

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer A&B KAKAAKO LLC
Address 822 Bishop Street, Honolulu, HI 96813
Project Name (\*): KEOLA LA'I
Address: 600 Queen Street, Honolulu, Hawaii 96813

Registration No. 5680 Effective date: July 24, 2006
Expiration date: August 24, 2007

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.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
And [ ] Supersedes all prior public reports

(\* ) Exactly as named in the Declaration

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

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

**Summary of Changes from Earlier Public Reports:**

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

No prior reports have been issued by the developer.

Changes made are as follows:

1. The Project's application for registration with the US Department of Housing and Urban Development ("HUD") has been accepted and each buyer or prospective buyer of an apartment has been given (or will be given) a copy of a HUD property report on the Project, in addition to a copy of this Final Public Report or (where appropriate) a copy of the disclosure statement required under HRS section 514A-62(f)(3) (see Section V.C.5 on page 20-b of this Public Report).
2. Page 5 has been revised to reflect that a general contractor has been retained for construction of the Project.
3. Page 14 and Exhibit "F" ("Encumbrances Against Title") have been revised to reflect that the Developer has obtained an updated title report for the Project.
4. Page 16 has been revised to update the status of construction and estimated completion date for the Project.
5. Section V.A on page 18 of this Final Public Report has been revised to reflect that there is a new Escrow Agreement for the Project. The only change in the new Escrow Agreement is to expand the schedule of Escrow fees to cover the sale of apartments with higher sales prices than those shown in the original fee schedule. There are no changes to the Escrow Agreement that affect the rights or obligations of buyers under sales contracts or change any of the information contained in the Project's prior public reports other than the date of the Escrow Agreement.
6. Section V.C.3 ("Environmental Issues") on page 20-a of this public report has been revised to reflect that the Developer's DOH-approved contaminated soil remediation efforts have been completed and that the DOH has determined that no further action is required at the Project.
7. A new section V.C.7 has been added to page 20-b of this Final Public Report to disclose that the Developer intends to subdivide the Commercial Apartment into two or more Commercial Apartments. Section V.C.7 explains that the subdivision of the Commercial Apartment will have no effect on the owners of the Residential Apartments and will not change any of their rights or obligations.
8. A new section V.C.8 has been added to page 20-b of this Final Public Report to summarize pertinent portions of Hawaii's Contractor Repair Act, Chapter 672E of the Hawaii Revised Statutes.
9. A special notice has been added to page 20-c of this public report to clarify that the Developer will not be required to issue supplementary public reports to reflect changes to the Project made in accordance with the exercise of rights reserved to the Developer in the Declaration and/or disclosures contained in this public report.
10. Exhibit "G" ("Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursements") has been updated.
11. The Developer has provided the Real Estate Commission with all information and documentation required for the issuance of this Final Public Report on the Project.

## 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
Real Estate Broker	Escrow Company
	General Contractor
	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: DESCRIPTION OF APARTMENTS	
EXHIBIT B: BOUNDARIES OF APARTMENTS	
EXHIBIT C: PERMITTED ALTERATIONS TO APARTMENTS	
EXHIBIT D: COMMON ELEMENTS	
EXHIBIT E: LIMITED COMMON ELEMENTS	
EXHIBIT F: ENCUMBRANCES AGAINST TITLE	
EXHIBIT G: ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS	
EXHIBIT H: SUMMARY OF SALES CONTRACT AND ESCROW AGREEMENT	
EXHIBIT I: DEVELOPER'S RESERVED REPURCHASE RIGHTS	

## **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: A&B Kakaako LLC Phone: (808) 525-6611  
Name\* (Business)  
822 Bishop Street  
Business Address  
Honolulu, Hawaii 96813

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

The manager and sole member of A&B KAKAAKO LLC is A&B PROPERTIES, INC., a Hawaii corporation. The officers and directors of A&B PROPERTIES, INC., are W.A. Doane (Chairman of the Board; Dir.); S.M. Kuriyama (Vice Chair., CEO; Dir.); R.K. Sasaki (Pres.; Dir.); N.M. Buelsing (Exec.V.P.; Dir.); P.W. Hallin (Sr.V.P.); M.G. Wright (Sr.V.P.); G.Y.M. Chun (V.P.); D.I. Haverly (V.P.); C.W. Loomis (V.P, Assist. Sec.); T.H. Shigemoto (V.P.); D.M. Shigeta (V.P.); R.B. Stack, Jr. (V.P.); T.A. Wellman (V.P., Treas., Controller); L.G. Rodolfich (Assist. Controller); A.J. Nakamura (Sec.); C.J. Benjamin (Dir.); M.J. Ching (Dir.)

Real Estate  
Broker\*: Coldwell Banker Pacific Properties, Ltd. Phone: (808) 593-6485  
Name (Business)  
1314 South King Street, 2<sup>nd</sup> Floor  
Business Address  
Honolulu, Hawaii 96814

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

General  
Contractor\*: Nordic/PCL Phone: (808) 593-0801  
Name (Business)  
1099 Alakea Street, Suite 1560  
Business Address  
Honolulu, Hawaii 96813

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

Attorney for  
Developer: Brooks Tom Porter & Quitiquit, LLP Phone: (808) 526-3011  
Name (Business)  
841 Bishop Street, Suite 2125  
Business Address  
Honolulu, Hawaii 96813  
Attn: Edward R. Brooks, Esq., and Jeffrey D. Watts, Esq.

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

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

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

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

The Declaration for this condominium is:

Proposed

Recorded - Bureau of Conveyances: Document No. 2005-217082  
Book \_\_\_\_\_ Page \_\_\_\_\_

Filed - Land Court: Document No. \_\_\_\_\_

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

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

The Condominium Map for this condominium project is:

Proposed

Recorded - Bureau of Conveyances Condo Map No. 4101

Filed - Land Court Condo Map No. \_\_\_\_\_

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

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

The Bylaws for this condominium are:

Proposed

Recorded - Bureau of Conveyances: Document No. 2005-217083  
Book \_\_\_\_\_ Page \_\_\_\_\_

Filed - Land Court: Document No. \_\_\_\_\_

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

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

The House Rules for this condominium are:

Proposed                       Adopted                       Developer does not plan to adopt House Rules

**E. Changes to Condominium Documents**

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

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

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

\* The percentage 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:

Under paragraph 17 of the Declaration, the Developer reserves the right to amend the Declaration, Bylaws and/or Condominium Map to reflect the exercise of the Developer's right to add new commercial apartments to the Project, as explained on pages 20 and 20-a. At any time prior to the first recording of a conveyance or transfer (other than for security) of an Apartment and its appurtenances to a party not a signatory to the Declaration, the 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. Notwithstanding the lease, sale or conveyance of any of the Apartments, the Developer may amend the Declaration and the Condominium Map to file the "as-built" verified statement required by Section 514A-12 of the Act. For so long as the Developer retains any interest in an Apartment in the Project, the 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, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development or the Veterans Administration; provided, however, that no amendment which would change the common interest appurtenant to an Apartment or substantially change the design, location or size of an Apartment shall be made without the consent of all persons having an interest in such Apartment. Prior to the election of the first Board of Directors, the Developer may amend the Rules and Regulations in any manner without the joinder, consent or approval of any other party.

**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 specified price.**

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

Lease Term Expires: \_\_\_\_\_ Rent Renegotiation Date(s) \_\_\_\_\_

---

Lease Rent Payable:      Monthly                                      Quarterly  
                                   Semi-Annually                                      Annually

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

Other:

**IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS**

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

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

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

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

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

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

**B. Underlying Land:**

Address: 600 Queen Street, Honolulu, HI 96813

Tax Map Key (TMK): (1) 2-1-048-008

Address  TMK is expected to change because \_\_\_\_\_

Land Area: approx. 117,340  square feet  acre(s) Zoning: The Project is within the Kakaako Community Development District and is under the jurisdiction of the Hawaii Community Development Authority ("HCDA"). The Project is classified "MUZ-R" (mixed use – residential) under the HCDA's Mauka Area Rules.

Fee Owner: A&B Kakaako LLC  
 Name  
822 Bishop Street  
 Address  
Honolulu, Hawaii 96813

Lessor: n/a  
 Name  
 \_\_\_\_\_  
 Address  
 \_\_\_\_\_

**C. Buildings and Other Improvements:**

1.  New Building(s)  
 Conversion of Existing Building(s)  
 Both New Building(s) and Conversion
  
2. Number of Buildings: 1 Floors Per Building : 42 (37-story tower on 5-story pedestal).  
 Exhibit        contains further explanations.
  
3. Principal Construction Material:  
 Concrete       Hollow Tile       Wood  
 Other steel, aluminum, glass and allied building materials
  
4. Uses Permitted by Zoning:

	No. of Apts. _____	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>352</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Commercial	<u>1</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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



7. Parking Stalls:

Total Parking Stalls: 698

	<u>Regular</u>		<u>Compact</u>		<u>Handicap</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)*	414	115	59	11	7	0	33	5	644
Guest	22	0	0	0	1	0	0	0	23
Unassigned	0	0	0	0	1	0	0	0	1
Extra for Purchase	0	0	0	0	0	0	0	0	0
Other**	26	0	2	0	2	0	0	0	30
Total Covered & Open	577		72		11		38		698

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

\*\*Each of the 30 "other" stalls is assigned as a limited common element to the Commercial Apartment and is for the exclusive use of the owners or tenants of the Commercial Apartment.

Commercial parking garage permitted in condominium project.

Exhibit "A" contains additional information on parking stalls (and Parking Apartments) for this condominium project.

8. Recreational and Other Common Facilities (for use of owners of Residential Apartments only)

There are no recreational or common facilities.

Swimming pool       Storage Area       Recreation Area

Laundry Area       Tennis Court       Trash Chute/Enclosure(s)

Other: Kitchenette, restrooms, fitness center and outdoor shower included in Recreation Area

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

There are no violations.       Violations will not be cured.

Violations and cost to cure are listed below.       Violations will be cured by \_\_\_\_\_ (Date)

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

N/A

11. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

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

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

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

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

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

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

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

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

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

described in Exhibit "D".

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 "E".

as follows:

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

described in Exhibit "A".

as follows:

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

Exhibit "F" describes the encumbrances against the title contained in the title report dated April 10, 2006 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

There are no blanket liens affecting title to the individual apartments.\*

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 <b>Prior to Conveyance</b></u>
*NOTE: As of the date of this Public Report, there are no blanket liens affecting title to any part of the Project. However, the Developer may subsequently obtain a construction loan and may secure the loan by placing a blanket mortgage on the entire Project. This would be a blanket lien that may affect title to the individual apartments.	If the Developer places a blanket mortgage on the Project, the Buyer's interest under a sales contract will be subordinate to the interest of the mortgagee under such mortgage. This means, among other things, that if the Developer defaults under the mortgage, the mortgagee may take over the Project, cancel the sales contracts and refund the Buyer's deposits, less escrow cancellation fees, and the Buyer shall have no further interest in the Project.

**F. Construction Warranties:**

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

1. Building and Other Improvements:

The construction contract requires the general contractor to provide a one-year warranty, commencing upon the date of "Substantial Completion", or upon the date of "Final Completion" for work that is completed after the date of Substantial Completion, that (a) the materials and equipment furnished for construction of the project will be of good quality and new, unless the construction contract requires or permits that the materials and equipment be otherwise; and (b) the construction and services required by the construction contract (including all labor, materials and equipment to be provided by the general contractor) will be free from defects, except for defects inherent in the quality of the construction and services required or permitted by the construction contract. Without incurring any legal liability, the developer will agree to cooperate with the buyer to try to have the general contractor perform all of the general contractor's warranties. (See section F.7 of the Sales Contract.)

2. Appliances:

Appliance warranty information is not yet available because appliances have not yet been purchased. However, the developer intends to transfer to the buyer, without warranty, any manufacturer's or dealer's warranties that are transferable and cover appliances sold with the apartments.

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

Construction of the Project commenced in February, 2006. The Developer estimates that construction of the Project will be completed in or about March, 2008.

**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):

In paragraph 17.4 of the Declaration, the Developer has reserved the right to add one or more new commercial apartments and appurtenant limited common elements in ground-level common element areas identified on the Condominium Map as "Future Commercial Space." This reserved right is more fully described in paragraph 17.4 of the Declaration and in Section V.C.1(d) on page 20 of this Public Report.

#### IV. CONDOMINIUM MANAGEMENT

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

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

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

- not affiliated with the Developer  
 self-managed by the Association of Apartment Owners
- the Developer or the Developer's affiliate  
 other \_\_\_\_\_

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

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

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

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

- C. **Utility Charges for Apartments:**

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

- None  
 Electricity ( Common Elements only \_\_\_ Common Elements & Apartments)  
 Gas (\_\_\_ Common Elements only \_\_\_ Common Elements & Apartments)  
 Water (\_\_\_ Common Elements only  Common Elements & Apartments)  
 Sewer (\_\_\_ Common Elements only  Common Elements & Apartments)  
 Television Cable (basic service only)  
 Telephone ( Common Elements only \_\_\_ Common Elements & Apartments)  
 Other: refuse collection

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 "H" contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated March 15, 2006

Exhibit "H" contains a summary of the pertinent provisions of the escrow agreement.

Other \_\_\_\_\_

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

A) The Developer delivers to the buyer a copy of:

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

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

C) One of the following has occurred:

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

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

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
  - B) Declaration of Condominium Property Regime, as amended.
  - C) Bylaws of the Association of Apartment Owners, as amended.
  - D) House Rules, if any.
  - E) Condominium Map, as amended.
  - F) Escrow Agreement.
  - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
  - H) Other \_\_\_\_\_;

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov)  
Website to access unofficial copy of laws: [www.hawaii.gov/dcca/hrs](http://www.hawaii.gov/dcca/hrs)  
Website to access rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

This Public Report is part of Registration No. 5680 filed with the Real Estate Commission on May 2, 2005.

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

C. Additional Information Not Covered Above:

1. Kakaako Community Development District; Permits and Agreements; Special Assessments and Restrictions; Developer's Reservations.

(a) Development Agreement and Assessments. The Project is located within the Kakaako Community Development District and is subject to the jurisdiction of the Hawaii Community Development Authority ("HCDA"). The Project will be developed subject to and in accordance with the terms of various permits and agreements, including that certain Agreement dated August 12, 1992 (the "Development Agreement"), by and between a prior owner of the Project's land and HCDA. The Development Agreement requires (among other things) that the Project shall participate (together with other properties) in the HCDA District-Wide Improvement Program for the Kakaako District, and that the Project shall be subject to assessments for the Project's pro rata share of the cost of improvements which may, in the future, be necessarily undertaken in the vicinity of the Project under HCDA or other government agency improvement programs. The Project will be assessed under the same methods and in the same manner as other properties in the area. Each apartment owner, by acquiring an apartment in the Project, shall be deemed to acknowledge and agree that the Association shall have the right and the obligation to assess the individual apartment owners, according to the common interests appurtenant to their apartments, for all costs and expenses that may from time to time be assessed against the Project in accordance with the terms of the Development Agreement.

(b) Planned Development Permit; Mauka Area Rules. The development and use of the Project are subject to the terms of the HCDA's Mauka Area Rules for the Kakaako Community Development District (the "Mauka Area Rules"). As a condition to the development of the Project, the Developer obtained Planned Development Permit PD1-05, dated July 6, 2005, governing various aspects of the development of the Project, such as compliance with or exemptions from certain density and building height limitations contained in the Mauka Area Rules. The Mauka Area Rules also require that the Developer reserve up to 20% of the apartments in the Project for purchase by persons who meet certain eligibility requirements as determined by the HCDA (*see paragraph 6 below*). By acquiring an interest in an apartment, each owner shall acknowledge and agree that under paragraph 17 of the Declaration, the Developer reserves the right, without the joinder or consent of any other person or entity, to sign such documents or instruments, enter into such agreements and do all things that may be necessary to obtain such permits as may be required by the HCDA, the Development Agreement and/or the Mauka Area Rules, and to comply with all applicable permits, laws, rules, ordinances and other governmental requirements that pertain to the Project.

(c) Special Restrictions Regarding Lanais. The Development Agreement provides that no lanai shall be enclosed unless certain conditions and requirements contained in the Mauka Area Rules have been met. Accordingly, the enclosure of lanais is prohibited without the prior written consent of the Developer and the approval of a majority of the Project's Board of Directors. The requirement that the Developer must approve the enclosure of any lanai shall remain in effect for a period of twelve (12) months following the date upon which the Developer no longer owns any interest in the Project. Following that date, the enclosure of lanais shall require only the approval of a majority of the Board; provided, however, that no lanai may be enclosed at any time unless and until such enclosure is permitted under the terms of the Mauka Area Rules and any other applicable agreements and permits pertaining to the development of the Project.

(d) Developer's Reservation to Add Commercial Apartments. The Project will also be developed subject to and in accordance with the terms of a planned development agreement (the "Planned Development Agreement") currently being negotiated by and between the Developer and HCDA. In accordance with the proposed requirements of the Planned Development Agreement, in paragraph 17.4 of the Declaration the Developer reserves the right to add to the Project one or more additional commercial apartments in ground-level common element areas identified on the Condominium Map as "Future Commercial Space" and to establish and designate certain current common elements as new limited common elements appurtenant to the new commercial apartment or apartments; provided, however, that no common elements that are actually used by owners of the residential apartments or are designated as limited common elements appurtenant to any of the residential apartments shall be converted to new commercial apartments or new limited common elements appurtenant to the new commercial apartment(s). In the event that one or more additional commercial apartments are created, common interests will be subtracted from the single commercial apartment originally established by the Declaration and assigned to the new commercial apartment or apartments in a manner that equitably reflects the ratio of the net floor areas of the original commercial apartment and the new commercial apartment(s). The common interests and limited common elements appurtenant to the residential apartments will not be affected by the addition of new commercial apartments. Each residential and commercial apartment owner,

by acquiring an apartment in the Project, shall thereby acknowledge and agree that the Developer shall have the right to create additional commercial apartments and establish and designate new limited common elements as appurtenant thereto, and apportion common interests among the new commercial apartments and the existing commercial apartment as set forth in paragraph 17.4 of the Declaration, and to amend the Declaration, the Bylaws and the Condominium Map as may be necessary to reflect such addition and changes, all without the consent or joinder of the owner of any apartment (including the commercial apartment) or any apartment purchaser, lienholder or any other person or entity whatsoever.

(e) **Special Power of Attorney.** Paragraph 17.5 of the Declaration provides that, to the extent that the Developer determines that the joinder or consent of any apartment owner is necessary or advisable to confirm, effectuate or exercise any rights granted or reserved to the Developer in paragraph 17 of the Declaration, or to validate any act or thing done pursuant to such rights and reservations of the Developer, or to execute and record any instruments or amendments to any instruments (including, but not limited to, the Declaration, the Bylaws and/or the Condominium Map) such joinder or consent may be executed and given by the Developer as the attorney-in-fact for, and in the name and stead and on behalf of, such apartment owner. Each apartment owner, by acquiring or accepting the ownership of an apartment or any other interest in the Project or any apartment, thereby (i) appoints the Developer as such owner's attorney-in-fact as aforesaid, such appointment being coupled with an interest and being irrevocable, and (ii) agrees that such owner shall, promptly upon the Developer's request and for no further consideration, execute, acknowledge and deliver to the Developer such instruments as the Developer may require to evidence or confirm such joinder or consent.

2. **Mold.** Climactic conditions in Hawaii are conducive to the growth of mold and other types of potentially irritating or harmful growths (collectively "Mold"). By acquiring an apartment in the Project, each buyer will acknowledge and understand that Mold can be irritating or harmful to the respiratory tract of certain individuals and can cause deterioration of property. By acquiring an apartment in the Project, each buyer will thereby assume the risk that Mold may be present from time to time in the apartment or elsewhere at the Project and the buyer will be required to waive any rights, claims or actions the buyer may have or acquire against the Developer as a result of or in any way related to Mold in the apartment or elsewhere at the Project, and the buyer will further be required to agree to indemnify and hold harmless the Developer, the Developer's partners and members, and all of their respective officers, directors, employees, agents, successors and assigns from any and all loss (including but not limited to economic loss), cost, expense, harm, injury or damage to person or property that the buyer or any of the buyer's family members, assigns, tenants, lessees, servants, guests, invitees, licensees, agents, employees, or any other person who may use or occupy the apartment or the Project by, through, or under the buyer may suffer as a result of the presence of Mold in the apartment or anywhere else at the Project.

3. **Environmental Issues.** The Project's land was previously used for commercial and light industrial purposes. Environmental investigations by prior owners beginning in 1988 identified some soil contamination from petroleum and metals, and various remedial actions were taken in accordance with State of Hawaii Department of Health ("DOH") review and approval. The approved remedial actions taken included the removal and off-site disposal of some contaminated soil, the on-site treatment of some contaminated soil, and the excavation and containment of some contaminated soils in an on-site clay-lined and clay-capped pit.

In a follow-up investigation commissioned by the Developer, elevated lead concentrations were found in some near-surface and sub-surface soils on the Project's site in excess of DOH Hazard Evaluation and Emergency Response Office-approved limits. In response, the Developer implemented a DOH-approved remediation plan to address this issue. Upon completion of the Developer's remediation efforts, the DOH reviewed the results and determined that no further action is required.

Notwithstanding the Developer's remediation efforts and the DOH's determination that no further action is required, by acquiring an apartment each buyer will thereby assume the risk that some contaminated soil may be present from time to time at the Project and each buyer will be required to waive any rights, claims or actions the buyer may have or acquire against the Developer as a result of or in any way related to the presence of contaminated soil at the Project, and each buyer will further be required to agree to indemnify and hold harmless the Developer, the Developer's partners and members, and all of their respective officers, directors, employees, agents, successors and assigns from any and all loss (including but not limited to economic loss), cost, expense, harm, injury or damage to person or property that the buyer or any of the buyer's family members, assigns, tenants, lessees, servants, guests, invitees, licensees, agents, employees, or any other person who may use or occupy the buyer's apartment or the Project by, through, or under the buyer may suffer as a result of the presence of contaminated soil at the Project.

4. **Repurchase Option.** Under paragraph 23 of the Declaration, the Developer reserves the right to repurchase an apartment under certain circumstances for a period of ten (10) years from the date of recordation of the Deed conveying the apartment to the owner, provided that the owner of the apartment to be repurchased has complained to the Developer about the physical condition and/or design of the apartment or the Project or any matter in connection with the apartment or the Project and the Developer, after a good faith and diligent effort, is unable to rectify the complaint to the owner's satisfaction within a reasonable period of time. Paragraph 23 of the Declaration contains specific terms for determining the repurchase price and specific mortgagee protection provisions, all of which are also more fully described and disclosed in Exhibit "I" attached to this Public Report.

5. **Registration of Project with HUD.** The Developer has registered the Project with the U.S. Department of Housing and Urban Development, Office of Interstate Land Sales Registration ("HUD"), under the federal Interstate Land Sales Full Disclosure Act. All purchasers of apartments will receive, in addition to this Public Report, a separate property report that is required by HUD. The sales contracts for the apartments refer to the HUD property report and contain several provisions that are required for HUD registration.

6. **Reserved Housing.** The Mauka Area Rules require that the Developer reserve up to 20% of the apartments in the Project for purchase by persons who meet certain eligibility requirements as determined by the HCDA. The requirements include (but are not limited to) residency requirements and income and asset limits. In particular, to qualify for the purchase of a reserved housing unit, the buyer's "adjusted household income" (as defined in the Mauka Area Rules) "shall not exceed one hundred forty percent of median income" (also as defined in the Mauka Area Rules). In addition, title to reserved housing units shall be subject to certain occupancy requirements, HCDA buy-back rights and shared equity provisions, and the Deeds to apartments sold as reserved housing units shall include these and other special terms, restrictions and conditions. **BUYERS WHO WISH TO PURCHASE A RESERVED HOUSING UNIT SHOULD CONSULT WITH THE SELLER TO DETERMINE APPLICABLE ELIGIBILITY REQUIREMENTS AND OWNERSHIP RESTRICTIONS FOR RESERVED HOUSING UNITS BEFORE SIGNING A SALES CONTRACT.**

7. **Subdivision of Commercial Apartment.** As of the effective date of this Final Public Report, the Developer is the owner of the Commercial Apartment. Prior to entering into a sales contract for the Commercial Apartment, the Developer intends (but shall not be obligated) to subdivide the Commercial Apartment into two or more smaller commercial apartments and to amend the Declaration and the Condominium Map to reflect such subdivision. If the Commercial Apartment is subdivided, the aggregate common interests appurtenant all of the resulting smaller commercial apartments shall be identical to the common interest currently appurtenant to the Commercial Apartment, and only limited common elements currently assigned to the Commercial Apartment will be assigned to the new commercial apartments. Subdivision of the Commercial Apartment will have no effect on any of the Residential Apartments or their appurtenant limited common elements and common interests.

8. **Contractor Repair Act Notice.**

CHAPTER 672E, HAWAII REVISED STATUTES, EFFECTIVE JULY 1, 2004, CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT OR OTHER ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE CONTRACTOR WHO DESIGNED, REPAIRED, OR CONSTRUCTED YOUR HOME OR FACILITY. NINETY DAYS BEFORE YOU FILE YOUR LAWSUIT OR OTHER ACTION, YOU MUST SERVE ON THE CONTRACTOR A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE. UNDER THE LAW, A CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR AND/OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY A CONTRACTOR. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER THE LAW AND FAILURE TO FOLLOW THEM MAY NEGATIVELY AFFECT YOUR ABILITY TO FILE A LAWSUIT OR OTHER ACTION.

**SPECIAL NOTICE  
REGARDING  
CHANGES UNDER THIS PUBLIC REPORT**

CHANGES TO THE PROJECT AND THE PROJECT'S DOCUMENTS MADE IN ACCORDANCE WITH (1) THE DEVELOPER'S EXERCISE OF RIGHTS RESERVED TO THE DEVELOPER IN THE DECLARATION AND/OR (2) DISCLOSURES CONTAINED IN THIS FINAL PUBLIC REPORT *SHALL NOT* BE DEEMED TO BE CHANGES THAT RENDER THIS PUBLIC REPORT MISLEADING AS TO PURCHASERS IN ANY MATERIAL RESPECT AND WILL NOT GIVE ANY PURCHASER WHO HAS WAIVED OR IS DEEMED TO HAVE WAIVED THE RIGHT TO CANCEL SUCH PURCHASER'S SALES CONTRACT UNDER THIS PUBLIC REPORT ANY ADDITIONAL RIGHTS TO CANCEL SUCH PURCHASER'S SALES CONTRACT. ACCORDINGLY, *UPON THE OCCURRENCE OF ANY SUCH CHANGES, THE DEVELOPER WILL NOT BE REQUIRED TO AND WILL NOT ISSUE SUBSEQUENT SUPPLEMENTARY PUBLIC REPORTS TO DISCLOSE SUCH CHANGES.* HOWEVER, UPON THE OCCURRENCE OF ANY SUCH CHANGES, THE DEVELOPER WILL DELIVER TO THE REAL ESTATE COMMISSION AND TO EACH PROSPECTIVE PURCHASER (INCLUDING THOSE WHO HAVE ALREADY RECEIVED AND RECEIPTED FOR THIS PUBLIC REPORT) A DISCLOSURE STATEMENT DISCLOSING THE CHANGES.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

A&B KAKAAKO LLC, a Hawaii limited liability company  
 Printed Name of Developer

A&B PROPERTIES, INC., a Hawaii corporation  
 Its Manager

By:   
 Duly Authorized Signatory\*

5/8/06  
 Date

Richard Stack, Vice President  
 Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu  
 Planning Department, City and County of Honolulu

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

## DESCRIPTION OF APARTMENTS

The Project contains twenty-seven (27) different types of Residential Apartments (including some reverse plans), designated in the Declaration and on the Condominium Map as Types 1M, 1M-R, 1CM, 1CM-R, 1CO, 1CO-R, 2OA, 2OA-R, 2OB, 2OB-R, 2CEA, 2CEB, 2E, 2MA, 2MB, 2O, 2O-R, 2O-SL, 2O-SL-R, 2O-RL, 2O-RL-R, 2O-LL, 2O-LL-R, 3C, 3C-R, PHN-1 and PHN-1R. There are 352 Residential Apartments. The Project also includes a single Commercial Apartment designated in the Declaration and on the Condominium Map as “Commercial”.

The Residential Apartments are located on floors numbered 6 through 43, inclusive (there is no floor numbered 13) and the Commercial Apartment is located on Parking Level 1. Floors numbered 6 through 43 contain varying numbers and types of Residential Apartments, as shown on the Condominium Map.

The first digit of each three-digit Apartment number and the first two digits of each four-digit Apartment number indicate the number of the Apartment’s floor. For example, Apartment 601 is located on floor number 6, and Apartment 4301 is located on floor number 43.

The first digit of each Residential Apartment’s Type indicates the number of bedrooms for that Apartment Type. For example, Apartments of Type 1M have one (1) bedroom, Apartments of type 2OA have two (2) bedrooms, and Apartments of Type 3C have three (3) bedrooms.

The different types of Apartments are more particularly described as follows:

**TYPES 1M and 1M-R APARTMENTS:** The Project contains five (5) Type 1M and five (5) Type 1M-R Apartments. Each Type 1M and 1M-R Apartment includes one (1) bedroom, one (1) bathroom, a kitchen and a living/dining area. The approximate net living area of each Type 1M and 1M-R Apartment is 672 square feet.

**TYPE 1CM and 1CM-R APARTMENTS:** The Project contains fifteen (15) Type 1CM Apartments and fifteen (15) Type 1CM-R Apartments. Each Type 1CM and 1CM-R Apartment includes one (1) bedroom, one (1) bathroom, a kitchen and a living/dining area. The approximate net living area of each Type 1CM and 1CM-R Apartment is 686 square feet.

**TYPE 1CO and 1CO-R APARTMENTS:** The Project contains fifteen (15) Type 1CO Apartments and fifteen (15) Type 1CO-R Apartments. Each Type 1CO and 1CO-R Apartment includes one (1) bedroom, one (1) bathroom, a kitchen, a living/dining area and a den. The approximate net living area of each Type 1CO and 1CO-R Apartment is 673 square feet.

**TYPE 2OA and 2OA-R APARTMENTS:** The Project contains five (5) Type 2OA Apartments and five (5) Type 2OA-R Apartments. Each Type 2OA and 2OA-R Apartment includes two (2) bedrooms, one (1) bathroom, a kitchen and a living/dining area. The approximate net living area of each Type 2OA and 2OA-R Apartment is 876 square feet.

### EXHIBIT “A”

**TYPE 2OB and 2OB-R APARTMENTS:** The Project contains five (5) Type 2OB Apartments and five (5) Type 2OB-R Apartments. Each Type 2OB and 2OB-R Apartment includes two (2) bedrooms, one (1) bathroom, a kitchen and a living/dining area. The approximate net living area of each Type 2OB and 2OB-R Apartment is 881 square feet.

**TYPE 2CEA APARTMENTS:** The Project contains five (5) Type 2CEA Apartments. Each Type 2CEA Apartment includes two (2) bedrooms, one (1) bathroom, a kitchen and a living/dining area. The approximate net living area of each Type 2CEA Apartment is 780 square feet.

**TYPE 2CEB APARTMENTS:** The Project contains five (5) Type 2CEB Apartments. Each Type 2CEB Apartment includes two (2) bedrooms, one (1) bathroom, a kitchen and a living/dining area. The approximate net living area of each Type 2CEB Apartment is 785 square feet.

**TYPE 2E APARTMENTS:** The Project contains thirty (30) Type 2E Apartments. Each Type 2E Apartment includes two (2) bedrooms, two (2) bathrooms, a kitchen and a living/dining area. The approximate net living area of each Type 2E Apartment is 1,045 square feet.

**TYPE 2MA APARTMENTS:** The Project contains thirty (30) Type 2MA Apartments. Each Type 2MA Apartment includes two (2) bedrooms, two (2) bathrooms, a kitchen and a living/dining area. The approximate net living area of each Type 2MA Apartment is 953 square feet.

**TYPE 2MB APARTMENTS:** The Project contains thirty (30) Type 2MB Apartments. Each Type 2MB Apartment includes two (2) bedrooms, two (2) bathrooms, a kitchen and a living/dining area. The approximate net living area of each Type 2MB Apartment is 934 square feet.

**TYPE 2O and 2O-R APARTMENTS:** The Project contains twenty-seven (27) Type 2O and twenty-seven (27) Type 2O-R Apartments. Each Type 2O and 2O-R Apartment includes two (2) bedrooms, two (2) bathrooms, a kitchen and a living/dining area. The approximate net living area of each Type 2O and 2O-R Apartment is 1,022 square feet.

**TYPE 2O-SL and 2O-SL-R APARTMENTS:** The Project contains sixteen (16) Type 2O-SL and sixteen (16) Type 2O-SL-R Apartments. Each Type 2O-SL and 2O-SL-R Apartment includes two (2) bedrooms, two (2) bathrooms, a kitchen, a living/dining area and a lanai. The approximate net living area of each Type 2O-SL and 2O-SL-R Apartment is 993 square feet and the approximate lanai area of each Type 2O-SL and 2O-SL-R Apartment is 86 square feet for a combined area (net living and lanai) of approximately 1,079 square feet.

**TYPE 2O-RL and 2O-RL-R APARTMENTS:** The Project contains eleven (11) Type 2O-RL and eleven (11) Type 2O-RL-R Apartments. Each Type 2O-RL and 2O-RL-R Apartment includes two (2) bedrooms, two (2) bathrooms, a kitchen, a living/dining area and a lanai. The approximate net living area of each Type 2O-RL and 2O-RL-R Apartment is 1,022 square feet

**EXHIBIT "A"**

and the approximate lanai area of each Type 2O-RL and 2O-RL-R Apartment is 116 square feet for a combined area (net living and lanai) of approximately 1,138 square feet.

**TYPE 2O-LL and 2O-LL-R APARTMENTS:** The Project contains eight (8) Type 2O-LL and eight (8) Type 2O-LL-R Apartments. Each Type 2O-LL and 2O-LL-R Apartment includes two (2) bedrooms, two (2) bathrooms, a kitchen, a living/dining area and a lanai. The approximate net living area of each Type 2O-LL and 2O-LL-R Apartment is 1,022 square feet and the approximate lanai area of each Type 2O-LL and 2O-LL-R Apartment is 58 square feet for a combined area (net living and lanai) of approximately 1,080 square feet.

**TYPE 3C and 3C-R APARTMENTS:** The Project contains eighteen (18) Type 3C and eighteen (18) Type 3C-R Apartments. Each Type 3C and 3C-R Apartment includes three (3) bedrooms, two (2) bathrooms, a kitchen, a living/dining area, a den and a lanai. The approximate net living area of each Type 3C and 3C-R Apartment is 1,402 square feet and the approximate lanai area of each Type 3C and 3C-R Apartment is 96 square feet for a combined area (net living and lanai) of approximately 1,498 square feet.

**TYPE PHN-1 and PHN-1R APARTMENTS:**

The Project contains one (1) Type PHN-1 Apartment and one (1) Type PHN-1R Apartment. Each Type PHN-1 and PHN-1R Apartment includes two (2) bedrooms, two and one-half (2.5) bathrooms, a kitchen, a living room, a dining room, a den and a lanai. The approximate net living area of the PHN-1 and PHN-1R Apartments is 2,235 square feet each and the approximate lanai area of the Type PHN-1 and PHN-1R Apartments is 280 square feet each for a combined area (net living and lanai) of approximately 2,515 square feet for each Apartment.

**COMMERCIAL APARTMENT:**

The Project contains one (1) Commercial Apartment. The Commercial Apartment consists of two unfinished spaces separated by a corridor and located on Parking Level 1 of the Building. The boundaries of the Commercial Apartment are more particularly described in paragraph 3.6 of the Declaration. The approximate net floor area of the Commercial Apartment is 7,683 square feet.

The numbers, types, approximate areas, parking stall assignments and common interest of the Apartments are as set forth in the chart that begins on the next page.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

Apartment Number	Apartment Type	**Approx. Apt. Area in Square Feet	Approx. Lanai Area in Square Feet	Assigned Parking Stalls	Common Interest
601	1CM	686	--	5037*	0.1964%
602	1CO	673	--	5036*	0.1927%
603	2OA	876	--	4145*	0.2508%
604	1M	672	--	4125*	0.1924%
605	2OB	881	--	4144*	0.2522%
606	2CEA	780	--	4143*	0.2233%
607	2OB-R	881	--	4132*	0.2522%
608	2CEB	785	--	4117*	0.2248%
609	1M-R	672	--	4124*	0.1924%
610	2OA-R	876	--	4118*	0.2508%
611	1CO-R	673	--	5044*	0.1927%
612	1CM-R	686	--	4123*	0.1964%
701	1CM	686	--	5045*	0.1964%
702	1CO	673	--	5085*	0.1927%
703	2OA	876	--	4131*	0.2508%
704	1M	672	--	4126*	0.1924%
705	2OB	881	--	4130*	0.2522%
706	2CEA	780	--	4129*	0.2233%
707	2OB-R	881	--	4133*	0.2522%
708	2CEB	785	--	4134*	0.2248%
709	1M-R	672	--	4127*	0.1924%
710	2OA-R	876	--	4128*	0.2508%
711	1CO-R	673	--	5084*	0.1927%
712	1CM-R	686	--	4122*	0.1964%
801	1CM	686	--	5083*	0.1964%
802	1CO	673	--	5082*	0.1927%
803	2OA	876	--	4142*	0.2508%
804	1M	672	--	5046*	0.1924%
805	2OB	881	--	4119*	0.2522%
806	2CEA	780	--	4120*	0.2233%
807	2OB-R	881	--	4121*	0.2522%
808	2CEB	785	--	4141*	0.2248%
809	1M-R	672	--	4138*	0.1924%
810	2OA-R	876	--	4135*	0.2508%
811	1CO-R	673	--	5047*	0.1927%
812	1CM-R	686	--	4137*	0.1964%
901	1CM	686	--	5075*	0.1964%
902	1CO	673	--	5071*	0.1927%
903	2OA	876	--	4140*	0.2508%

**EXHIBIT "A"**

Apartment Number	Apartment Type	**Approx. Apt. Area in Square Feet	Approx. Lanai Area in Square Feet	Assigned Parking Stalls	Common Interest
904	1M	672	--	5061*	0.1924%
905	2OB	881	--	4139*	0.2522%
906	2CEA	780	--	4136*	0.2233%
907	2OB-R	881	--	C5009*	0.2522%
908	2CEB	785	--	C5012*	0.2248%
909	1M-R	672	--	C5011*	0.1924%
910	2OA-R	876	--	C5010*	0.2508%
911	1CO-R	673	--	3137	0.1927%
912	1CM-R	686	--	C5008*	0.1964%
1001	1CM	686	--	5080*	0.1964%
1002	1CO	673	--	4097	0.1927%
1003	2OA	876	--	5096*	0.2508%
1004	1M	672	--	5099*	0.1924%
1005	2OB	881	--	5007*	0.2522%
1006	2CEA	780	--	5087*	0.2233%
1007	2OB-R	881	--	C5086*	0.2522%
1008	2CEB	785	--	5059*	0.2248%
1009	1M-R	672	--	C5060*	0.1924%
1010	2OA-R	876	--	5093*	0.2508%
1011	1CO-R	673	--	5107*	0.1927%
1012	1CM-R	686	--	5106*	0.1964%
1101	1CM	686	--	5070*	0.1964%
1102	1CO	673	--	5049	0.1927%
1103	2O	1,022	--	5078*, 5079*	0.2926%
1104	2MA	953	--	C5001*, 5002*	0.2729%
1105	2O-R	1,022	--	5003*, 5004*	0.2926%
1106	2O	1,022	--	5005*, 5006*	0.2926%
1107	2E	1,045	--	5092*	0.2992%
1108	2MB	934	--	5091*	0.2674%
1109	2O-R	1,022	--	5097*, 5098*	0.2926%
1110	1CO-R	673	--	5072*	0.1927%
1111	1CM-R	686	--	5105*	0.1964%
1201	1CM	686	--	5104*	0.1964%
1202	1CO	673	--	5103*	0.1927%
1203	2O	1,022	--	5062*, 5063*	0.2926%
1204	2MA	953	--	T5066*, T5054	0.2729%
1205	2O-R	1,022	--	5108*, 5109*	0.2926%
1206	2O	1,022	--	C5019*, 5020*	0.2926%
1207	2E	1,045	--	5090*	0.2992%
1208	2MB	934	--	5089*	0.2674%

**EXHIBIT "A"**

Apartment Number	Apartment Type	**Approx. Apt. Area in Square Feet	Approx. Lanai Area in Square Feet	Assigned Parking Stalls	Common Interest
1209	2O-R	1,022	--	C5111*, 5110*	0.2926%
1210	1CO-R	673	--	5102*	0.1927%
1211	1CM-R	686	--	5101*	0.1964%
1401	1CM	686	--	5100*	0.1964%
1402	1CO	673	--	5077*	0.1927%
1403	2O	1,022	--	5095*, C5094*	0.2926%
1404	2MA	953	--	5064*, 5065*	0.2729%
1405	2O-R	1,022	--	T5067*, T5053	0.2926%
1406	2O	1,022	--	T5068*, T5052	0.2926%
1407	2E	1,045	--	5088*	0.2992%
1408	2MB	934	--	5042*	0.2674%
1409	2O-R	1,022	--	T5069*, T5051	0.2926%
1410	1CO-R	673	--	5021*	0.1927%
1411	1CM-R	686	--	5022*	0.1964%
1501	3C	1,402	96	2064, 2065	0.4014%
1502	2O	1,022	--	T5076*, T5050	0.2926%
1503	2MA	953	--	5073*, 5074*	0.2729%
1504	2O-R	1,022	--	5055, 5056	0.2926%
1505	2O	1,022	--	5023*, 5024*	0.2926%
1506	2E	1,045	--	5015*	0.2992%
1507	2MB	934	--	5014*	0.2674%
1508	2O-R	1,022	--	5025*, 5026*	0.2926%
1509	3C-R	1,402	96	2032, C2031	0.4014%
1601	1CM	686	--	5048	0.1964%
1602	1CO	673	--	3113	0.1927%
1603	2O	1,022	--	5027*, 5028*	0.2926%
1604	2MA	953	--	5029*, 5030*	0.2729%
1605	2O-R	1,022	--	5031*, 5032*	0.2926%
1606	2O	1,022	--	5033*, 5034*	0.2926%
1607	2E	1,045	--	5013*	0.2992%
1608	2MB	934	--	5016*	0.2674%
1609	2O-R	1,022	--	T4047, T4081	0.2926%
1610	1CO-R	673	--	2152	0.1927%
1611	1CM-R	686	--	5081*	0.1964%
1701	1CM	686	--	5035*	0.1964%
1702	1CO	673	--	3136	0.1927%
1703	2O	1,022	--	T4049, T4079	0.2926%
1704	2MA	953	--	C2094, 2093	0.2729%
1705	2O-R	1,022	--	T4052, T4076	0.2926%
1706	2O	1,022	--	2160, 2159	0.2926%

**EXHIBIT "A"**

Apartment Number	Apartment Type	**Approx. Apt. Area in Square Feet	Approx. Lanai Area in Square Feet	Assigned Parking Stalls	Common Interest
1707	2E	1,045	--	5017*	0.2992%
1708	2MB	934	--	5018*	0.2674%
1709	2O-R	1,022	--	T4050, T4078	0.2926%
1710	1CO-R	673	--	2157	0.1927%
1711	1CM-R	686	--	2158	0.1964%
1801	1CM	686	--	3126	0.1964%
1802	1CO	673	--	3129	0.1927%
1803	2O	1,022	--	T4051, T4077	0.2926%
1804	2MA	953	--	C2105, 2106	0.2729%
1805	2O-R	1,022	--	T4053, T4070	0.2926%
1806	2O	1,022	--	T2095, T2131	0.2926%
1807	2E	1,045	--	C3096, 3095	0.2992%
1808	2MB	934	--	5058*	0.2674%
1809	2O-R	1,022	--	T2100, T2126	0.2926%
1810	1CO-R	673	--	4108	0.1927%
1811	1CM-R	686	--	3118	0.1964%
1901	1CM	686	--	3003	0.1964%
1902	1CO	673	--	4013	0.1927%
1903	2O-SL	993	86	2156, 2155	0.2843%
1904	2MA	953	--	C2026, 2025	0.2729%
1905	2O-SL-R	993	86	2150, 2151	0.2843%
1906	2O-SL	993	86	2153, 2154	0.2843%
1907	2E	1,045	--	3124, 3125	0.2992%
1908	2MB	934	--	5057*	0.2674%
1909	2O-SL-R	993	86	3127, 3128	0.2843%
1910	1CO-R	673	--	4007	0.1927%
1911	1CM-R	686	--	4004	0.1964%
2001	1CM	686	--	2016	0.1964%
2002	1CO	673	--	2010	0.1927%
2003	2O-SL	993	86	3139, 3138	0.2843%
2004	2MA	953	--	T2101, T2120	0.2729%
2005	2O-SL-R	993	86	3135, 3134	0.2843%
2006	2O-SL	993	86	3133, 3132	0.2843%
2007	2E	1,045	--	3131, 3130	0.2992%
2008	2MB	934	--	5041*	0.2674%
2009	2O-SL-R	993	86	3111, 3112	0.2843%
2010	1CO-R	673	--	2087	0.1927%
2011	1CM-R	686	--	2074	0.1964%
2101	1CM	686	--	4089	0.1964%
2102	1CO	673	--	4039	0.1927%

**EXHIBIT "A"**

Apartment Number	Apartment Type	**Approx. Apt. Area in Square Feet	Approx. Lanai Area in Square Feet	Assigned Parking Stalls	Common Interest
2103	2O-SL	993	86	3114, 3115	0.2843%
2104	2MA	953	--	T2099, T2127	0.2729%
2105	2O-SL-R	993	86	3116, 3117	0.2843%
2106	2O-SL	993	86	3122, 3121	0.2843%
2107	2E	1045	--	3120, 3119	0.2992%
2108	2MB	934	--	5040*	0.2674%
2109	2O-SL-R	993	86	2148, 2149	0.2843%
2110	1CO-R	673	--	4060	0.1927%
2111	1CM-R	686	--	3038	0.1964%
2201	3C	1,402	96	A1025, 1087	0.4014%
2202	2O-SL	993	86	4015, 4014	0.2843%
2203	2MA	953	--	4006, 4005	0.2729%
2204	2O-SL-R	993	86	4003, 4002	0.2843%
2205	2O-SL	993	86	2022, 2021	0.2843%
2206	2E	1,045	--	2009, 2008	0.2992%
2207	2MB	934	--	5039*	0.2674%
2208	2O-SL-R	993	86	T3047, T3076	0.2843%
2209	3C-R	1,402	96	2033, 2034	0.4014%
2301	3C	1,402	96	2036, 2037	0.4014%
2302	2O	1,022	--	2020, 2019	0.2926%
2303	2MA	953	--	2018, 2017	0.2729%
2304	2O-R	1,022	--	2006, 2005	0.2926%
2305	2O	1,022	--	2003, 2004	0.2926%
2306	2E	1,045	--	3106, C3105	0.2992%
2307	2MB	934	--	5038*	0.2674%
2308	2O-R	1,022	--	3107, 3108	0.2926%
2309	3C-R	1,402	96	3079, 3080	0.4014%
2401	3C	1,402	96	1090, 1089	0.4014%
2402	2O	1,022	--	3109, 3110	0.2926%
2403	2MA	953	--	3001, 3002	0.2729%
2404	2O-R	1,022	--	3004, 3005	0.2926%
2405	2O	1,022	--	3019, 3018	0.2926%
2406	2E	1,045	--	4091, 4090	0.2992%
2407	2MB	934	--	5043*	0.2674%
2408	2O-R	1,022	--	4093, 4092	0.2926%
2409	3C-R	1,402	96	3077, 3078	0.4014%
2501	3C	1,402	96	1039, 1040	0.4014%
2502	2O	1,022	--	4095, 4094	0.2926%
2503	2MA	953	--	4085, 4086	0.2729%
2504	2O-R	1,022	--	4099, 4098	0.2926%

**EXHIBIT "A"**

Apartment Number	Apartment Type	**Approx. Apt. Area in Square Feet	Approx. Lanai Area in Square Feet	Assigned Parking Stalls	Common Interest
2505	2O	1,022	--	4101, 4100	0.2926%
2506	2E	1,045	--	4103, 4102	0.2992%
2507	2MB	934	--	4105, 4104	0.2674%
2508	2O-R	1,022	--	4107, 4106	0.2926%
2509	3C-R	1,402	96	1069, 1068	0.4014%
2601	1CM	686	--	3059	0.1964%
2602	1CO	673	--	1041	0.1927%
2603	2O	1,022	--	4110, 4109	0.2926%
2604	2MA	953	--	4112, 4111	0.2729%
2605	2O-R	1,022	--	4114, 4113	0.2926%
2606	2O	1,022	--	4116, 4115	0.2926%
2607	2E	1,045	--	2076, 2075	0.2992%
2608	2MB	934	--	C3012, 3013	0.2674%
2609	2O-R	1,022	--	2078, 2077	0.2926%
2610	1CO-R	673	--	1088	0.1927%
2611	1CM-R	686	--	1058	0.1964%
2701	3C	1,402	96	1070, 1071	0.4014%
2702	2O-SL	993	86	2080, 2079	0.2843%
2703	2MA	953	--	2082, 2081	0.2729%
2704	2O-SL-R	993	86	2084, 2083	0.2843%
2705	2O-SL	993	86	2086, 2085	0.2843%
2706	2E	1,045	--	C1014, 1013	0.2992%
2707	2MB	934	--	2141, 2140	0.2674%
2708	2O-SL-R	993	86	2143, 2142	0.2843%
2709	3C-R	1,402	96	1060, 1061	0.4014%
2801	3C	1,402	96	3036, 3037	0.4014%
2802	2O-SL	993	86	2145, 2144	0.2843%
2803	2MA	953	--	2147, 2146	0.2729%
2804	2O-SL-R	993	86	3086, 3085	0.2843%
2805	2O-SL	993	86	3088, 3087	0.2843%
2806	2E	1,045	--	C3032, 3033	0.2992%
2807	2MB	934	--	3090, 3089	0.2674%
2808	2O-SL-R	993	86	3092, 3091	0.2843%
2809	3C-R	1,402	96	3034, 3035	0.4014%
2901	3C	1,402	96	3040, 3039	0.4014%
2902	2O-SL	993	86	3014, 3015	0.2843%
2903	2MA	953	--	4016, 4017	0.2729%
2904	2O-SL-R	993	86	3098, C3097	0.2843%
2905	2O-SL	993	86	3016, 3017	0.2843%
2906	2E	1,045	--	3102, 3101	0.2992%

**EXHIBIT "A"**

Apartment Number	Apartment Type	**Approx. Apt. Area in Square Feet	Approx. Lanai Area in Square Feet	Assigned Parking Stalls	Common Interest
2907	2MB	934	--	3104, 3103	0.2674%
2908	2O-SL-R	993	86	1001, 1002	0.2843%
2909	3C-R	1,402	96	3055, 3056	0.4014%
3001	3C	1,402	96	1056, 1057	0.4014%
3002	2O-SL	993	86	1045, 1044	0.2843%
3003	2MA	953	--	1047, 1046	0.2729%
3004	2O-SL-R	993	86	1049, 1048	0.2843%
3005	2O-SL	993	86	1011, 1012	0.2843%
3006	2E	1,045	--	3081, C3082	0.2992%
3007	2MB	934	--	1053, 1052	0.2674%
3008	2O-SL-R	993	86	1055, 1054	0.2843%
3009	3C-R	1,402	96	3021, 3020	0.4014%
3101	3C	1,402	96	3023, 3022	0.4014%
3102	2O	1,022	--	4037, C4038	0.2926%
3103	2MA	953	--	C4087, 4088	0.2729%
3104	2O-R	1,022	--	1003, 1004	0.2926%
3105	2O	1,022	--	4035, 4036	0.2926%
3106	2E	1,045	--	3042, C3041	0.2992%
3107	2MB	934	--	C4041, 4040	0.2674%
3108	2O-R	1,022	--	4083, 4084	0.2926%
3109	3C-R	1,402	96	3044, 3043	0.4014%
3201	3C	1,402	96	3030, 3031	0.4014%
3202	2O-RL	1,022	116	3099, 3100	0.2926%
3203	2MA	953	--	4063, 4064	0.2729%
3204	2O-R	1,022	--	4019, 4018	0.2926%
3205	2O	1,022	--	4021, 4020	0.2926%
3206	2E	1,045	--	4023, 4022	0.2992%
3207	2MB	934	--	4058, 4059	0.2674%
3208	2O-RL-R	1,022	116	4066, 4065	0.2926%
3209	3C-R	1,402	96	1073, 1072	0.4014%
3301	3C	1,402	96	1037, 1038	0.4014%
3302	2O-RL	1,022	116	4068, C4067	0.2926%
3303	2MA	953	--	4054, C4055	0.2729%
3304	2O-R	1,022	--	4025, C4024	0.2926%
3305	2O	1,022	--	4027, C4026	0.2926%
3306	2E	1,045	--	4043, 4042	0.2992%
3307	2MB	934	--	4030, 4031	0.2674%
3308	2O-RL-R	1,022	116	4045, 4044	0.2926%
3309	3C-R	1,402	96	1084, 1085	0.4014%
3401	3C	1,402	96	3024, 3025	0.4014%

**EXHIBIT "A"**

Apartment Number	Apartment Type	**Approx. Apt. Area in Square Feet	Approx. Lanai Area in Square Feet	Assigned Parking Stalls	Common Interest
3402	2O-RL	1,022	116	4028, 4029	0.2926%
3403	2MA	953	--	4033, 4034	0.2729%
3404	2O-R	1,022	--	2072, 2073	0.2926%
3405	2O	1,022	--	2138, 2139	0.2926%
3406	2E	1,045	--	2136, C2137	0.2992%
3407	2MB	934	--	2134, 2135	0.2674%
3408	2O-RL-R	1,022	116	2132, 2133	0.2926%
3409	3C-R	1,402	96	1016, 1015	0.4014%
3501	3C	1,402	96	3028, 3029	0.4014%
3502	2O-RL	1,022	116	2090, 2088	0.2926%
3503	2MA	953	--	C1080, 1081	0.2729%
3504	2O-LL-R	1,022	58	2070, 2071	0.2926%
3505	2O-LL	1,022	58	2092, 2091	0.2926%
3506	2E	1,045	--	2068, 2069	0.2992%
3507	2MB	934	--	C1035, 1036	0.2674%
3508	2O-RL-R	1,022	116	2066, 2067	0.2926%
3509	3C-R	1,402	96	3027, 3026	0.4014%
3601	3C	1,402	96	3074, 3075	0.4014%
3602	2O-RL	1,022	116	2001, 2002	0.2926%
3603	2MA	953	--	C3046, 3045	0.2729%
3604	2O-LL-R	1,022	58	2115, 2114	0.2926%
3605	2O-LL	1,022	58	2112, 2113	0.2926%
3606	2E	1,045	--	C1021, 1022	0.2992%
3607	2MB	934	--	1031, C1032	0.2674%
3608	2O-RL-R	1,022	116	2109, 2110	0.2926%
3609	3C-R	1,402	96	3049, 3048	0.4014%
3701	3C	1,402	96	1017, 1018	0.4014%
3702	2O-RL	1,022	116	2107, 2108	0.2926%
3703	2MA	953	--	2024, 2023	0.2729%
3704	2O-LL-R	1,022	58	3083, 3084	0.2926%
3705	2O-LL	1,022	58	2027, 2028	0.2926%
3706	2E	1,045	--	2029, 2030	0.2992%
3707	2MB	934	--	3061, 3060	0.2674%
3708	2O-RL-R	1,022	116	3062, C3063	0.2926%
3709	3C-R	1,402	96	1033, 1034	0.4014%
3801	3C	1,402	96	1074, 1075	0.4014%
3802	2O-RL	1,022	116	4071, 4069	0.2926%
3803	2MA	953	--	4073, 4072	0.2729%
3804	2O-LL-R	1,022	58	4075, 4074	0.2926%
3805	2O-LL	1,022	58	2118, 2119	0.2926%

**EXHIBIT "A"**

Apartment Number	Apartment Type	**Approx. Apt. Area in Square Feet	Approx. Lanai Area in Square Feet	Assigned Parking Stalls	Common Interest
3806	2E	1,045	--	2123, 2122	0.2992%
3807	2MB	934	--	2125, 2124	0.2674%
3808	2O-RL-R	1,022	116	2129, 2128	0.2926%
3809	3C-R	1,402	96	1019, 1020	0.4014%
3901	3C	1402	96	1029, 1030	0.4014%
3902	2O-RL	1,022	116	3064, 3065	0.2926%
3903	2MA	953	--	3069, 3068	0.2729%
3904	2O-LL-R	1,022	58	3071, 3070	0.2926%
3905	2O-LL	1,022	58	3073, 3072	0.2926%
3906	2E	1,045	--	1066, 1067	0.2992%
3907	2MB	934	--	1064, 1065	0.2674%
3908	2O-RL-R	1,022	116	1062, 1063	0.2926%
3909	3C-R	1,402	96	4082, TC4048, TC4080	0.4014%
4001	2O-RL	1,022	116	2045, 2046	0.2926%
4002	2MA	953	--	2043, 2044	0.2729%
4003	2O-LL-R	1,022	58	2048, 2047	0.2926%
4004	2O-LL	1,022	58	2050, 2049	0.2926%
4005	2E	1,045	--	2052, 2051	0.2992%
4006	2MB	934	--	2041, 2042	0.2674%
4007	2O-RL-R	1,022	116	2054, 2053	0.2926%
4101	2O-RL	1,022	116	2056, 2055	0.2926%
4102	2MA	953	--	2039, 2040	0.2729%
4103	2O-LL-R	1,022	58	2058, 2057	0.2926%
4104	2O-LL	1,022	58	2059, 2060	0.2926%
4105	2E	1,045	--	T1059, T1076	0.2992%
4106	2MB	934	--	1083, 1082	0.2674%
4107	2O-RL-R	1,022	116	2061, 2062	0.2926%
4201	2O-RL	1,022	116	2103, 2102	0.2926%
4202	2O-LL-R	1,022	58	2098, 2097	0.2926%
4203	2O-LL	1,022	58	1027, 1028	0.2926%
4204	2O-RL-R	1,022	116	1023, 1024	0.2926%
4301	PHN-1	2,235	280	T3066, T3050, 3067	0.6399%
4302	PHN-1R	2,235	280	C1077, 1078, 1079, 1005, C1006, C1007, C1008, C1009, C1010, C1042, 1043, 1050, 1051,	0.6399%

**EXHIBIT "A"**

Apartment Number	Apartment Type	**Approx. Apt. Area in Square Feet	Approx. Lanai Area in Square Feet	Assigned Parking Stalls	Common Interest
(4302 Continued)				C1086, 2007, C2011, C2012, C2013, C2014, C2015, 2035, 2038, 2063, C2089, C2096, C2104, C2111, 2116, C2117, 2121, C2130, 3006, 3007, C3008, C3009, C3010, C3011, A3051, A3052, A3053, A3054, 3057, C3058, 3093, 3094, 3123, C4001, C4008, C4009, C4010, C4011, C4012, C4032, C4046, A4056, A4057, C4061, 4062, 4096	
C-1	Commercial	7,683	--	R101, R102, R103, R104, R105, R106, R107, R108, R109, R110, R111, R112, R113, R114, R115, R116, R117, RC118, R119, R120, R121, RA122, RA123, RC124, R125, R126, R127, R128, R129, R130	2.2005%

**TOTAL: 100.0000%**

**\*\*APARTMENT AREAS**

The areas for the Residential Apartments reported above are “net living areas” measured in accordance with paragraph 3.2 of the Declaration. The area for the Commercial Apartment reported above is “net floor area” measured in accordance with paragraph 3.3 of the Declaration.

**EXHIBIT “A”**

## COMMON INTERESTS

The common interest for each Apartment was determined by dividing the Apartment's approximate net living (or floor) area (excluding lanais) by the approximate aggregate net living (and floor) area of all of the Apartments, then rounding the resulting fraction and converting the fraction into a percentage. The common interest appurtenant to the Commercial Apartment was increased by 0.0008% so that the aggregate common interest appurtenant to all of the Apartments equals 100%.

## COMMON ELEMENT AND LIMITED COMMON ELEMENT PARKING STALLS

Assigned parking stalls whose numbers are followed by an "\*" are uncovered or partially uncovered. All other assigned parking stalls are covered. The letter "C" preceding a parking stall number indicates a compact sized stall. The letter "T" preceding a parking stall number indicates a tandem stall. The letter "A" preceding a parking stall number indicates a handicap-accessible stall. All other stalls are standard sized.

In addition to the assigned limited common element parking stalls, the Project contains twenty-three (23) covered guest parking stalls located on Parking Level 3, and numbered G301 through G308, GA309 (which is a handicap accessible guest stall) and G310 through G323.

The Project also contains, on Parking Level 1, two (2) limited common element loading stalls assigned to the Commercial Apartment and located in the vicinity of the Commercial Apartment and designated on the Condominium Map as "Loading", two (2) limited common element loading stalls assigned to the Residential Apartments as a group and designated on the Condominium Map as "L101" and "L102", and one common element handicap-accessible parking stall reserved for the manager and other Association employees, designated on the Condominium Map as "A1026".

Apartment Owners may transfer assigned limited common element parking stalls pursuant to the Declaration, provided that each Apartment shall always have at least one (1) parking stall as an appurtenant limited common element. Under certain circumstances described in paragraph 9.2 of the Declaration, the Owner of an Apartment to which a handicap-accessible parking stall is assigned may be required to transfer such stall to another Apartment in exchange for a non-handicap-accessible stall.

## **BOUNDARIES OF APARTMENTS**

Each Residential Apartment shall be deemed to include: (i) all the walls and partitions which are not load-bearing within its perimeter walls, (ii) the interior decorated or finished surfaces of all walls, floors and ceilings, including floor coverings, (iii) any doors and door frames, windows or panels along the perimeters, window frames, (iv) all fixtures originally installed therein, and (v) the decorated or finished surface of the floor, walls (if any) and ceiling of the lanai(s) appurtenant to the Apartment, the railing (if any) of such lanai(s) and the lanai air space. 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 deemed common elements as provided in the Declaration.

The Commercial Apartment consists of two (2) enclosed spaces separated by a corridor as shown on the Condominium Map. The larger of the two spaces is shown on the Condominium Map as divided into five smaller spaces by interior walls, although this interior configuration may be changed by the owner of the Commercial Apartment. The Commercial Apartment shall be deemed to include: (i) all the walls and partitions which are not load-bearing within the perimeter walls of each of its components, (ii) the interior decorated or finished surfaces of all walls, floors and ceilings, (iii) any doors and door frames in the perimeter walls, and (iv) all fixtures originally installed therein. The Commercial Apartment shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter walls or the interior load-bearing walls, (b) the undecorated or unfinished surfaces of the floors and ceilings surrounding each component of the Commercial Apartment, and (c) any pipes, shafts, wires, conduits or other utility or services lines running through the Commercial Apartment which are utilized for or serve more than one Apartment, the same being deemed common elements as provided in the Declaration.

Should the descriptions and divisions set forth in the Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control. The Condominium Map, however, is intended to show only the layout, location, Apartment numbers and dimensions of the Apartments and elevations of the buildings and is not intended and shall not be deemed to contain or make any other representation or warranty.

The approximate areas of the Residential Apartments set forth in Exhibit "A" attached to this Public Report are "net living areas" based on measurements taken from the interior surfaces of all perimeter walls, except that no reduction is made to account for interior walls, ducts, vents, shafts, and the like located within the perimeter walls. The areas of the Residential Apartments set forth in Exhibit "A" are not exact but are approximations based on the floor plans of each type of Residential Apartment. The measurements of the Residential Apartments set forth in Exhibit "A" may not follow the designation of the limits of the Residential Apartments (the legally designated areas of the Residential Apartments) set forth above and in the Declaration,

## **EXHIBIT "B"**

### **Page 1 of 2**

and the net living areas set forth in Exhibit "A" may be greater than the floor areas of the Residential Apartments as so designated and described in the Declaration.

The approximate area of the Commercial Apartment set forth in Exhibit "A" attached to this Public Report is "net floor area" based on measurements taken from the interior surfaces of all perimeter walls, except that no reduction is made to account for interior walls, ducts, vents, shafts, and the like located within the perimeter walls. The area of the Commercial Apartment set forth in Exhibit "A" is not exact but is an approximation based on the floor plans of the unimproved Commercial Apartment. The interior of the Commercial Apartment may be configured differently than shown on the Condominium Map and the aggregate floor areas of the various spaces comprising the Commercial Apartment may be less than the net floor area of the Commercial Apartment set forth in Exhibit "A".

## **PERMITTED ALTERATIONS**

The development and use of the Project are subject to the terms of the Hawaii Community Development Authority's Mauka Area Rules for the Kakaako Community Development District (the "Mauka Area Rules"). Accordingly, no alterations or additions to any Apartment or limited common element may be made that is prohibited by the Mauka Area Rules or by any special permits or agreements to which the development and/or use of the Project is subject.

Subject to the provisions of the Declaration, Chapter 514A of the Hawaii Revised Statutes (the "Act"), the Mauka Area Rules and applicable zoning, and except as otherwise provided in the Bylaws, no Owner of an Apartment shall, without the prior written approval of the Board of Directors of the Association (the "Board") and, make any structural alterations in or additions to his Apartment or make any alterations in or additions to the exterior of his Apartment (including painting, installing or altering awnings, jalousies and screens) or to the common elements.

Except as otherwise provided in the Declaration, the Bylaws or the Mauka Area Rules, an Owner may make non-structural alterations and additions solely within his Apartment, or solely within a limited common element appurtenant to and for the exclusive use of his Apartment, at the Owner's sole cost and expense, provided that such alterations or additions do not affect any other Apartment or other common elements or change the exterior or appearance of the Project, and provided, further, that any building permit required for such alterations or additions is first duly obtained and filed with the Board and the proposed alteration or addition will not adversely affect the Project's insurance rating or premiums.

No Apartment Owner shall, without the prior written approval of the Board, install any wiring for electrical or telephone installations, television antenna, machines or air-conditioning units, or other equipment, fixtures, appliances or appurtenances whatsoever on the exterior of the Building or protruding through the walls, windows or roofs thereof.

No Apartment Owner shall, without the prior written approval of the Board, make any structural modifications, changes, additions or alterations to the Apartment's lanai or add any awnings, sunscreens, louvers, exhaust vents, wind baffles, drain, door, window, panel or otherwise partially or wholly enclose the lanai. The Board may withhold its approval based upon the terms of the Declaration, the terms of the Mauka Area Rules, the effect such proposed modifications, changes, additions or alterations may have on the appearance of the lanai and the Building, and based upon considerations of applicable zoning and requirements and the terms of any permits or authorizations pursuant to which the Project has been designed and constructed and any declarations of covenants or restrictions now or hereafter recorded against the Project in accordance with the requirements of such permits or authorizations.

It is intended that the exterior of the Project present a uniform appearance. To effect that end, all interior window coverings (including curtains, drapes and screens of any kind) visible from outside of the Apartment shall include a backing of a type, color and appearance approved

**EXHIBIT "C"**

**Page 1 of 3**

by the Board. In addition, Owners may not, without the prior written approval of the Board, apply any substance, material or process to the exterior or interior surfaces of the Apartment's windows that may alter the exterior color, appearance or reflectivity of the windows.

To minimize ambient noise at the Project, and for the comfort and enjoyment of all Owners, an Apartment Owner who wishes to change the floor covering on any floor areas within the Apartment must first provide written evidence to the Board that the new floor covering will have underlying sound absorbent material capable of mitigating sound transmission with a minimum Impact Isolation Class rating of IIC-50 or such other rating as the Board shall have determined is required to prevent unreasonable sound transmission through the type of flooring that will be installed. The Board shall have the right to require that any new floor covering installed without the Board's prior written approval shall be removed at the Apartment Owner's expense.

The Owner of any two or more adjacent Apartments separated by a common element wall may alter or remove all or portions of such wall if the structural integrity of the Building is not thereby affected and if the finish of the remaining common element(s) is restored to a condition substantially comparable to that of the common element prior to such alterations. Such alteration shall require only the written approval of the Board, including the Board's approval of the Owner's plans for such alteration, together with the approval of the holders of first mortgages on all Apartments affected by such alteration, and the approval of the appropriate agencies of the State of Hawaii and/or the City and County of Honolulu if such agencies so require. The Board's approval may be conditioned upon the Board having first received a certified written statement of a registered Hawaii architect or engineer that the proposed alterations shall not adversely affect the structural integrity of any part of the Project or jeopardize the soundness or safety of the Project in any way. Such alteration may be undertaken without an amendment to the Bylaws or to the Declaration or the filing of a complete set of floor plans of the Project as so altered. If, in the reasonable judgment of the Board, the alterations or additions are substantial in nature, the Board may require that the Owner of the Apartments affected provide evidence satisfactory to the Board of sufficient financing to complete such alterations or additions or, in lieu thereof, require that the Owner obtain a performance and lien payment bond, naming as obligees the Board, the Association and all Apartment Owners and their mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such construction. Prior to the termination of the common ownership of any such adjacent Apartments, the Owner of such Apartments shall be obligated to restore the intervening wall between the Apartments to substantially the same condition in which the wall existed prior to its alteration or removal.

Notwithstanding anything to the contrary contained in the Bylaws, the Declaration or the Rules and Regulations, Owners with disabilities shall be permitted to make reasonable modifications to their Apartments and/or common elements, at their expense (including the cost of obtaining any bonds required by the Declaration, these Bylaws or the Act), if such modifications are necessary to enable them to use and enjoy their Apartments and/or the common elements, as the case may be, provided that any Owner with a disability desiring to make such modifications shall make such request, in writing, to the Board of Directors. That

request shall set forth, with specificity and in detail, the nature of the request and the reason that the requesting party needs to make such modifications. The Board of Directors shall not unreasonably withhold or delay their consent to such request, and any such request shall be deemed to be granted if not denied in writing, within forty-five (45) days of the Board's receipt thereof, or within forty-five (45) days of the Board's receipt of additional information reasonably required in order to consider such request, whichever shall last occur.

Article VIII of the Bylaws contains additional information regarding alterations to the Apartments, the common elements and the limited common elements. Paragraph 17.4 of the Declaration also contains a Developer reservation to add new commercial apartments and new limited common elements to certain common element portions of the Project.

## COMMON ELEMENTS

The common elements consist of all portions of the Project other than the Apartments, including specifically, but not limited to:

(a) The land of the Project (the "Land"), in fee simple, and any easements appurtenant thereto;

(b) The limited common elements described in paragraph 5 of the Declaration;

(c) All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roofs, stairs and stairways, elevator cars, shafts, doors and related equipment, pumps, ducts, pipes, wires, conduits, or 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 any part of the Building or located on the Land;

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

(e) All recreational facilities and other amenities of the Project, including, but not limited to, the swimming pool, the recreational area with swimming pool, fitness center, outdoor shower, kitchenette and restrooms located on Level 4;

(f) All lobbies, elevators, driveways and other common ways, all covered and uncovered parking and loading spaces, all storage areas not located within an Apartment, all landscaping, courtyards, fences, gates, retaining walls, mailboxes, trash areas, utility, communication, telephone and maintenance rooms and facilities, accessory equipment areas, including electrical and mechanical rooms or facilities located on the Land or within the Building and serving more than one Apartment;

(g) All other improvements on the Land that are not part of any Apartment.

## **LIMITED COMMON ELEMENTS**

The limited common elements set aside and reserved for the exclusive use of the Apartments to which they are assigned are as follows:

(a) Each Apartment shall have appurtenant thereto as limited common elements all pipes, wires, ducts, conduits or other utility or service lines located within or running through the Apartment and utilized by or serving only that Apartment.

(b) Each Residential Apartment shall have appurtenant thereto as a limited common element the parking stall(s) designated as appurtenant to the Apartment on Exhibit "C" attached to the Declaration and made a part thereof.

(c) Each Residential Apartment shall have appurtenant thereto as a limited common element the mailbox designated with the Apartment's number and located in the security area adjacent to the elevator lobby on the Building's ground floor.

(d) The Residential Apartments, as a group, shall have appurtenant thereto as limited common elements:

(i) All recreational amenities and facilities, including but not limited to the swimming pool, fitness center, outdoor shower, toilets, kitchenette and related facilities, landscaping and structures in the vicinity of the swimming pool;

(ii) All parking areas, ramps and driveways except those on Parking Level 1 that serve only the Commercial Apartment and the limited common element parking stalls assigned to the Commercial Apartment, and except for the limited common element parking stalls assigned to specific Residential Apartments as described in Exhibit "C" attached to the Declaration;

(iii) All guest parking stalls, loading stalls L101 and L102 and parking stalls for employees and management;

(iv) All stairways serving any part of the Project other than Parking Level 1;

(v) All elevators and elevator lobbies and related mechanical equipment and facilities;

(vi) The entry area and lobby on Level 3, including the mail area;

(vii) All mechanical rooms and equipment providing or relating to the provision of electrical, air-conditioning, water and other utility service to all Residential Apartments or to any part of the Project other than the Commercial Apartment;

## **EXHIBIT "E"**

### **Page 1 of 2**

(viii) All other parts of the Project that serve and are intended to serve only the Residential Apartments, excluding, however, all structural components of the Building, which are common elements as provided in the Declaration.

(e) The Commercial Apartment shall have appurtenant thereto as limited common elements:

(i) The parking stalls assigned to the Commercial Apartment as shown on Exhibit "A" attached to this public report, the two loading stalls designated on the Condominium Map as "Loading", all of the floor surface area of Parking Level 1 that includes the parking stalls assigned to the Commercial Apartment and that is used or intended to be used for pedestrian and/or vehicular ingress and egress to and from the Commercial Apartment and its assigned parking stalls, including ramps, driveways, stairways and walkways that provide pedestrian and/or vehicular access to or from or otherwise serve only the Commercial Apartment and/or its assigned parking stalls;

(ii) Any parking kiosk, gate or other facility on Parking Level 1 and pertaining only to the Commercial Apartment and its assigned parking stalls; and

(iii) All mechanical rooms and equipment providing or relating to the provision of electrical, air-conditioning, water and other utility service only to the Commercial Apartment and its other appurtenant limited common elements.

(f) Any other common element of the Project that is rationally related to less than all of the Apartments shall be deemed a limited common element appurtenant to and for the exclusive use of the Apartment or Apartments to which such common element is rationally related as provided in paragraph 5 of the Declaration, it being the intent of paragraph 5 to apportion rights to use and obligations to repair and maintain all common elements as equitably as reasonably possible among the various Apartments, and between the Residential Apartments as a group and the Commercial Apartment.

## ENCUMBRANCES AGAINST TITLE

That certain Status Report dated **April 10, 2006**, issued by Title Guaranty of Hawaii, Inc., discloses that the land of the Project is subject to the following encumbrances:

1. Improvement Assessment (Hawaii Community Development Authority, State of Hawaii) District No. 1, Lot No. 91 – information pending.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in unrecorded SUPPLEMENT TO DEED dated July 31, 1989, by and between PARIS REALTY U.S.A., INC., a Hawaii corporation, and MM HAWAII INVESTMENT CORPORATION, a Hawaii corporation, as contained in DEED dated July 31, 1989, recorded in Liber 23469 at Page 731.
4. Any utility lines and easements thereto that may be existing and/or as reserved in DEED from MAGOON ESTATE, LIMITED, et al. to the CITY AND COUNTY OF HONOLULU dated September 15, 1930, recorded in Liber 1057 at Page 316, as well as noted in Resolution No. 88-465 of the CITY COUNCIL of the CITY AND COUNTY OF HONOLULU, approved April 11, 1990.
5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Resolution No. 90-116 of the CITY COUNCIL of the CITY AND COUNTY OF HONOLULU adopted April 4, 1990.

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

“provided further that the approval granted herein be subject to the planting by MM Hawaii Development Corporation within the project site of a suitable Indian Banyan Tree, Ficus Benghalensis, and that the property owner shall consult with the Arborist Committee regarding the suitability, origin and removal, and manner of relocation of the tree in implementing this condition.”

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

INSTRUMENT : AGREEMENT

DATED : August 12, 1992

RECORDED : Document No. 92-137183

PARTIES : HAWAII COMMUNITY DEVELOPMENT AUTHORITY,  
STATE OF HAWAII, “HCDA”, and KAKAAKO M-P  
DEVELOPMENT, a Hawaii limited partnership, “KMPD”

RE : development

**EXHIBIT “F”**

**Page 1 of 2**

7. Unrecorded Lease with Diamond Parking, Inc., made September 1, 1998, dated September 10, 1998, as amended by First and Second Amendments dated March 9, 2001 and June 27, 2003, respectively, and matters arising from or affecting the same.
8. Encroachments or any other matters as shown on survey map prepared by Wayne M. Teruya, Land Surveyor, with Par En, Inc., dba Park Engineering, dated June 23, 2004.
9. Encroachments or any other matters which a survey prepared after June 23, 2004 would disclose.
10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:
 

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME  
FOR "KEOLA LA'I" CONDOMINIUM PROJECT

DATED : October 21, 2005  
RECORDED : Document No. 2005-217082  
MAP : 4101 and any amendments thereto
11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:
 

INSTRUMENT : BYLAWS OF THE ASSOCIATION OF APARTMENT  
OWNERS

DATED : October 21, 2005  
RECORDED : Document No. 2005-217083
12. Any unrecorded leases and matters arising from or affecting the same.
13. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described in the Declaration.
14. Real Property taxes as may be due and owing. Refer to the City and County of Honolulu Director of Finances for further information.

## Estimate of Maintenance Fee Disbursements

Keola La'i  
(353 units)

Utilities and Services	Monthly	Annually
Electricity (common elements only)	\$32,000	\$384,000
Gas/Propane	\$200	\$2,400
Refuse	\$3,000	\$36,000
Sewer	\$8,750	\$105,000
Telephone (common elements only)	\$1,000	\$12,000
Water (cold water)	\$3,000	\$36,000
Cable (owners will be billed individually)	\$12,600	\$151,200
<b>Maintenance, Repairs Supplies</b>		
Building/Supplies/Repairs	\$1,000	\$12,000
Grounds	\$2,000	\$24,000
Pool Supplies	\$1,000	\$12,000
Elevator	\$2,500	\$30,000
Cleaning Supplies	\$800	\$9,600
Fire Systems	\$200	\$2,400
Security Equipment	\$1,000	\$12,000
Mechanical Systems	\$1,000	\$12,000
Paint	\$150	\$1,800
Pest Control	\$500	\$6,000
Window washing	\$2,800	\$33,600
Plumbing	\$300	\$3,600
Electrical	\$1,000	\$12,000
Tools	\$100	\$1,200
<b>Payroll and Benefits</b>		
Resident Manager	\$5,000	\$60,000
Rent for Mgr's Unit	\$2,500	\$30,000
Administrative Asst.	\$2,500	\$30,000
Maintenance	\$11,000	\$132,000
Janitorial/Housekeeping	\$9,000	\$108,000
Security	\$24,000	\$288,000
Health Care Insurance	\$2,400	\$28,800
Payroll Taxes	\$3,600	\$43,200
Payroll Preparation	\$200	\$2,400
Uniforms	\$150	\$1,800
Training	\$150	\$1,800
Bonuses	\$800	\$9,600
<b>Management</b>		
Audit/Tax fees	\$225	\$2,700
Legal Fees	\$300	\$3,600
Management fees	\$5,469	\$65,628
Admin. Services/Supplies	\$1,000	\$12,000
Taxes-Income	\$50	\$600
GET/Other	\$50	\$600
Condo Registration	\$122	\$1,464
Purchasing HUI	\$300	\$3,600

### Estimate of Maintenance Fee Disbursements

Keola La'i  
(353 units)

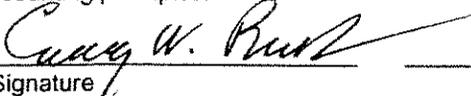
Utilities and Services	Monthly	Annually
<b>Insurance</b>		
Property and Liability	\$9,990	\$119,880
Worker's Comp	\$2,172	\$26,064
TDI	\$132	\$1,584
Directors and Officers	\$350	\$4,200
Bond	\$50	\$600
Flood (Zone X - not required by law)	\$0	\$0
<b>Reserves</b>		
	\$17,600	\$211,200
<b>TOTAL</b>	<b>\$174,010</b>	<b>\$2,088,120</b>

Apartment owners shall not be obligated for the payment of their respective shares of the common expenses until such time as the Developer files with the Real Estate commission an amended abstract providing that, commencing upon a date certain stated in the amended abstract, each apartment owner shall become obligated to pay his respective share of the common expenses.

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

**Estimate of Maintenance Fee Disbursements:** With the exception of cold water for the apartments, the estimate of fee disbursements is for maintenance of service of the Common Elements only.

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

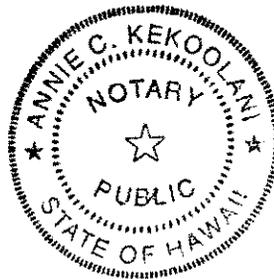

4-14-06  
 Signature Date

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

Subscribed and sworn to  
Before me this 14th day  
of April 2006.



Notary Public, State of Hawaii  
Typed or Printed Name: Annie C. Kekoolani  
My commission expires: 02-16-2010



Apartment Number	Apartment Type	Common Interest	Monthly Fee	Annual Fee
601	1CM	0.1964%	\$341.76	\$4,101.07
602	1CO	0.1927%	\$335.32	\$4,023.81
603	2OA	0.2508%	\$436.42	\$5,237.00
604	1M	0.1924%	\$334.80	\$4,017.54
605	2OB	0.2522%	\$438.85	\$5,266.24
606	2CEA	0.2233%	\$388.56	\$4,662.77
607	2OB-R	0.2522%	\$438.85	\$5,266.24
608	2CEB	0.2248%	\$391.17	\$4,694.09
609	1M-R	0.1924%	\$334.80	\$4,017.54
610	2OA-R	0.2508%	\$436.42	\$5,237.00
611	1CO-R	0.1927%	\$335.32	\$4,023.81
612	1CM-R	0.1964%	\$341.76	\$4,101.07
701	1CM	0.1964%	\$341.76	\$4,101.07
702	1CO	0.1927%	\$335.32	\$4,023.81
703	2OA	0.2508%	\$436.42	\$5,237.00
704	1M	0.1924%	\$334.80	\$4,017.54
705	2OB	0.2522%	\$438.85	\$5,266.24
706	2CEA	0.2233%	\$388.56	\$4,662.77
707	2OB-R	0.2522%	\$438.85	\$5,266.24
708	2CEB	0.2248%	\$391.17	\$4,694.09
709	1M-R	0.1924%	\$334.80	\$4,017.54
710	2OA-R	0.2508%	\$436.42	\$5,237.00
711	1CO-R	0.1927%	\$335.32	\$4,023.81
712	1CM-R	0.1964%	\$341.76	\$4,101.07
801	1CM	0.1964%	\$341.76	\$4,101.07
802	1CO	0.1927%	\$335.32	\$4,023.81
803	2OA	0.2508%	\$436.42	\$5,237.00
804	1M	0.1924%	\$334.80	\$4,017.54
805	2OB	0.2522%	\$438.85	\$5,266.24
806	2CEA	0.2233%	\$388.56	\$4,662.77
807	2OB-R	0.2522%	\$438.85	\$5,266.24
808	2CEB	0.2248%	\$391.17	\$4,694.09
809	1M-R	0.1924%	\$334.80	\$4,017.54
810	2OA-R	0.2508%	\$436.42	\$5,237.00
811	1CO-R	0.1927%	\$335.32	\$4,023.81
812	1CM-R	0.1964%	\$341.76	\$4,101.07
901	1CM	0.1964%	\$341.76	\$4,101.07
902	1CO	0.1927%	\$335.32	\$4,023.81
903	2OA	0.2508%	\$436.42	\$5,237.00
904	1M	0.1924%	\$334.80	\$4,017.54
905	2OB	0.2522%	\$438.85	\$5,266.24
906	2CEA	0.2233%	\$388.56	\$4,662.77

"Exhibit C"

Apartment Number	Apartment Type	Common Interest	Monthly Fee	Annual Fee
907	2OB-R	0.2522%	\$438.85	\$5,266.24
908	2CEB	0.2248%	\$391.17	\$4,694.09
909	1M-R	0.1924%	\$334.80	\$4,017.54
910	2OA-R	0.2508%	\$436.42	\$5,237.00
911	1CO-R	0.1927%	\$335.32	\$4,023.81
912	1CM-R	0.1964%	\$341.76	\$4,101.07
1001	1CM	0.1964%	\$341.76	\$4,101.07
1002	1CO	0.1927%	\$335.32	\$4,023.81
1003	2OA	0.2508%	\$436.42	\$5,237.00
1004	1M	0.1924%	\$334.80	\$4,017.54
1005	2OB	0.2522%	\$438.85	\$5,266.24
1006	2CEA	0.2233%	\$388.56	\$4,662.77
1007	2OB-R	0.2522%	\$438.85	\$5,266.24
1008	2CEB	0.2248%	\$391.17	\$4,694.09
1009	1M-R	0.1924%	\$334.80	\$4,017.54
1010	2OA-R	0.2508%	\$436.42	\$5,237.00
1011	1CO-R	0.1927%	\$335.32	\$4,023.81
1012	1CM-R	0.1964%	\$341.76	\$4,101.07
1101	1CM	0.1964%	\$341.76	\$4,101.07
1102	1CO	0.1927%	\$335.32	\$4,023.81
1103	2O	0.2926%	\$509.15	\$6,109.84
1104	2MA	0.2729%	\$474.87	\$5,698.48
1105	2O-R	0.2926%	\$509.15	\$6,109.84
1106	2O	0.2926%	\$509.15	\$6,109.84
1107	2E	0.2992%	\$520.64	\$6,247.66
1108	2MB	0.2674%	\$465.30	\$5,583.63
1109	2O-R	0.2926%	\$509.15	\$6,109.84
1110	1CO-R	0.1927%	\$335.32	\$4,023.81
1111	1CM-R	0.1964%	\$341.76	\$4,101.07
1201	1CM	0.1964%	\$341.76	\$4,101.07
1202	1CO	0.1927%	\$335.32	\$4,023.81
1203	2O	0.2926%	\$509.15	\$6,109.84
1204	2MA	0.2729%	\$474.87	\$5,698.48
1205	2O-R	0.2926%	\$509.15	\$6,109.84
1206	2O	0.2926%	\$509.15	\$6,109.84
1207	2E	0.2992%	\$520.64	\$6,247.66
1208	2MB	0.2674%	\$465.30	\$5,583.63
1209	2O-R	0.2926%	\$509.15	\$6,109.84
1210	1CO-R	0.1927%	\$335.32	\$4,023.81
1211	1CM-R	0.1964%	\$341.76	\$4,101.07
1401	1CM	0.1964%	\$341.76	\$4,101.07
1402	1CO	0.1927%	\$335.32	\$4,023.81

"Exhibit G"

Apartment Number	Apartment Type	Common Interest	Monthly Fee	Annual Fee
1403	2O	0.2926%	\$509.15	\$6,109.84
1404	2MA	0.2729%	\$474.87	\$5,698.48
1405	2O-R	0.2926%	\$509.15	\$6,109.84
1406	2O	0.2926%	\$509.15	\$6,109.84
1407	2E	0.2992%	\$520.64	\$6,247.66
1408	2MB	0.2674%	\$465.30	\$5,583.63
1409	2O-R	0.2926%	\$509.15	\$6,109.84
1410	1CO-R	0.1927%	\$335.32	\$4,023.81
1411	1CM-R	0.1964%	\$341.76	\$4,101.07
1501	3C	0.4014%	\$698.48	\$8,381.71
1502	2O	0.2926%	\$509.15	\$6,109.84
1503	2MA	0.2729%	\$474.87	\$5,698.48
1504	2O-R	0.2926%	\$509.15	\$6,109.84
1505	2O	0.2926%	\$509.15	\$6,109.84
1506	2E	0.2992%	\$520.64	\$6,247.66
1507	2MB	0.2674%	\$465.30	\$5,583.63
1508	2O-R	0.2926%	\$509.15	\$6,109.84
1509	3C-R	0.4014%	\$698.48	\$8,381.71
1601	1CM	0.1964%	\$341.76	\$4,101.07
1602	1CO	0.1927%	\$335.32	\$4,023.81
1603	2O	0.2926%	\$509.15	\$6,109.84
1604	2MA	0.2729%	\$474.87	\$5,698.48
1605	2O-R	0.2926%	\$509.15	\$6,109.84
1606	2O	0.2926%	\$509.15	\$6,109.84
1607	2E	0.2992%	\$520.64	\$6,247.66
1608	2MB	0.2674%	\$465.30	\$5,583.63
1609	2O-R	0.2926%	\$509.15	\$6,109.84
1610	1CO-R	0.1927%	\$335.32	\$4,023.81
1611	1CM-R	0.1964%	\$341.76	\$4,101.07
1701	1CM	0.1964%	\$341.76	\$4,101.07
1702	1CO	0.1927%	\$335.32	\$4,023.81
1703	2O	0.2926%	\$509.15	\$6,109.84
1704	2MA	0.2729%	\$474.87	\$5,698.48
1705	2O-R	0.2926%	\$509.15	\$6,109.84
1706	2O	0.2926%	\$509.15	\$6,109.84
1707	2E	0.2992%	\$520.64	\$6,247.66
1708	2MB	0.2674%	\$465.30	\$5,583.63
1709	2O-R	0.2926%	\$509.15	\$6,109.84
1710	1CO-R	0.1927%	\$335.32	\$4,023.81
1711	1CM-R	0.1964%	\$341.76	\$4,101.07
1801	1CM	0.1964%	\$341.76	\$4,101.07
1802	1CO	0.1927%	\$335.32	\$4,023.81

"Exhibit G"

Apartment Number	Apartment Type	Common Interest	Monthly Fee	Annual Fee
1803	2O	0.2926%	\$509.15	\$6,109.84
1804	2MA	0.2729%	\$474.87	\$5,698.48
1805	2O-R	0.2926%	\$509.15	\$6,109.84
1806	2O	0.2926%	\$509.15	\$6,109.84
1807	2E	0.2992%	\$520.64	\$6,247.66
1808	2MB	0.2674%	\$465.30	\$5,583.63
1809	2O-R	0.2926%	\$509.15	\$6,109.84
1810	1CO-R	0.1927%	\$335.32	\$4,023.81
1811	1CM-R	0.1964%	\$341.76	\$4,101.07
1901	1CM	0.1964%	\$341.76	\$4,101.07
1902	1CO	0.1927%	\$335.32	\$4,023.81
1903	2O-SL	0.2843%	\$494.71	\$5,936.53
1904	2MA	0.2729%	\$474.87	\$5,698.48
1905	2O-SL-R	0.2843%	\$494.71	\$5,936.53
1906	2O-SL	0.2843%	\$494.71	\$5,936.53
1907	2E	0.2992%	\$520.64	\$6,247.66
1908	2MB	0.2674%	\$465.30	\$5,583.63
1909	2O-SL-R	0.2843%	\$494.71	\$5,936.53
1910	1CO-R	0.1927%	\$335.32	\$4,023.81
1911	1CM-R	0.1964%	\$341.76	\$4,101.07
2001	1CM	0.1964%	\$341.76	\$4,101.07
2002	1CO	0.1927%	\$335.32	\$4,023.81
2003	2O-SL	0.2843%	\$494.71	\$5,936.53
2004	2MA	0.2729%	\$474.87	\$5,698.48
2005	2O-SL-R	0.2843%	\$494.71	\$5,936.53
2006	2O-SL	0.2843%	\$494.71	\$5,936.53
2007	2E	0.2992%	\$520.64	\$6,247.66
2008	2MB	0.2674%	\$465.30	\$5,583.63
2009	2O-SL-R	0.2843%	\$494.71	\$5,936.53
2010	1CO-R	0.1927%	\$335.32	\$4,023.81
2011	1CM-R	0.1964%	\$341.76	\$4,101.07
2101	1CM	0.1964%	\$341.76	\$4,101.07
2102	1CO	0.1927%	\$335.32	\$4,023.81
2103	2O-SL	0.2843%	\$494.71	\$5,936.53
2104	2MA	0.2729%	\$474.87	\$5,698.48
2105	2O-SL-R	0.2843%	\$494.71	\$5,936.53
2106	2O-SL	0.2843%	\$494.71	\$5,936.53
2107	2E	0.2992%	\$520.64	\$6,247.66
2108	2MB	0.2674%	\$465.30	\$5,583.63
2109	2O-SL-R	0.2843%	\$494.71	\$5,936.53
2110	1CO-R	0.1927%	\$335.32	\$4,023.81
2111	1CM-R	0.1964%	\$341.76	\$4,101.07

"Exhibit G"

Apartment Number	Apartment Type	Common Interest	Monthly Fee	Annual Fee
2201	3C	0.4014%	\$698.48	\$8,381.71
2202	2O-SL	0.2843%	\$494.71	\$5,936.53
2203	2MA	0.2729%	\$474.87	\$5,698.48
2204	2O-SL-R	0.2843%	\$494.71	\$5,936.53
2205	2O-SL	0.2843%	\$494.71	\$5,936.53
2206	2E	0.2992%	\$520.64	\$6,247.66
2207	2MB	0.2674%	\$465.30	\$5,583.63
2208	2O-SL-R	0.2843%	\$494.71	\$5,936.53
2209	3C-R	0.4014%	\$698.48	\$8,381.71
2301	3C	0.4014%	\$698.48	\$8,381.71
2302	2O	0.2926%	\$509.15	\$6,109.84
2303	2MA	0.2729%	\$474.87	\$5,698.48
2304	2O-R	0.2926%	\$509.15	\$6,109.84
2305	2O	0.2926%	\$509.15	\$6,109.84
2306	2E	0.2992%	\$520.64	\$6,247.66
2307	2MB	0.2674%	\$465.30	\$5,583.63
2308	2O-R	0.2926%	\$509.15	\$6,109.84
2309	3C-R	0.4014%	\$698.48	\$8,381.71
2401	3C	0.4014%	\$698.48	\$8,381.71
2402	2O	0.2926%	\$509.15	\$6,109.84
2403	2MA	0.2729%	\$474.87	\$5,698.48
2404	2O-R	0.2926%	\$509.15	\$6,109.84
2405	2O	0.2926%	\$509.15	\$6,109.84
2406	2E	0.2992%	\$520.64	\$6,247.66
2407	2MB	0.2674%	\$465.30	\$5,583.63
2408	2O-R	0.2926%	\$509.15	\$6,109.84
2409	3C-R	0.4014%	\$698.48	\$8,381.71
2501	3C	0.4014%	\$698.48	\$8,381.71
2502	2O	0.2926%	\$509.15	\$6,109.84
2503	2MA	0.2729%	\$474.87	\$5,698.48
2504	2O-R	0.2926%	\$509.15	\$6,109.84
2505	2O	0.2926%	\$509.15	\$6,109.84
2506	2E	0.2992%	\$520.64	\$6,247.66
2507	2MB	0.2674%	\$465.30	\$5,583.63
2508	2O-R	0.2926%	\$509.15	\$6,109.84
2509	3C-R	0.4014%	\$698.48	\$8,381.71
2601	1CM	0.1964%	\$341.76	\$4,101.07
2602	1CO	0.1927%	\$335.32	\$4,023.81
2603	2O	0.2926%	\$509.15	\$6,109.84
2604	2MA	0.2729%	\$474.87	\$5,698.48
2605	2O-R	0.2926%	\$509.15	\$6,109.84
2606	2O	0.2926%	\$509.15	\$6,109.84

"Exhibit G"

Apartment Number	Apartment Type	Common Interest	Monthly Fee	Annual Fee
2607	2E	0.2992%	\$520.64	\$6,247.66
2608	2MB	0.2674%	\$465.30	\$5,583.63
2609	2O-R	0.2926%	\$509.15	\$6,109.84
2610	1CO-R	0.1927%	\$335.32	\$4,023.81
2611	1CM-R	0.1964%	\$341.76	\$4,101.07
2701	3C	0.4014%	\$698.48	\$8,381.71
2702	2O-SL	0.2843%	\$494.71	\$5,936.53
2703	2MA	0.2729%	\$474.87	\$5,698.48
2704	2O-SL-R	0.2843%	\$494.71	\$5,936.53
2705	2O-SL	0.2843%	\$494.71	\$5,936.53
2706	2E	0.2992%	\$520.64	\$6,247.66
2707	2MB	0.2674%	\$465.30	\$5,583.63
2708	2O-SL-R	0.2843%	\$494.71	\$5,936.53
2709	3C-R	0.4014%	\$698.48	\$8,381.71
2801	3C	0.4014%	\$698.48	\$8,381.71
2802	2O-SL	0.2843%	\$494.71	\$5,936.53
2803	2MA	0.2729%	\$474.87	\$5,698.48
2804	2O-SL-R	0.2843%	\$494.71	\$5,936.53
2805	2O-SL	0.2843%	\$494.71	\$5,936.53
2806	2E	0.2992%	\$520.64	\$6,247.66
2807	2MB	0.2674%	\$465.30	\$5,583.63
2808	2O-SL-R	0.2843%	\$494.71	\$5,936.53
2809	3C-R	0.4014%	\$698.48	\$8,381.71
2901	3C	0.4014%	\$698.48	\$8,381.71
2902	2O-SL	0.2843%	\$494.71	\$5,936.53
2903	2MA	0.2729%	\$474.87	\$5,698.48
2904	2O-SL-R	0.2843%	\$494.71	\$5,936.53
2905	2O-SL	0.2843%	\$494.71	\$5,936.53
2906	2E	0.2992%	\$520.64	\$6,247.66
2907	2MB	0.2674%	\$465.30	\$5,583.63
2908	2O-SL-R	0.2843%	\$494.71	\$5,936.53
2909	3C-R	0.4014%	\$698.48	\$8,381.71
3001	3C	0.4014%	\$698.48	\$8,381.71
3002	2O-SL	0.2843%	\$494.71	\$5,936.53
3003	2MA	0.2729%	\$474.87	\$5,698.48
3004	2O-SL-R	0.2843%	\$494.71	\$5,936.53
3005	2O-SL	0.2843%	\$494.71	\$5,936.53
3006	2E	0.2992%	\$520.64	\$6,247.66
3007	2MB	0.2674%	\$465.30	\$5,583.63
3008	2O-SL-R	0.2843%	\$494.71	\$5,936.53
3009	3C-R	0.4014%	\$698.48	\$8,381.71
3101	3C	0.4014%	\$698.48	\$8,381.71

"Exhibit G"

Apartment Number	Apartment Type	Common Interest	Monthly Fee	Annual Fee
3102	2O	0.2926%	\$509.15	\$6,109.84
3103	2MA	0.2729%	\$474.87	\$5,698.48
3104	2O-R	0.2926%	\$509.15	\$6,109.84
3105	2O	0.2926%	\$509.15	\$6,109.84
3106	2E	0.2992%	\$520.64	\$6,247.66
3107	2MB	0.2674%	\$465.30	\$5,583.63
3108	2O-R	0.2926%	\$509.15	\$6,109.84
3109	3C-R	0.4014%	\$698.48	\$8,381.71
3201	3C	0.4014%	\$698.48	\$8,381.71
3202	2O-RL	0.2926%	\$509.15	\$6,109.84
3203	2MA	0.2729%	\$474.87	\$5,698.48
3204	2O-R	0.2926%	\$509.15	\$6,109.84
3205	2O	0.2926%	\$509.15	\$6,109.84
3206	2E	0.2992%	\$520.64	\$6,247.66
3207	2MB	0.2674%	\$465.30	\$5,583.63
3208	2O-RL-R	0.2926%	\$509.15	\$6,109.84
3209	3C-R	0.4014%	\$698.48	\$8,381.71
3301	3C	0.4014%	\$698.48	\$8,381.71
3302	2O-RL	0.2926%	\$509.15	\$6,109.84
3303	2MA	0.2729%	\$474.87	\$5,698.48
3304	2O-R	0.2926%	\$509.15	\$6,109.84
3305	2O	0.2926%	\$509.15	\$6,109.84
3306	2E	0.2992%	\$520.64	\$6,247.66
3307	2MB	0.2674%	\$465.30	\$5,583.63
3308	2O-RL-R	0.2926%	\$509.15	\$6,109.84
3309	3C-R	0.4014%	\$698.48	\$8,381.71
3401	3C	0.4014%	\$698.48	\$8,381.71
3402	2O-RL	0.2926%	\$509.15	\$6,109.84
3403	2MA	0.2729%	\$474.87	\$5,698.48
3404	2O-R	0.2926%	\$509.15	\$6,109.84
3405	2O	0.2926%	\$509.15	\$6,109.84
3406	2E	0.2992%	\$520.64	\$6,247.66
3407	2MB	0.2674%	\$465.30	\$5,583.63
3408	2O-RL-R	0.2926%	\$509.15	\$6,109.84
3409	3C-R	0.4014%	\$698.48	\$8,381.71
3501	3C	0.4014%	\$698.48	\$8,381.71
3502	2O-RL	0.2926%	\$509.15	\$6,109.84
3503	2MA	0.2729%	\$474.87	\$5,698.48
3504	2O-LL-R	0.2926%	\$509.15	\$6,109.84
3505	2O-LL	0.2926%	\$509.15	\$6,109.84
3506	2E	0.2992%	\$520.64	\$6,247.66
3507	2MB	0.2674%	\$465.30	\$5,583.63

"Exhibit G"

Apartment Number	Apartment Type	Common Interest	Monthly Fee	Annual Fee
3508	2O-RL-R	0.2926%	\$509.15	\$6,109.84
3509	3C-R	0.4014%	\$698.48	\$8,381.71
3601	3C	0.4014%	\$698.48	\$8,381.71
3602	2O-RL	0.2926%	\$509.15	\$6,109.84
3603	2MA	0.2729%	\$474.87	\$5,698.48
3604	2O-LL-R	0.2926%	\$509.15	\$6,109.84
3605	2O-LL	0.2926%	\$509.15	\$6,109.84
3606	2E	0.2992%	\$520.64	\$6,247.66
3607	2MB	0.2674%	\$465.30	\$5,583.63
3608	2O-RL-R	0.2926%	\$509.15	\$6,109.84
3609	3C-R	0.4014%	\$698.48	\$8,381.71
3701	3C	0.4014%	\$698.48	\$8,381.71
3702	2O-RL	0.2926%	\$509.15	\$6,109.84
3703	2MA	0.2729%	\$474.87	\$5,698.48
3704	2O-LL-R	0.2926%	\$509.15	\$6,109.84
3705	2O-LL	0.2926%	\$509.15	\$6,109.84
3706	2E	0.2992%	\$520.64	\$6,247.66
3707	2MB	0.2674%	\$465.30	\$5,583.63
3708	2O-RL-R	0.2926%	\$509.15	\$6,109.84
3709	3C-R	0.4014%	\$698.48	\$8,381.71
3801	3C	0.4014%	\$698.48	\$8,381.71
3802	2O-RL	0.2926%	\$509.15	\$6,109.84
3803	2MA	0.2729%	\$474.87	\$5,698.48
3804	2O-LL-R	0.2926%	\$509.15	\$6,109.84
3805	2O-LL	0.2926%	\$509.15	\$6,109.84
3806	2E	0.2992%	\$520.64	\$6,247.66
3807	2MB	0.2674%	\$465.30	\$5,583.63
3808	2O-RL-R	0.2926%	\$509.15	\$6,109.84
3809	3C-R	0.4014%	\$698.48	\$8,381.71
3901	3C	0.4014%	\$698.48	\$8,381.71
3902	2O-RL	0.2926%	\$509.15	\$6,109.84
3903	2MA	0.2729%	\$474.87	\$5,698.48
3904	2O-LL-R	0.2926%	\$509.15	\$6,109.84
3905	2O-LL	0.2926%	\$509.15	\$6,109.84
3906	2E	0.2992%	\$520.64	\$6,247.66
3907	2MB	0.2674%	\$465.30	\$5,583.63
3908	2O-RL-R	0.2926%	\$509.15	\$6,109.84
3909	3C-R	0.4014%	\$698.48	\$8,381.71
4001	2O-RL	0.2926%	\$509.15	\$6,109.84
4002	2MA	0.2729%	\$474.87	\$5,698.48
4003	2O-LL-R	0.2926%	\$509.15	\$6,109.84
4004	2O-LL	0.2926%	\$509.15	\$6,109.84

"Exhibit G"

Apartment Number	Apartment Type	Common Interest	Monthly Fee	Annual Fee
4005	2E	0.2992%	\$520.64	\$6,247.66
4006	2MB	0.2674%	\$465.30	\$5,583.63
4007	2O-RL-R	0.2926%	\$509.15	\$6,109.84
4101	2O-RL	0.2926%	\$509.15	\$6,109.84
4102	2MA	0.2729%	\$474.87	\$5,698.48
4103	2O-LL-R	0.2926%	\$509.15	\$6,109.84
4104	2O-LL	0.2926%	\$509.15	\$6,109.84
4105	2E	0.2992%	\$520.64	\$6,247.66
4106	2MB	0.2674%	\$465.30	\$5,583.63
4107	2O-RL-R	0.2926%	\$509.15	\$6,109.84
4201	2O-RL	0.2926%	\$509.15	\$6,109.84
4202	2O-LL-R	0.2926%	\$509.15	\$6,109.84
4203	2O-LL	0.2926%	\$509.15	\$6,109.84
4204	2O-RL-R	0.2926%	\$509.15	\$6,109.84
4301	PHN-1	0.6399%	\$1,113.49	\$13,361.88
4302	PHN-1R	0.6399%	\$1,113.49	\$13,361.88
C-1	Commercial	2.2005%	\$3,829.09	\$45,949.08
		100.0000%	\$174,010.00	\$2,088,120.00

"Exhibit G"

## **SUMMARY OF SALES CONTRACT AND ESCROW AGREEMENT**

The Sales Contract provides for the sale of a condominium apartment (the “Apartment”) by the Developer to a Buyer. The Escrow Agreement provides how the funds paid by the 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.

The Sales Contract provides for the number, amount and timing of payments the Buyer is to make to Escrow. The Escrow Agreement provides that Escrow is to collect these payments and hold them in accounts with banks or savings institutions that are federally insured. The Sales Contract and Escrow Agreement provide who gets to keep interest that may be earned on the funds with Escrow. If the Sales Contract is signed before the Real Estate Commission has issued an effective date for a Contingent Final or Final Public Report and before certain other things have happened (as described in the Sales Contract), the Sales Contract shall not be binding on the Buyer or the Seller, and either of them may cancel it at any time before it becomes binding. After the Sales Contract becomes binding, it may be cancelled by the Developer if, among other reasons, the Buyer is obtaining financing and fails to obtain a lender commitment within a certain time period specified in the Sales Contract, or if the Buyer is a cash buyer and fails to furnish satisfactory evidence of ability to pay within other time periods. In certain cases, the Buyer may be responsible for cancellation fees.

The Sales Contract provides that if the Sales Contract has become binding between Buyer and Seller in accordance with Section F.1 thereof *and* the Real Estate Commission has issued an effective date for a Final Public Report for the Project, Escrow may disburse to Seller all or portions of Buyer’s funds deposited with Escrow (i) prior to closing and completion of construction of Buyer’s Apartment to pay construction costs of the building(s) and other improvements of the Project, and (ii) after closing but prior to completion of construction of Buyer’s Apartment to pay construction and other costs (including architectural, engineering, finance and legal fees and other incidental expenses of the Project), in accordance with and subject to the requirements of the Act and the Escrow Agreement. The Sales Contract provides that no interest will be earned or paid on Buyer’s funds that are used to pay construction costs in accordance with the Sales Contract and the Escrow Agreement and the condominium law.

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 the Buyer as set forth in the Sales Contract.

If the Buyer defaults under the Sales Contract after an effective date is issued for a Final Public Report for the Project and the Final Public Report is “accepted” by the Buyer, the Buyer may lose all of the Buyer’s deposits with Escrow up to 15% of the Purchase Price under the Sales Contract, or Buyer may be liable to Seller for the amount of damages Seller incurs due to Buyer’s default, whichever is greater. Seller, at its option, may pursue an action against Buyer for specific performance and may pursue other legal or equitable remedies as well.

### **EXHIBIT “H”**

#### **Page 1 of 3**

If the Seller defaults under the Sales Contract, the Buyer shall, as its sole remedy, have the right to cancel and terminate the Sales Contract. If the Buyer cancels and terminates the Sales Contract because of the Seller's default, the Seller shall repay to the Buyer all sums the Buyer has paid to the Seller or to Escrow under the Sales Contract, and the parties shall thereafter be released from all liabilities and obligations thereunder.

The Sales Contract states estimated dates for commencement and completion of construction of the Project. The Sales Contract provides that if construction of the building's foundation has not been completed within twelve (12) months after the estimated construction commencement date, the Seller may, at the Seller's option, terminate the obligations of both Seller and Buyer under the Sales Contract and refund to Buyer all sums Buyer has paid to Seller or escrow, and in that event Seller and Buyer shall both be relieved and released of all further liability under the Sales Contract.

The Sales Contract also provides for refunds of the Buyer's deposit(s) (sometimes less escrow cancellation fees) if (a) either party cancels the Sales Contract before the Effective Date, or (b) if the Seller has issued a Contingent Final Public Report and the Buyer rescinds the Sales Contract after the Seller fails to obtain a Final Public Report before the Contingent Final Public Report expires, or (c) if there is a material change in the Project after the Effective Date that directly, substantially and adversely affects the use or value of the Buyer's apartment or its appurtenant limited common elements, or the amenities of the Project available for Buyer's use, and Buyer elects to rescind the Sales Contract, or (d) if the Buyer or Seller rescind the Sales Contract because of Buyer's inability to obtain financing or evidence of a financing commitment within certain time periods specified in the Sales Contract, or (e) if the Buyer (or one of the Buyer's, if there is more than one) is a natural person and dies before Buyer has fulfilled all of its obligations under the Sales Contract and Seller elects to rescind the Sales Contract. Other circumstances in which Buyer may be entitled to a refund of deposits are disclosed elsewhere in this summary.

The Sales Contract confirms that the Buyer has had the opportunity to read and approve certain important legal documents for the Project, including the Declaration, Bylaws, and Rules and Regulations. The Sales Contract also provides that the rights of any construction lender with a mortgage against the Project will be superior to the rights of the Buyer under the Sales Contract.

The Sales Contract provides that prior to the date that the Sales Contract becomes binding on Buyer and Seller, Seller has the right to change the Project and to modify the Project's documents in any way, including (but not limited to) the right to change the purchase price under the Sales Contract or terminate the Project. The Seller also has the right to change the Project and the Project's documents in certain ways after the Sales Contract becomes binding, provided that such changes do not increase the purchase price of the Buyer's apartment or increase the Buyer's share of common expenses without the Buyer's consent, or reduce the Seller's obligations relating to unsold apartments, or result in a substantial physical change of the Buyer's apartment or the building in which the apartment is located.

The Sales Contract discloses that the Seller (as “Developer”) has reserved various rights as more particularly described on pages 20, 20-a and 20-b of this Public Report. The Sales Contract also includes Seller disclosures and Buyer acknowledgments of various property conditions, including that the Project is being developed subject to certain State of Hawaii governmental conditions and restrictions, that the Developer reserves the right to add new commercial apartments and limited common elements in the future, that Hawaii’s climate is conducive to the growth of mold, and that certain environmental conditions exist at the Project and that the Seller has submitted a proposed remediation plan to the State of Hawaii Department of Health.

The Sales Contract limits the Buyer’s right to assign the Sales Contract and provides that the Seller may require a consent fee for any transfer. The Sales Contract also prohibits the Buyer from re-selling or re-offering the apartment for sale prior to Buyer’s acquisition of title to the Apartment.

The Sales Contract provides for “pre-closing.” “Pre-closing” means that Escrow may set a time for the Buyer to sign all of the documents Escrow asks the Buyer to sign, including the Apartment Deed and other closing documents, and the Buyer will pay the Buyer’s share of the closing costs, as estimated by Escrow, even though the Buyer’s Apartment may not be ready for occupancy. Buyer’s share of closing costs include one-half of Escrow’s fee, all recording fees, real property taxes and other prorations, Buyer’s notary fees, up to four (4) months’ maintenance start-up fees, title report and title insurance fees, conveyance tax, and fees charged by a lender if the Buyer is financing the purchase of his Apartment with a loan. Escrow then handles the closing, the transfer of title in accordance with the Escrow Agreement. The Apartment must be conveyed to the Buyer free and clear of any blanket liens, such as mortgages covering more than one apartment.

By signing the Sales Contract, the Buyer acknowledges that sales and construction activity at the Project by the Developer may continue after closing of the Buyer’s purchase.

The Escrow Agreement provides certain protections to Escrow in the event of a dispute between the Buyer and the Developer. These protections include the right to file 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. The Escrow Agreement sets out escrow fees, escrow cancellation fees and the fees for certain policies of title insurance.

**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.**

## DEVELOPER'S RESERVED REPURCHASE RIGHTS

Paragraph 23 of the Declaration provides as follows:

23. **Developer's Repurchase Rights.** The Developer hereby reserves the right to repurchase an Apartment from an Apartment Owner for a period of ten (10) years from the date of recordation of the Apartment Deed conveying the Apartment to the Owner, provided, however, that the Developer may exercise this right *if and only if* the Owner of the Apartment shall have made a complaint to the Developer about the physical condition and/or design of the Apartment or the Project and the Developer, after a good faith and diligent effort, shall be unable to rectify the matters complained about to the Apartment Owner's satisfaction within a reasonable period of time, as determined by the Developer in its sole discretion. The exercise of the Developer's repurchase rights shall be subject to the following terms and conditions:

23.1 **Notice.** Developer shall give the Apartment Owner and the Owner's mortgagee (if any) written notice of the Developer's election to exercise its right to repurchase the Owner's Apartment.

23.2 **Closing.** The closing of the purchase shall be no earlier than six (6) months nor later than nine (9) months from the date of delivery of Developer's written notice of its election to exercise its repurchase right. Closing costs shall be apportioned between the Apartment Owner and the Developer in accordance with customary practice in the State of Hawaii.

23.3 **Purchase Price.** The purchase price for the Apartment shall be a price equal to the aggregate of (i) the price (the "Price") at which the Apartment Owner purchased the Apartment, (ii) the cost of any improvements added by the Owner to the Apartment, and (iii) five percent (5%) per annum simple interest on the portion of the Price the Owner paid in cash from time to time for the Apartment, computed from the date such amount was paid until the date that title to the Apartment is transferred to the Developer. The purchase price for the Apartment shall be paid in cash at closing.

23.4 **Appliances and Fixtures.** All appliances and fixtures originally sold with the Apartment (or their replacements) shall remain in the Apartment at the date of closing and shall be part of the property purchased by the Developer.

23.5 **Successors and Assigns.** Except as otherwise provided herein, the Developer's repurchase rights shall be binding upon each and every Apartment Owner and such Owner's heirs, personal representatives, successors and assigns. The Developer's repurchase rights shall automatically transfer to and inure to the benefit of any person or entity who expressly acquires all of the rights and interests of the Developer under this Declaration.

23.6 **Mortgagee Protection.** The Developer's right to repurchase an Apartment shall be subordinate to the interest of any mortgagee of record of the Apartment. The Developer shall not exercise its right to repurchase an Apartment if prior to or within sixty (60)

days of giving notice to the Apartment Owner and the Owner's mortgagee of the Developer's intent to exercise its repurchase right, the mortgagee has commenced a foreclosure action against the Apartment. Notwithstanding the formula for calculating the purchase price set forth in subparagraph 23.3 above, if the Apartment to be repurchased is subject to a purchase money mortgage, the purchase price shall, at a minimum, be sufficient to enable the Apartment Owner to repay such purchase money mortgage at closing. The Developer's right to repurchase an Apartment shall be automatically extinguished upon any transfer of title to the Apartment to a mortgage holder or other party pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced, or when a mortgage is assigned to a federal housing agency. A mortgagee under a mortgage covering any interest in an Apartment prior to commencing mortgage foreclosure proceedings may notify the Developer in writing of (i) any default of the mortgagor under the mortgage within ninety (90) days after the occurrence of such default, and (ii) any intention of the mortgagee to foreclose the mortgage; provided that the mortgagee's failure to provide such written notice to the Developer shall not affect the mortgagee's rights under the mortgage.