Flash Units, Pull Stations & Smoke Det	30	20	64,000	2,133	21,333	16,000	267	2,400	1,200	75%
9 FIRE SUPPRESSION SYSTEMS										
Fire Sprinkler Pumps	25	12	25,000	1,000	13,000	9,750	271	1,271	635	75%
Fire Pump Control Panel	25	12	12,000	480	6,240	4,680	130	610	305	75%
Fire Sprinkler Main Valve	25	12	7,000	280	3,640	2,730	76	356	178	75%
Fire Sprinkler Heads	30	18	55,000	1,833	22,000	16,500	306	2,139	1,069	75%
Fire Hoses & ABC Extinguishers	6	5	7,500	1,250	1,250	938	63	1,313	656	75%
Dry Standpipe	30	18	15,000	500	6,000	4,500	83	583	292	75%

COMPONENT	[A] USEFUL LIFE	[B] REMAIN LIFE	[C] REPLACE COST	[D] ANNUAL CONTRIB	[E] SCHEDULE BALANCE	[F] ACTUAL BALANCE	[G] ANNUAL DEFICIT	[H] 100% CONTRIB	[I] 50% CONTRIB	[J] PERCENT FUNDED
10 HALLWAY CORRIDORS										
Hallway Carpeting	8	7	32,000	4,000	4,000	3,000	143	4,143	2,071	75%
Hallway Wallcovering	8	7	22,500	2,813	2,813	2,109	100	2,913	1,456	75%
11 HOT WATER SYSTEM										
Circulating Pumps	15	7	1,500	100	800	600	29	129	64	75%
Gas Backup Boilers	20	5	14,000	700	10,500	7,875	525	1,225	613	75%
Heat Recovery Units	20	19	10,000	500	500	375	7	507	253	75%
Hot Water Storage Tank	15	14	8,500	567	567	425	10	577	288	75%
12 LANDSCAPING										
Ground Cover Replacement	10	9	5,000	500	500	375	14	514	257	75%
Planter Box Membranes	10	9	20,000	2,000	2,000	1,500	56	2,056	1,028	75%
Trees & Shrubs	30	15	10,000	333	5,000	3,750	83	417	208	75%
13 LIGHTING										
Exit Lights	30	15	5,000	167	2,500	1,875	42	208	104	75%
Corridor Lighting	30	15	27,000	900	13,500	10,125	225	1,125	563	75%
Garage Lighting	30	20	5,000	167	1,667	1,250	21	188	94	75%
Landscape Lighting	15	3	2,500	167	2,000	1,500	167	333	167	75%
Stairwell Lighting	30	10	1,500	50	1,000	750	25	75	38	75%
14 MAIN LOBBY										
Floor Covering	20	10	24,000	1,200	12,000	9,000	300	1,500	750	75%
Art Work & Furnishings	15	14	10,000	667	667	500	12	679	339	75%
Glass Entry Doors	25	15	20,000	800	8,000	6,000	133	933	467	75%
Glass Rail Panels	25	15	10,000	400	4,000	3,000	67	467	233	75%
Lobby Lighting	25	15	5,000	200	2,000	1,500	33	233	117	75%
15 MISCELLANEOUS EQUIPMENT										
Janitorial Equipment	5	3	3,000	600	1,200	900	100	700	350	75%
Maintenance Equipment	15	10	10,000	667	3,333	2,500	83	750	375	75%
16 PAINTING										
Building Exterior	12	11	200,000	16,667	16,667	12,500	379	17,045	8,523	75%
Elevator Doors & Frames	15	14	11,000	733	733	550	13	746	373	75%
Garage Interior	15	9	15,000	1,000	6,000	4,500	167	1,167	583	75%
Perimeter Walls & Planters	15	14	5,000	333	333	250	6	339	170	75%
17 RECREATION DECK										
Exercise Room Equipment	10	5	5,000	500	2,500	1,875	125	625	313	75%
Swimming Pool	25	24	25,000	1,000	1,000	750	10	1,010	505	75%
Pool Pump & Filter	15	5	2,500	167	1,667	1,250	83	250	125	75%
Recreation Roof Deck Furniture	10	9	2,000	200	200	150	6	206	103	75%
Recreation Deck Restrooms	20	12	5,000	250	2,000	1,500	42	292	146	75%
Recreation Deck Surface	25	24	125,000	5,000	5,000	3,750	52	5,052	2,526	75%
18 RAILINGS										
Lanai Railings	30	15	10,000	333	5,000	3,750	83	417	208	75%
Stairway Railings	30	15	5,000	167	2,500	1,875	42	208	104	75%
Walkway Railings	30	20	3,000	100	1,000	750	13	113	56	75%

COMPONENT	[A] USEFUL LIFE	[B] REMAIN LIFE	[C] REPLACE COST	[D] ANNUAL CONTRIB	[E] SCHEDULE BALANCE	[F] ACTUAL BALANCE	[G] ANNUAL DEFICIT	[H] 100% CONTRIB	[I] 50% CONTRIB	[J] PERCENT FUNDED
19 ROOFS										
Main Building Roof	20	19	175,000	8,750	8,750	6,563	115	8,865	4,433	75%
Mechanical & Boiler Room Roof	20	19	25,000	1,250	1,250	938	16	1,266	633	75%
Elevator Machine Roof	20	19	15,000	750	750	563	10	760	380	75%
1st, 7th & 10th Floor Flat Roof Decks	15	5	50,000	3,333	33,333	25,000	1,667	5,000	2,500	75%
20 SANITARY PUMP SYSTEM										
Lift Control Alarm Panel	15	14	1,500	100	100	75	2	102	51	75%
Sanitary Lift Pump	15	14	6,000	400	400	300	7	407	204	75%
21 SECURITY SYSTEMS										
Cameras, Monitors & Recording System	15	14	15,000	1,000	1,000	750	18	1,018	509	0%
Detex Guard Patrol Monitoring System	10	9	2,500	250	250	188	7	257	128	0%
Electronic Door Access System	12	11	40,000	3,333	3,333	2,500	76	3,409	1,705	0%
22 STORM DRAIN PUMP SYSTEM										
Storm Drain Control Panel	15	14	5,000	333	333	250	6	339	170	75%
Storm Drain Lift Pumps	15	14	10,000	667	667	500	12	679	339	75%
23 STRUCTURAL REPAIRS										
Concrete Spalling	12	11	20,000	1,667	1,667	1,250	38	1,705	852	75%
Post-Tension Cables	12	11	50,000	4,167	4,167	3,125	95	4,261	2,131	75%
Rail Post Pockets	12	11	10,000	833	833	625	19	852	426	75%
24 TRASH REMOVAL										
Trash Doors & Chute	30	10	45,000	1,500	30,000	22,500	750	2,250	1,125	75%
Trash Room	10	9	20,000	2,000	2,000	1,500	56	2,056	1,028	75%
25 WINDOW SYSTEMS										
Window Re-caulking	12	11	45,000	3,750	3,750	2,813	85	3,835	1,918	75%
Sliding Glass Door Replacement	20	19	125,000	6,250	6,250	4,688	82	6,332	3,166	75%
Mezzanine Glass Panels	20	19	10,000	500	500	375	7	507	253	75%
CONTINGENCY RESERVES (5% of Ann Contrib)				6,847				6,847	3,423	
COMPUTATION TOTALS			\$2,710,800	143,779	753,243	\$ 564,932	22,123	165,902	82,951	

COLUMN CALCULATIONS Add=(+); Subtract=(-); Multiply=(x); Divide=(/)
 [A] Useful Life = Published Guide Indexes
 [B] Remaining Life = Column A-Year in Service
 [C] Replacement Cost = Contractor Estimates
 [D] Annual Contribution = Columns C/A
 [E] Scheduled Balance = Columns Cx(A-B)/A
 [F] Actual Balance = Association Records
 [G] Annual Deficit = Columns E-F/B
 [H] 100% Contribution = Columns D+G
 [I] 50% Contribution = H/2
 [J] Percent Funded = Columns F/E

National Housing Corporation
55 Merchant Street, Suite 2000
Honolulu, Hawaii 96813

Attention: Mr. Kevin M. Showe

Reference: Waikiki Terrace Hotel Preliminary Report.

Dear Kevin:

At your request on Tuesday, November 18, 2003, we went to the Waikiki Terrace Hotel to review and observe some unusual cracks in the concrete slab that were discovered while the ongoing renovations to the building were being implemented. Greg Stockle and Mark Geoghegan of Structural Tech were present during the observation.

The area that we inspected was the corner units facing the makai/ewa side of the building. The concrete slab at the column joint, adjacent to the lanai sliding door, had spider web type of cracks radiating from the column. Other cracks observed were perpendicular to the column running into the room. There were other cracks on the ledge, outside the end partition wall, parallel to the lanai. More cracks were observed on the lanai slab as well as a definite sag towards the lanai edge. We also observed the opposite corner unit towards Diamond Head. The cracks around that lanai column were lesser in quantity and smaller in width.

Our engineering analysis of the existing structural system indicates that the slab-punching shear around the column exceeds current occupancy building code, assuming concrete strengths of 4000 PSI, as noted on the existing drawings. Currently, the exterior partition wall is supporting the slab edge, however, this wall was not designed or intended to be load bearing. The wall is constructed from light gauge steel studs with a stucco concrete exterior finish and does provide some load bearing capacity. This type of stucco wall has a limited capacity and once this capacity is reached, the stucco concrete layer can burst and the light gauge steel studs will buckle. The existing drawings show a large amount of reinforcing steel across this column and the post-tension cables are placed in one direction only, perpendicular to the column larger face. The other direction has no post-tension cables, more than likely because the design tension in the cables cannot be accomplished in this short of a span.

We are not exactly sure what were the design parameters at the time of the design, and if this condition was assumed to be acceptable. It is quite clear however that this joint is overloaded by the type of cracks that has been experiencing. Punching shear failure is very serious in nature, therefore it is imperative that this area undergoes an immediate retrofit to provide additional structural support.



Allison - Ide
Structural Engineers LLC
900 Fort Street Mall Suite 1670
Honolulu Hawaii 96813
Ph: (808)536-2108 - Fax: (808)521-3000

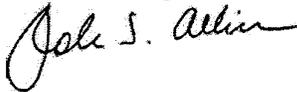
PRELIMINARY PROPERTY REVIEW REPORT
STRUCTURAL

December 5, 2003 - Page 1 of 3
AISE Job No.: 03-034.00

At present, we are reviewing the two most reasonable options to correct the punching shear problem. Both of these solutions involve adding a steel beam lengthwise with the lanai, across the column, and into the concrete wall at the emergency exit stairs. We will need to do some field verifications of the existing condition, floor framing, and related structural elements of the lower levels, early next week. We are aiming to produce schematic drawing of these two options for review and pricing by the second week of December 2003.

Sincerely,

Allison Ide
Structural Engineers LLC



John S. Allison, S.E.
President



Allison - Ide
Structural Engineers LLC
900 Fort Street Mall Suite 1670
Honolulu Hawaii 96813
Ph: (808)536-2108 - Fax: (808)521-3000

PRELIMINARY PROPERTY REVIEW REPORT
STRUCTURAL
December 5, 2003 - Page 2 of 3
AISE Job No.: 03-034.00

EXHIBIT I SUMMARY OF SALES CONTRACT AND ESCROW AGREEMENT

The Sales Contract provides for the sale of an Apartment by the developer to a Buyer. The Escrow Agreement provides how the funds paid by Buyer under the Sales Contract to Escrow are to be held and released. Both the Sales Contract and Escrow Agreement contain many important provisions which are not set out here and should be carefully reviewed by every prospective Buyer. Both documents have been written in language intended to be easier for Buyers to read than that used in traditional legal documents. This summary is not complete and will not control in the event of any conflict with a provision in the Sales Contract or the Escrow Agreement. Prospective Buyers are cautioned and encouraged to read carefully the Sales Contract and Escrow Agreement

SALES CONTRACT:

1. In the Sales Contract the developer is called "Seller". The Sales Contract provides for the number, amount and timing of payments Buyer is to make to Escrow. The Sales Contract provides that Developer will receive any interest earned on Buyer's deposits.
2. The Sales Contract describes the "Property" being sold, including the Apartment, its common interest, parking stall if any and personal property listed on a schedule attached to the Sales Contract.
2. The Sales Contract confirms that Buyer has had the opportunity to read and approve certain important legal documents for the Project, including the Declaration and the Bylaws. Seller's rights to change the documents is described.
3. The Sales Contract contains provisions confirming that the developer is not the original developer of the Project and took no part in building or developing the Project. Buyer takes the Apartment and Project "as is". The "as is" provision is part of this Exhibit.

4. The Sales Contract contains the following disclaimer about income

BUYER AGREES THAT NO ONE (INCLUDING SELLER OR ANY SALESPERSON) HAS TALKED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S APARTMENT. IF BUYER WANTS TO RENT OR SELL THE APARTMENT, HOW BUYER DOES IT WILL BE UP TO BUYER SUBJECT TO THE RESTRICTIONS CONTAINED IN THIS AGREEMENT. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE APARTMENT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE APARTMENT OR ABOUT THE TAX EFFECTS OF BUYING THE APARTMENT.

5. The Sales Contract contains the following prohibition on income pooling:

BUYER AGREES THAT BEFORE THE SELL-OUT DATE, BUYER WILL NOT ENTER INTO ANY CONTRACT OR ARRANGEMENT CONCERNING THE RENTAL OF THE APARTMENT, WITH A RENTAL MANAGER OR ANYONE ELSE, THAT PROVIDES FOR ANY PRESENT OR FUTURE POOLING OF INCOME FROM THE APARTMENT WITH INCOME FROM ANY APARTMENT OR PROPERTY OWNED BY ANY OTHER PERSON. BUYER ACKNOWLEDGES THAT NO REPRESENTATIONS HAVE BEEN MADE TO BUYER CONCERNING THE AVAILABILITY OF ANY RENTAL POOL ARRANGEMENT EITHER BEFORE OR AFTER THE SELL-OUT DATE. IF BUYER BREACHES THIS AGREEMENT, SELLER MAY OBTAIN AN INJUNCTION FROM A COURT TO PREVENT BUYER'S CONTINUING WITH ANY RENTAL POOLING ARRANGEMENT AND BUYER WILL PAY SELLER'S COSTS AND ATTORNEYS' FEES FOR OBTAINING THE INJUNCTION. THIS PROHIBITION IS INCLUDED IN THE FORM OF APARTMENT DEED.

The Sell-out Date is the date all of the apartments in the Project have been conveyed to persons other than Seller or Seller's mortgage lender or the last time-share interest (if any) in the Project has been transferred.

6. The Sales Contract contains the following "As is" provision in which Developer is referred to as Seller:

Buyer understands that the Project was completed in or about 1969. Seller did not construct or develop the Project. Any warranties from the original developer or the original contractor for the Project expired years before Seller bought the Property. The Project has experienced a lot of wear and tear which includes among other things concrete cracking and spalling, rusting of post tension cables and waterproofing failures. Seller has obtained a mold report which contains recommendations for preventive actions. Seller has also obtained a report on accessibility under the Americans with Disabilities Act that contains recommendations for remedial action. The reserve study for the Project includes information concerning the state of components in the Project. A copy of the reserve study has been given to Buyer. Buyer is encouraged to read the mold, accessibility and other property reports that Seller has made available at the sales office, but Buyer acknowledges that the reports may not include every defect in the Project. The Seller is making certain repairs and renovations to the Property but Seller is not making any promises about those repairs or renovations.

SELLER IS NOT GIVING ANY WARRANTIES TO BUYER. NO PERSON ACTING ON BEHALF OF SELLER IS AUTHORIZED TO MAKE, AND BY SIGNING THIS AGREEMENT, BUYER AGREES THAT SELLER HAS NOT MADE, AND DISCLAIMS, ANY REPRESENTATIONS, WARRANTIES OR PROMISES OF ANY KIND WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, CONCERNING OR WITH RESPECT TO:

(a) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY;

(b) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY;

(c) ANY ARCHAEOLOGICAL SITES, REMAINS OR ARTIFACTS ON THE LAND;

(d) THE PROPERTY'S COMPLIANCE WITH LAWS, ORDINANCES OR REGULATIONS;

(e) THE QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO THE PROPERTY OR THE REPAIRS OR RENOVATIONS;

(f) THE PRESENCE OR ABSENCE OF MOLD, STANDING WATER OR HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE PROPERTY;

(g) THE CONFORMITY OF THE PROPERTY TO PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS OR SPECIAL PERMITS;

(h) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR A TSUNAMI INUNDATION AREA;

(i) THE ABILITY OF THE PROJECT TO WITHSTAND EARTHQUAKE OR HURRICANE DAMAGE;

(j) THE EXISTENCE OF TERMITES OR OTHER PESTS OR TERMITE DAMAGE,

(k) THE LOCATION OF THE SHORELINE IN ACCORDANCE WITH THE LAWS OF THE STATE OF HAWAII, OR

(l) ANY OTHER MATTER CONCERNING THE PROPERTY.

In the "AS IS" provision Property includes the common elements of the Project.

ESCROW AGREEMENT.

1. The Escrow Agreement provides that Escrow is to collect Buyer's payments and hold them in accounts with banks or savings institutions that are federally insured.
2. The Escrow Agreement provides for the closing or settlement of the sale. Escrow collects all payments and other amounts owed under the Sales Contract, including closing costs which are shared between the Developer and Buyer as set forth in the Sales Contract.
3. Escrow handles the closing and the transfer of title in accordance with the Escrow Agreement. The Apartment must be conveyed to Buyer free and clear of any blanket liens, such as mortgages covering more than one apartment.
4. The Escrow Agreement provides certain protections to Escrow in the event of a dispute between Buyer and the Developer. These rights include filing an "interpleader" and the right to recover certain fees and costs. In an interpleader action the escrow deposit is given to the court to decide what action to take.
5. The Escrow Agreement sets out escrow fees, escrow cancellation fees and the fees for certain policies of title insurance.