

**AMENDED
DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	THE HAWAII TIMES BUILDING
Project Address	928 Nuuanu Avenue, Honolulu, HI 96817
Registration Number	6427 (Conversion)
Effective Date of Report	April 5, 2010
Developer(s)	928 Nuuanu Partners LLC, a Hawaii limited liability company

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

1. Amended Developer's Public Report. This Amended Developer's Public Report SUPERSEDES all prior public reports, as amended. Changes made to the Developer's Public Report issued October 31, 2007; as amended by Amendment 1 issued December 19, 2007, are as follows:

a. Amendments to Declaration. Developer executed a First Amendment to the Declaration of Condominium Property Regime of The Hawaii Times Building dated November 29, 2007 and filed such amendment in the Bureau of Conveyances of the State of Hawaii (the "Bureau") as Document No. 2007-208172 ("the First Amendment"). The First Amendment amends Sections 4, 11, and 19 of the Declaration to correct the common interests assigned to each unit and to clarify the responsibilities of the owner of Unit 400 with relation to the maintenance and repair of the adjacent Unit 400 Lanai and underlying roof. A copy of the First Amendment is included in the project's documents filed with the Real Estate Commission.

Developer also executed a Second Amendment to Declaration of Condominium Property Regime of The Hawaii Times Building; Joinder dated November 13, 2009 and filed such amendment in the Bureau as Document No. 2009-178936 ("the Second Amendment"). The Second Amendment amends Section 6 of the Declaration to add subparagraph I to describe the crawl space located on the Third Floor directly above Unit 210 as part of a Limited Common Element. Sheet A-2 of the Condominium Map was revised to include the crawl space. A copy of the Second Amendment and revised Condominium Map Sheet A-2 is included in the project's documents filed with the Real Estate Commission.

b. Exhibits to Public Report. Exhibits A, B, C, D, F and J were updated to reflect the filing of the First Amendment and Second Amendment. Exhibit F was also amended to reflect a change in estimated insurance costs.

c. Page 5, Subsection 1.12, Encumbrances Against Title. The Preliminary Title Report prepared by Title Guaranty of Hawaii has been updated as of January 19, 2010, and is included in the project's documents filed with the Real Estate Commission.

d. Page 10, Subsection 3.1, Declaration of Condominium Property Regime: The First Amendment to Declaration of Condominium Property Regime dated November 30, 2007, was filed in the Bureau as Document No. 2007-208172, and the Second Amendment to Declaration of Condominium Property Regime dated November 18, 2009, was filed in the Bureau as Document No. 2009-178935

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General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. 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 and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit 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 a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first 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 purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	N/A
Address of Project	928 Nuuanu Avenue, Honolulu, Hawaii 96817
Address of Project is expected to change because	N/A
Tax Map Key (TMK)	(1) 1-7-002-040
Tax Map Key is expected to change because	Individual CPR numbers may be assigned to each unit.
Land Area	6,864 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A

1.2 Buildings and Other Improvements

Number of Buildings	1 condominium building
Floors Per Building	1 6-story condominium building
Number of New Building(s)	None
Number of Converted Building(s)	1 condominium building
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	The condominium building uses brick and stone masonry, concrete walls, wood, steel, and concrete beams and concrete and metal floor slab and wood truss for the roof structures. See Exhibit "I", Section 7 for additional details.

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
See Exhibit <u> J </u>						

Total Number of Units

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

Total Parking Stall in the Project:	None
Number of Guest Stalls in the Project:	None
Number of Parking Stalls Assigned to Each Unit:	None
Attach Exhibit _____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open). N/A	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	
There are no parking stalls appurtenant to the Building.	

1.5 Boundaries of the Units

Boundaries of the unit:
See Exhibit A.

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):

See Exhibit B.

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit'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 unit owners. The common interest for each unit in this project, as described in Declaration, is:

Described in Exhibit A.

As follows:

See Exhibit A.

1.8 Recreational and Other Common Facilities (Check if applicable):

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): Bathrooms

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit C

Described as follows:

Described as follows: See Exhibit C; there are two (2) primary stairways located on the Makai and Mauka portions of the Building as shown on the Condominium Map that are common elements. There are various interior stairways located on and between floors, as shown on the Condominium Map, that have been identified as limited common elements in the Declaration and in Exhibit C to this Developer's Public Report.

Common Element	Number
Elevators	1 passenger elevator; 1 freight elevator
Stairways	2 (the Makai and Mauka Stairways)
Trash Chutes	None. See Exhibit "I" for additional details.

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit C

Described as follows:

See Exhibit C.

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input checked="" type="checkbox"/>	Pets: Pets are allowed in the Project in accordance with and subject to the House Rules.
<input type="checkbox"/>	Number of Occupants:
<input type="checkbox"/>	Other:
<input checked="" type="checkbox"/>	There are no special use restrictions.

1.12 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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit D describes the encumbrances against title contained in the title report described below.

Date of the title report: January 19, 2010

Company that issued the title report: Title Guaranty of Hawaii, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input type="checkbox"/>	Residential		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Mix Residential/Commercial	15	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	BMX-4
<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 (Specify):		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Describe any variances that have been granted to zoning code			Variance granted to permit rear entry door. See Exhibit "I" for additional details.	

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots			
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>			
	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p> <p>N/A</p>			

1.15 Conversions

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input checked="" type="checkbox"/> Applicable</p> <p><input type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p> <p>See Exhibit I.</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p> <p>See Exhibit I.</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p> <p>N/A</p>	
<p>Estimated cost of curing any violations described above:</p> <p>N/A</p>	

<p>Verified Statement from a County Official</p>	
<p>Regarding any converted structures in the project, attached as Exhibit I ___ is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p style="text-align: center;">or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>	
<p>Other disclosures and information:</p> <p>See Exhibit "I".</p>	

1.16 Project In Agricultural District

<p>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is "No", provide explanation.</p>	
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.</p>	
<p>Other disclosures and information:</p>	

1.17 Project with Assisted Living Facility

<p>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? If answer is "Yes", complete information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.</p>	
<p>The nature and the scope of services to be provided.</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p>	
<p>The duration of the provision of the services.</p>	
<p>Other possible impacts on the project resulting from the provision of the services.</p>	
<p>Other disclosures and information.</p>	

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: 928 Nuuanu Partners, LLC, a Hawaii limited liability company Business Address: 1044 Nuuanu Avenue, Honolulu, Hawaii 96817 Business Phone Number: (808) 529-0807 E-mail Address: steve@mc-arch.com
Name of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary.)	Members: Steve Marlette - Manager
2.2. Real Estate Broker	Name: Grubb & Ellis / CBI, inc. Business Address: 1000 Bishop Street, Suite 909 Honolulu, Hawaii 96813 Business Phone Number: (808) 942-7100 E-mail Address:
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street, 1st Floor Honolulu, HI 96813 Attn: Ann Kurihara Business Phone Number: (808) 521-0233
2.4 General Contractor	Name: N/A
2.5 Condominium Managing Agent	Name: American Land Company, Ltd. Business Address: 828 Fort Street, Suite 310, Honolulu, Hawaii 96813 Business Phone Number: (808) 536-6111
2.6 Attorney for Developer	Name: Chun Kerr Dodd Beaman & Wong, a limited liability law partnership Business Address: 745 Fort Street, 9 th Floor Honolulu, HI 96813 Attn: Andrew R. Buinn, Esq. Anne E. Lopez, Esq. Business Phone Number: (808) 528-8200

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	August 21, 2007	2007-149500

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	November 30, 2007	2007-208172
Bureau of Conveyances	November 18, 2009	2009-178935

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	August 21, 2007	2007-149501

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	
Bureau of Conveyances Map Number	4500
Dates of Recordation of Amendments to the Condominium Map:	
November 20, 2009	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "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. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:		
Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input checked="" type="checkbox"/>	August 22, 2007
Developer does not plan to adopt House Rules	<input type="checkbox"/>	

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House Rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows: See Exhibit E.

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

Management of the Common Elements: The Association of Unit 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.	
The initial Condominium Managing Agent for this project is (check one):	
<input checked="" type="checkbox"/>	Not affiliated with the Developer
<input type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit 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 unit and the unit 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 <u>F</u> contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
<input checked="" type="checkbox"/>	Electricity for the common elements
<input checked="" type="checkbox"/>	Gas for the common elements
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input type="checkbox"/>	TV Cable
<input type="checkbox"/>	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:	
<input type="checkbox"/>	Electricity for the Unit only
<input type="checkbox"/>	Gas for the Unit only
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV Cable
<input type="checkbox"/>	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>G</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: August 18, 2007 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u>H</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other:

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

<input type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit <u>A</u> .
<input type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some types of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

- There are no blanket liens affecting title to the individual units.
- There are blanket liens that may affect title to the individual units.

Type of Lien	Effect on the Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
First Hawaiian Bank Mortgage Document No. 2007-098920 AMOUNT: \$3,300,000.00	Lenders have priority over Buyer's rights under a sales contract, and have a right to terminate sales contracts upon foreclosure of either their mortgages before a unit sale is closed. Buyer's interest is specifically made subject and subordinate to such lien(s). Buyer's contract may be canceled and Buyer may lose all rights to acquire the unit. Buyer's deposit, less escrow cancellation fee, will be returned if default and foreclosure occur before conveyance. However, should Buyer's deposit be disbursed by Escrow and the lien foreclosed prior to conveyance to Buyer, Buyer may not be able to recover any deposits. Note: At the time of the first conveyance of each unit, each of Fee Owner's lenders' lien(s) will be paid and satisfied of record, and the unit being conveyed and its common interest shall be released therefrom.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:

Building and Other Improvements: None. The units are being conveyed in "As Is" condition

Appliances: None. The appliances, if any, are being conveyed in "As Is" condition

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

<p>Status of Construction: The Project was initially constructed in 1912 and enlarged in 1982.</p>
<p>Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract: All units will be completed prior to contracting for sale of same.</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: See Section 11 Sales Contract, which provides in relevant part that, "the existing condition of the Unit is ready for occupancy as shown on the Condominium Map. Notwithstanding any other provision in this Agreement to the contrary, Seller agrees that the completion of the Nuuanu Exit Stair, as set forth in Declaration shall be completed on or before two (2) years from the effective date of the Public Report...."</p>

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input checked="" type="checkbox"/>	<p>The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project.</p> <p><i>If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.</i></p>
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5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

<p>Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):</p>	
<input type="checkbox"/>	<p>For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or</p>
<input type="checkbox"/>	<p>For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.</p>

In connection with the use of purchaser deposits (check Box A or Box B):

<p>Box A</p> <p><input type="checkbox"/></p>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><u>Important Notice Regarding Your Deposits:</u> Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p>
<p>Box B</p> <p><input type="checkbox"/></p>	<p>The Developer has <u>not</u> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <u>Important Notice Regarding Your Deposits</u> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	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 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access rules: www.hawaii.gov/dcca/har

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

(1) The purchaser has signed the sales contract.
(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

Additional Developer Disclosures not covered elsewhere in the Developer's Public Report are set forth in Exhibit I attached to this Public Report and by this reference made a part hereof. The Additional Developer Disclosures contained in Exhibit I cover two areas (A) Project Specific Disclosures and (B) General Environmental Disclosures. Buyers are encouraged to read Exhibit I in its entirety prior to executing and delivering the Deposit Receipt and Sales Contract to Seller.

SUMMARY OF ADDITIONAL DEVELOPER DISCLOSURES

A. Disclosures Specific to the Project.

1. Maintenance Fees for Residential Units: The analysis utilized by the Developer to determine the estimated annual maintenance fees and the estimated monthly fees for each Unit in the Building, which represents the common expenses of the Project, are set forth in this Section.
2. Construction Detail. The content of the Property Condition Report prepared by the Project structural engineer is described in this Section.
3. Compliance with Building Code. The results of the investigation performed by the Department of Planning and Permitting of the City and County of Honolulu ("DPP") as reported in the March 15, 2007 ("the DPP Letter") received by the Developer are provided. Additionally, deficiencies identified in the DPP Letter and the Developer's remediation and/or removal of such deficiencies is discussed.
4. Warranties: This Section discloses that the Project, the units and anything installed or contained therein are being sold in as "AS IS" condition "WITH ALL FAULTS" by the Developer, without any warranties whatsoever, express or implied.
5. Use. The Units shall at all times be occupied and used for any use permitted by law by the respective owners thereof, their tenants, licensees, and for no other purpose, and no unit shall be used as a tenement or rooming house.
6. Condition of Project and Buildings. The present physical condition of the Project and the structural components, mechanical installations and electrical installations material to the use and enjoyment of the building and the Project are described in reports, attached thereto, from the Project's electrical engineer, mechanical engineer, structural engineer, and architect.
7. Noise and Sound Transmission. This Section identifies that in some instances sound transmission from the impact of footfalls or other movements from the unit floor above may not be completely muffled. Buyer should conduct its own evaluation prior to contracting for the unit and during the Buyer's Inspection Period, as that term is defined in the Sales Contract.
8. Alleyway in the back of the Project. This Section identifies that the concrete walkway and concrete driveway, as shown on Sheet SD-1 of the Condominium Map, are not part of the Project. The Association may, but shall not be obligated to, obtain rights of access by consent or by judicial process.
9. Rental of garbage dumpster. The Managing Agent for the Project currently rents a dumpster from the owner of the adjacent property for use by the Project for the collection of garbage. This Section notes that it will be the responsibility of the Association to find an alternative location for collection and disposal of garbage if the current lease is terminated.
10. No Parking or loading areas. The Project contains no on-site off-street or on-street parking or loading areas. This Section states that neither the Developer nor the Association shall be required to offer or provide or pay for parking facilities to the unit owners, their tenants, guests, employees, or licensees.

11. Chinatown Historic District. The Building is identified as a "Significant Site" in the Chinatown Special District, pursuant to Exhibit 21-9.10-A, of Ordinance 43 of the Revised Ordinances of Honolulu 1990. This Section identifies the purpose of the preservation and the presence of certain restrictions imposed upon the Building as a result of its being designated a Significant Site. Buyer should conduct its own evaluation of the restrictions imposed upon the Building prior to contracting for the unit and during the Buyer's Inspection Period, as that term is defined in the Sales Contract.

B. General environmental Disclosures:

1. Hazardous Materials. The Developer contracted to have a Phase I Environmental Site Assessment completed by SRP Environmental, LLC, the report of which is dated February 15, 2007 and attached to the Developer's Public Report. Developer has made no other independent investigation as to asbestos or other hazardous substances in the units or in, under or around the Project. This Section defines "hazardous materials" and sets forth the responsibilities and obligations, if any, of Buyer and Seller related to hazardous materials.

2. Mold/Mildew. The Developer contracted to have a Fungal Assessment and Clearance Fungal Investigation completed by SRP Environmental, LLC. This Section details the results of those assessments, which concludes that there is an absence of probable fungal growth and the recommendation that no additional investigation and/or remediation are necessary. This Section further advises Buyer that tropical climates with warm temperatures, high humidity and frequent precipitation, such as we have in Hawaii, are conducive to the propagation of mold, mildew, fungus and other types of bacterial growths.

3. Lead-Based or Lead-Containing Paint. The Developer discloses that it has no knowledge of lead-based or lead-containing paint and/or lead-based or lead-containing paint hazards at the Project and that residential buildings constructed prior to 1978 have the potential to carry lead-based and lead-containing paints. This Section sets forth Developer's responsibilities with regard to providing Buyer with information regarding lead based paints and lead containing paints. The responsibilities and obligations, if any, of Buyer and Seller, are set forth in this Section.

4. Asbestos. The Developer discloses that it has no knowledge of the presence of asbestos materials in the Project and that buildings constructed prior to 1979 may have been constructed with materials containing asbestos. As a condition to closing the sale of a unit, Buyer is informed that it must provide written acknowledgement of receipt of all relevant information regarding asbestos materials hazards together with a waiver of liability regarding the presence of such hazards.

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The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

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 purchasers 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. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

928 Nuuanu Partners, LLC, a Hawaii limited liability company
Printed Name of Developer

By: 
Duly Authorized Signatory*

2-26-2010
Date

By
Its Manager

By: Steven M. Marlette, Manager, 928 Nuuanu Partners, LLC.
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

DESCRIPTION OF UNIT TYPES AND SIZES OF UNITS, BOUNDARIES OF THE UNITS, AND COMMON INTEREST

A. Section 1 of the Declaration of Condominium Property Regime of The Hawaii Times Building (the "Declaration") describes the Project as follows:

1. **DESCRIPTION OF PROJECT.** The Project consists of a single six (6) story building containing fifteen (15) condominium units ("the Building"). The original building, constructed in 1912 contains the Basement Floor, Level 1 (Ground Level) Floor, Level 2 Floor, and Level 3 Floor. The Building was enlarged in 1982 by combining a second building with the original building at which time the Level 1 and Level 2 Floors were enlarged and the Level 4, Level 5 and Penthouse were added. The architecture of the original Building required that access to the 1982 additional floor area be constructed in a split level design; thus the rear portion of the Level 4 and Level 5 Floors is accessed by descending 5 interior steps. The entrances to the Building are located on Nuuanu Avenue. Two primary stairwells, serving the entire Building, are located Mauka (mountain) ("Stair # 1" on the Condominium Map recorded in the Bureau of Conveyances ("Bureau") as Condominium Map No. 4500 (the "Condominium Map")) and on the Makai (ocean side) side of the Building ("Stair # 2" on the Condominium Map). A passenger elevator serves all floors of the Building except the Penthouse and a freight elevator serves the Level 1, Level 2 and Level 4 Floors.

a. The Basement Floor of the Building contains two condominium units (Units 1 and 2), three common stairways (Stair #2, the Lobby Stairs, and the Nuuanu Exit Stairs, one elevator stop (passenger elevator), one freight elevator shaft, an electrical room, an elevator machine room, a storage closet, a corridor connecting the rear of Unit 1 and Unit 2 with Stair #2 and the Nuuanu Exit Stairs, and a Lobby providing access from the units to the Lobby stairs and passenger elevator, as more particularly shown on Sheet A-1 of the Condominium Map.

b. The Level 1 (Ground Level) Floor of the Building contains two condominium units (Units 100 and 111), four common stairways (Stair #1, Stair #2, the Lobby Stairs, and the Nuuanu Exit Stairs), two elevator stops (passenger and freight elevators), a Lobby providing access from Nuuanu Avenue to the Lobby Stair and elevators, and three common building doorways to Nuuanu Avenue (a doorway at the Rear Corridor, an entrance to the Lobby and the Nuuanu Exit Stairs), and two doorways serving Unit 100 (an entrance to Nuuanu Avenue and a private doorway into Unit 100 to a neighboring private alleyway behind the Building) as more particularly shown on Sheet A-1 of the Condominium Map.

c. The Level 2 Floor of the Building contains four condominium units (Units 200, 201, 209 and 210), two common stairways (Stair #1 and Stair #2), two elevator stops (passenger and freight elevators), two common bathrooms, an electrical closet, a janitorial closet, and a common corridor providing access to the units and bathrooms

from the elevators and stairs, as more particularly shown on Sheet A-2 of the Condominium Map.

d. The Level 3 Floor of the Building contains two condominium units (Units 301 and 307), two common stairways (Stair #1 and Stair #2), one elevator stop (passenger elevator), one freight elevator shaft, two common bathrooms, a mechanical room, and a common corridor providing access to the units from the passenger elevator and Stair #1, as more particularly shown on Sheet A-2 of the Condominium Map.

e. The Level 4 Floor of the Building contains three condominium units (Units 400, 401 and 403), a lanai serving Unit 401, two common stairways (Stair #1 and Stair #2), one private stairway within Unit 401 leading to the Level 4 Floor, two elevator stops (passenger and freight elevators), two bathrooms (one designated men's and the other women's), a storage/air conditioning equipment room, and a common corridor (with interior corridor stairs) providing access to the units and bathrooms from the elevators and common stairs, as more particularly shown on Sheet A-3 of the Condominium Map.

f. The Level 5 Floor of the Building contains one condominium unit (Unit 501), two common stairways (Stair #1 and Stair #2), two private stairways exclusively serving the Penthouse leading to the Penthouse (Penthouse Stair "B"), roof area (upon which air-conditioning equipment is located), one elevator stop (passenger elevator), one freight elevator shaft/equipment room, and a common corridor providing access from the unit to Stair #1 and the passenger elevator, as more particularly shown on Sheet A-3 of the Condominium Map.

g. The Penthouse Floor of the Building contains one condominium unit (the Penthouse Unit), no elevator stops, one stairway (Penthouse Stair "A") exclusively serving the Penthouse, and Penthouse Stair "B" which provides access to the Penthouse Roof, as more particularly shown on Sheet A-4 of the Condominium Map.

B. Section 4. of the Declaration describes the units in the Project as follows:

4. **DESCRIPTION OF UNITS.** There is hereby established in the Project a total of fifteen (15) condominium units as shown on the Condominium Map ("a unit" or "the units"). Each unit is designated as a separate freehold estate. Each unit consists of the spaces within the perimeter walls, floors and ceilings of the respective units as shown on the Condominium Map. Each unit is designated by a unit number and is of a unique type, size, configuration and net floor area in square feet (exclusive of balconies) as more particularly described in **Exhibit B** (attached to the Declaration) and by this reference made a part hereof. Certain of the units are unimproved space having only perimeter walls and other units are improved with interior partitions for use as indicated on **Exhibit B** (attached to the Declaration).

The approximate net floor areas set forth in **Exhibit B** (attached to the Declaration) are based on measurements taken from the undercoated or unfinished interior surface of all perimeter walls as shown on the Condominium Map, except that no

reduction has been made to account for interior walls, ducts, vents, shafts and the like located within the perimeter walls. All approximate net lanai floor areas set forth in Exhibit B (attached to the Declaration) are based on measurements taken from the inner surfaces of all perimeter walls and boundaries of the lanai areas. All floor areas set forth in Exhibit B (attached to the Declaration) are not exact but are approximations based on the floor plans of each unit. All floor areas set forth in Exhibit B (attached to the Declaration) have also been rounded to the lowest full square foot where the approximation of such floor areas exceed a square foot by any fraction of a square foot. For these reasons, the measurements of the floor areas set forth in Exhibit B (attached to the Declaration) and the Condominium Map may not follow the designation of the limits of the units (the legally designated areas of the units) set forth below, and the floor areas set forth in Exhibit B (attached to the Declaration) may be different from the actual floor areas of the units as constructed.

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

~~Each unit will have immediate access to the walkways, corridors, elevators, and/or stairways of the Building which lead to the common areas of the Project.~~

Should the descriptions and divisions set forth in this Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control; provided, however, that the Condominium Map is intended only to show the layout, location, unit designations and dimensions of the units and elevations of the Building and the units and is not intended to contain any other representation or warranty.

Section C of Exhibit A to the Developer's Public Report is amended and restated as follows:

EXHIBIT A

Page 3 of 5

C. Exhibit B-1 attached to the First Amendment to Declaration provides as follows:

THE HAWAII TIMES BUILDING

	Unit No.	Level	Net Area	Present Unit Configuration	Net Lanai Area	% Common Interest (of 15 apts.)
1.	1	Basement Floor	1,150 sf	Unimproved Office/Storage	-	4.766%
2.	2	Basement Floor	1,987 sf	Unimproved Office/Storage	-	8.139%
3.	100	Level 1	3,412 sf	Improved Office	-	13.883%
4.	111	Level 1	1,181 sf	Improved Office/Storage	-	4.891%
5.	200	Level 2	2,913 sf	Improved Office	-	11.872%
6.	201	Level 2	547 sf	Improved Office	-	2.335%
7.	209	Level 2	1,159 sf	Improved Office	-	4.802%
8.	210	Level 2	750 sf	Improved Office	-	3.153%
9.	301	Level 3	296 sf	Improved Office	-	1.323%
10.	307	Level 3	2,451 sf	Improved Office	-	10.010%
11.	400	Level 4	1,851 sf (excl. lanai)	Improved Office	970 sf	7.591%
12.	401	Level 4	675 sf	Improved Office		2.851%
13.	403	Level 4	1,369 sf	Improved Office		5.648%
14.	501	Level 5	1,954 sf (incl. lanai)	Improved Office	135 sf	8.006%

15	Penthouse	Penthouse	2,177 sf (incl. lanai)	Improved Office	139 sf	10.730%
			23,872		1,244	100%

PERMITTED ALTERATIONS TO UNITS

Section 19 of the Declaration provides as follows:

19. ALTERATION OF THE PROJECT.

a. **Board Approval for Alterations.** Except as otherwise provided in this Declaration or the Act or as otherwise required by law, neither the Association nor any unit owner shall perform any of the following acts except pursuant to plans and specifications therefor approved in writing by the Board:

(1) repairing, replacing or rebuilding any unit or any of the common and limited common elements in a manner different in any material respect from the Condominium Map;

(2) engaging in any alterations which will affect the structural integrity of any unit or the common and limited common elements;

(3) constructing on the common and limited common elements any new building or structure; or

(4) enclosing any lanai, balcony, or patio or installing any improvement over a lanai, balcony, patio or roof area.

b. **As-Built Plans and Declaration Amendment.** Upon the completion of any work described in 19.a. above, there shall be filed with the Board a final 'as built' set of the plans and specifications for such work, and if any such work should constitute a material alteration to the Project as shown on the Condominium Map (as determined by the Board), the Association or unit owner, as the case may be, shall file an amendment to this Declaration (at the unit owner's expense) describing such alteration and amending the Condominium Map to show such alteration, together with a certificate signed by a licensed architect and structural engineer, certifying that the plans showing such alterations accurately reflect such alterations, as built. Such amendment shall be signed by the Association or the unit owner, as the case may be, and approved by the Board or Declarant, and no consent or joinder of any other unit owner or person shall be required.

c. **Certain Work Prohibited.** Notwithstanding anything to the contrary in this Declaration, no unit owner (i) shall do any work which could jeopardize the soundness or safety of the Project, reduce the value thereof, or impair any easement, (ii) shall make or allow any material addition or alteration to the common elements (except as otherwise permitted herein), (iii) shall excavate an additional basement or cellar, (iv) shall enclose any lanai, balcony or patio (except for the Level 5 and Penthouse Lanais as set forth below), or (v) shall rebuild, repair or restore the Project in the event of substantial or total destruction of the Project, without in every such case obtaining the prior consent of sixty-seven percent (67%) of the unit owners, together with the prior written consent of all unit owners whose units or limited common

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elements appurtenant thereto are directly affected, and the approval of the board, which shall not be unreasonably withheld; provided that nonmaterial additions to or alterations of the common elements or units made within such unit or within a limited common element appurtenant to and for the exclusive use of the unit, shall require approval only by the Board, which shall not unreasonably withhold its approval, and such percentage, number or group of unit owners or other parties as may be required by this Declaration or the Bylaws. As used in this Section, 'nonmaterial additions and alterations' means an addition to or alteration of the common elements or a unit that does not jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement, detract from the appearance of the Project, interfere with or deprive any nonconsenting unit owner of the use or enjoyment of any part of the Project or directly affect any nonconsenting unit owner. Notwithstanding anything in this Declaration to the contrary, no storage or alterations or changes of any nature under any circumstances, including any lanai enclosures, shall be made that would violate the fire sprinkler requirements of the Building Code.

d. **Structural Alterations.** No alterations or changes of any nature under any circumstances shall be made to the structural elements of the units, including, without limitation, roofs, floors, supporting walls, foundations, columns, girders, floor slabs, supports, perimeter, party or load bearing walls and partitions, without first obtaining certification from a licensed structural engineer reasonably acceptable to the Association that the plans for such alterations or changes will not in any way diminish the present structural integrity of the Building and the elements therein. The aforementioned structural engineer shall be licensed in the State of Hawaii, in good standing, and shall have a policy of professional liability insurance with appropriate coverage from a responsible insurance company authorized to operate in the State of Hawaii, having a financial rating by Best's Insurance Reports of Class A, VI, or better. Notwithstanding anything in this Declaration to the contrary, no storage or alterations or changes of any nature under any circumstances, including any lanai enclosures, shall be made that would violate the fire sprinkler requirements of the Building Code.

e. **Procedure for Commencing Permitted Improvements.** Prior to commencing any improvements or alterations permitted by this Declaration, and as a condition to the unit owner's right to undertake such improvements and alterations, the unit owner shall provide to the Board: (i) a certification in form and content reasonably satisfactory to the Board signed by an architect or structural engineer licensed in the State of Hawaii, that such improvement or alteration will not adversely affect the structural integrity of the common elements or any other unit in the Project as set forth in Section 19:d. above, (ii) satisfactory evidence that all governmental approvals required for such alteration or removal have been duly obtained, and (iii) if the cost of such improvement or alteration, as reasonably determined by the Board, shall exceed the sum of \$25,000.00, the Board may require that the owner provide evidence satisfactory to the Board of sufficient financing to complete such alteration or removal or, in lieu thereof, require that the owner obtain a performance and lien payment bond, naming as obligees Declarant, the Board, the Association and collectively all unit owners and their respective mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such alteration or removal. The Board may, in its sole discretion, increase the \$25,000.00 limitation from time to time by an amount equal to

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the percentage increase in the Honolulu Consumer Price Index for all items, as published by the Bureau of Labor Statistics of the United States Department of Labor or other successor federal or state agency or department, and adjusted to any new basis and method of computation then applicable. For purposes of this paragraph, the term "percentage increase" shall mean the product of (A) the fraction, the numerator of which is the difference between the Honolulu Consumer Price Index for the first day of the calendar month preceding the calendar month in which the Board shall approve an increase in such dollar limitation and the Honolulu Consumer Price Index for the first day of the calendar month in which this Declaration is recorded, and the denominator of which is the Honolulu Consumer Price Index for the first day of the calendar month in which this Declaration is recorded, multiplied by (B) \$25,000.00.

f. **Alteration of Certain Units and Limited Common Elements.** Each unit owner shall have the right subject to the conditions contained in this Section 19 at any time and from time to time at such owner's sole cost and expense, and without the necessity of the consent or joinder of any other unit owner, to make any of the following alterations:

(1) **Improvements within a Unit.** A unit owner may, if solely within the such owner's unit, install, maintain, remove and rearrange partitions and other non-structural improvements from time to time within such unit, to finish, alter or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors and walls as shall be appropriate for the utilization of such unit by such owner or the tenants or lessees thereof, and to tile, finish, re-carpet, and do or cause to be done such work on the floors of any unit, subject to the conditions contained herein and the Bylaws.

(2) **Connection Between Units/Reconfiguration of Floors.** The owner of any two or more adjacent units located on the Level 2, Level 3, Level 4, Level 5 and Penthouse Floors that are separated by a common element which is a wall, storage room, bathroom or corridor shall have the right and option at any time and from time to time, at such owner's sole cost and expense, to alter or relocate any portion of the common element intervening wall, storage room, bathroom or corridor in order to effect a connection between units or the reconfiguration of a floor for purposes of integrated use among all the units on such floor. As used above, "adjacent units" also includes units which are located above and beneath one another, and in such event all references to "intervening wall" shall mean the intervening floor, ceiling or slab separating such floors. Notwithstanding the foregoing, any alteration or additions permitted under this Section 19.f.(2) shall be subject to the following limitation and requirements:

i. Such owners shall obtain the prior written consent of (A) all mortgagees of record of any interest in such owner's unit or units, and (B) the Board, provided that the Board shall not be unreasonably withhold its consent and any conditions imposed shall be limited to ensuring that such improvements and alterations are in compliance with this Declaration;

ii. No alteration or addition shall adversely affect the structural integrity of the common elements or any other unit in the Project;

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iii. The finish of the common element then remaining shall be placed in a condition substantially comparable to or better than that of the common element prior to such alterations;

iv. Pedestrian access between Stair #1 and Stair#2 on the Level 2, Level 3 and Level 4 Floors shall not be impeded if such access is required by the Fire Code;

v. If any common element bathroom or storage area is altered or relocated it shall be replaced by a bathroom or storage area, as the case may be, that is substantially the same as the original and access and use by the Association, owners and authorized occupants of the Building shall be unimpeded;

vi. The corridor adjacent to the passenger elevator lobby and Stair #1 shall not be made any smaller and access between the passenger elevator and Stair #1 shall not be impeded;

vii. Any alteration or additions permitted shall not affect the common interest or limited common interest allocable to any unit;

viii. If any intervening wall, storage room, bathroom or corridor between adjacent units shall have been altered or removed, then prior to the termination of the common ownership of such adjacent units, the owner of such units shall restore such intervening wall, storage room, bathroom or hallway to substantially the same condition in which the same existed prior to such alteration or removal unless the purchaser of such units shall agree in writing to forego such restoration and accept the units in as is condition;

ix. The plans and specifications for any new improvements shall be prepared by a licensed architect and certified by a licensed structural engineer and shall not require the alteration or demolition of unaffected units or limited common elements appurtenant to such unaffected units or the improvements which are contained within such unaffected units and shall not materially interfere with easements in favor of such unaffected units or the use and enjoyment of the Project by the owners of such unaffected units; and

x. The owner of a units being joined or reconfigured shall, at such owner's sole expense, without the consent or joinder of any other unit owner or lienholder thereof, execute and record in the Bureau an amendment to this Declaration and the Condominium Map: (A) to show the connection between units and any reconfiguration of the Floor, the corridors, storage rooms and bathrooms; and (B) when applicable, to add, delete, relocate, realign, serve and grant all easements and rights-of-way over, under, on and above the unit and the limited common elements appurtenant to the unit being subdivided as necessary or desirable, including, without limitation, easements and rights-way for utilities, sanitary and storm sewers, television cable, and refuse disposal; provided that such easements and rights-of-way do not materially impair the use of the common elements by the unaffected unit.

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(3) **Subdivision.** Notwithstanding anything to the contrary contained in this Declaration, the owner of (a) a unit having a floor area of one thousand eight hundred (1,800) square feet or more or (b) all the units on any floor of the Building, shall have the right and option at any time and from time to time, at such owner's sole cost and expense, to alter such owner's unit by subdividing such owner's unit into two or more units. Notwithstanding the foregoing, any alteration or additions permitted under this Section 19.f.(3) shall be subject to the following limitation and requirements:

i. Such owners shall obtain the prior written consent of (A) all mortgagees of record of any interest in such owner's unit or units, and (B) the Board, provided that the Board shall not be unreasonably withhold its consent and conditions imposed shall be limited to ensuring that such subdivision is in compliance with this Declaration;

ii. If said option is exercised, then the aggregate common interests of the units thereby created (the "Subdivided Units") shall be equal to the common interests described in Exhibit B (attached to the Declaration) for the unit prior to such subdivision;

iii. No alteration or addition shall adversely affect the structural integrity of the common elements or any other unit in the Project;

iv. The plans and specifications for any new improvements shall be prepared by a licensed architect and certified by a licensed structural engineer and shall not require the alteration or demolition of unaffected units or limited common elements appurtenant to such unaffected units or the improvements which are contained within such unaffected units and shall not materially interfere with easements in favor of such unaffected units or the use and enjoyment of the Project by the owners of such unaffected units; and

v. The owner of a unit being subdivided shall, at such owner's sole expense, without the consent or joinder of any other unit owner or lienholder thereof, execute and record in the Bureau an amendment to this Declaration and the Condominium Map: (A) to create the Subdivided Units, as shown on said plans and specifications and amendment to the Condominium Map; (B) to describe the limited common elements appurtenant to the Subdivided Units; (C) to reallocate the common interests and limited common elements appurtenant to the unit being divided among the Subdivided Units, as determined solely by the owner of the unit being subdivided; and (D) when applicable, to add, delete, relocate, realign, serve and grant all easements and rights-of-way over, under, on and above the unit and the limited common elements appurtenant to the unit being subdivided as necessary or desirable, including, without limitation, easements and rights-way for utilities, sanitary and storm sewers, television cable, and refuse disposal; provided that such easements and rights-of-way do not materially impair the use of the common elements by the unaffected unit.

(4) **Penthouse Roof Top Improvements.** The owner of the Penthouse Unit shall have the right to install a deck, awnings and trellis on the roof located

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above the Penthouse and to maintain planters and outdoor furniture thereon and to install and/or replace any existing non-structural, nonload-bearing balcony railings with new balcony railings; provided, however, that (A) such installations are designed to permit access to the roof for maintenance and repair purposes; (B) such owner shall not cause any water intrusion through the roof and shall be responsible for water proofing all anchors and penetrations required for installation of such features to ensure that such installations are not the cause of water leaks into the floors below; (C) such installations do not affect the structural integrity of the building and conform to architectural and aesthetic guidelines for the same which have been duly adopted by the Board and (D) that owner has submitted such plans and drawings to the Board establishing that the requirements set forth in this subsection (4) have been met.

(5) **Unit 400 Lanai.** The owner of the Unit 400 Lanai area shall well and substantially repair and maintain, at its sole cost and expense, the Unit 400 Lanai and the roof underlying the Lanai, including maintenance of the roof membrane and the replacement of roofing materials and edge flashing along the perimeter of the Building. In the event that the entire roofing system for the Building is replaced, the Unit 400 owner shall ensure that access to such areas is available and shall be responsible for its proportionate share, as determined by the Board, of such roofing repair and/or replacement costs. Such owner shall have the right to install a deck, awnings and trellis above the Unit 400 Lanai area, to maintain planters and outdoor furniture thereon for such owner's exclusive use and to install and/or replace any existing non-structural, non-load-bearing balcony railings with new balcony railings; provided, however, that (A) such installations are designed to permit access to the roof for maintenance and repair purposes; (B) such owner shall not cause any water intrusion through the roof and shall be responsible for water proofing all anchors and penetrations required for installation of such features to ensure that such installations are not the cause of water leaks into the floors below; (C) no such installations shall be visible from Nuuanu Avenue; (D) such installations do not affect the structural integrity of the building and conform to architectural and aesthetic guidelines for the same which have been duly adopted by the Board; and (E) that owner has submitted such plans and drawings to the Board establishing that the design specifications are in compliance with this subsection (5).

(6) **Elevator Locks.** Any unit owner who owns all of the units on a single floor may, but is not required to, install an elevator lock and such other elevator equipment or software in order to prohibit the elevator from opening on such owner's floor without a key, passcard, combination lock or similar device; provided, however, that (A) such installation shall not impair normal operation and service of the elevator with respect to other floors; (B) the Association shall be provided with the key, pass-card, combination lock or similar device needed to permit the Property Manager, emergency personnel or other persons authorized by the Board access to the floor; and (C) the installation and subsequent maintenance relating solely to the elevator lock system shall be at the expense of only such owner or owners whose floors are served by the elevator lock system.

(7) **Conversion of Rear Corridor:** The owner of Unit 100 shall have the right to expand Unit 100 to include the Rear Corridor within the boundaries of its unit, as set forth on Sheet A-__ of the Condominium Map, in which event the Rear Entry Way shall cease to

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be a common element; provided, however, that such right shall not be exercised unless and until the Nuuanu Exit Stairs and the corridor from Stair #2 are accessible as emergency exits by the users of Stair #2. Notwithstanding the foregoing, any alteration or additions permitted under this Section 19.f.(7) shall be subject to the following limitation and requirements:

i. Such owners shall obtain the prior written consent of (A) all mortgagees of record of any interest in such owner's unit or units, and (B) the Board, provided that the Board shall not be unreasonably withhold its consent and any conditions imposed shall be limited to ensuring that such improvements and alterations are in compliance with this Declaration;

ii. No alteration or addition shall adversely affect the structural integrity of the common elements or any other unit in the Project;

iii. Any alteration or additions permitted shall not affect the common interest or limited common interest allocable to any unit;

iv. The plans and specifications for any new improvements shall be prepared by a licensed architect and certified by a licensed structural engineer and shall not require the alteration or demolition of unaffected units or limited common elements appurtenant to such unaffected units or the improvements which are contained within such unaffected units and shall not materially interfere with easements in favor of such unaffected units or the use and enjoyment of the Project by the owners of such unaffected units; and

v. The owner of a units being joined or reconfigured shall, at such owner's sole expense, without the consent or joinder of any other unit owner or lienholder thereof, execute and record in the Bureau an amendment to this Declaration and the Condominium Map: (A) to show the connection between units and any reconfiguration of the Floor, the corridors, storage rooms and bathrooms; and (B) when applicable, to add, delete, relocate, realign, serve and grant all easements and rights-of-way over, under, on and above the unit and the limited common elements appurtenant to the unit being subdivided as necessary or desirable, including, without limitation, easements and rights-way for utilities, sanitary and storm sewers, television cable, and refuse disposal; provided that such easements and rights-of-way do not materially impair the use of the common elements by the unaffected unit.

~~(8) **Windows and Doors:** Each unit owner shall have the right to~~ install, remove, change and replace the windows and entry doors located on an interior common element or limited common element hallway. The owner of Unit 400 shall have the right to install, remove, replace and change windows and doors located leading to the Unit 400 Lanai facing Nuuanu Avenue. The owner of Unit 100 shall have the right to install, remove, replace and change the exterior entry doors located on Nuuanu Avenue and at the rear of the Building. The owners of any unit located on Level 5 and Penthouse Floors may install, remove, replace and change windows located on the exterior of the Building. In making such improvements, such owners shall (A) not cause any water intrusion into the building and shall be responsible for water proofing as necessary ensure that such installations are not the cause of water leaks into the

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Building; and (B) ensure that such installations do not affect the structural integrity of the building and conform to architectural and aesthetic guidelines for the same which have been duly adopted by the Board.

(9) **Permitted Lanai Enclosure.** The owner of Unit 501 and the Penthouse Unit shall be permitted to enclose the lanai that is a part of their respective units provided such owner shall not cause any water intrusion through the roof and shall be responsible for water proofing for installation of such features for ensuring that such installations is not the cause of water leaks into the Building;

(10) **Roof Installation.** Each unit owner shall have the right to install utility equipment on the roof of the Level 4 Floor shown on Sheet A-3 of the Condominium Map; provided, that prior to installing such equipment, unit owner shall comply with Section 19.a.-19.e. of [of the] Declaration. Such owner shall not cause any water intrusion through the roof and shall be responsible for ensuring that such installation is not the cause of water leaks into the Building;

(11) **General Limitations.** Any owner undertaking any of the improvements set forth in this Section 19.f. shall be subject to the following requirements: (i) all improvements shall be compliance with all applicable laws, rules, ordinances, regulations and governmental guidelines; (ii) all improvements shall be in compliance with design guidelines for any installations as may be adopted from time to time by the Board; (iii) all costs of every kind pertaining to such improvements, including without limitation, costs of maintenance, repair, replacements, additions and improvements, shall be the responsibility of the unit owner making such improvements; (iv) all loss and damage affecting any common element or any other unit which may be caused by the installation of such improvements shall be the responsibility of the unit owner making such improvements; (v) all improvements shall be made in compliance with plans and specifications prepared by a licensed architect and approved by a licensed structural engineer; (vi) no construction or improvement shall adversely and materially affect the value, light, air, use or enjoyment of any other unit including, but not limited to, the structural or mechanical integrity thereof, nor the structural or mechanical integrity of the common elements; and (viii) such owner shall comply with all other applicable provisions of this Declaration.

g. **Floor Covering and Sound Transmission.** All unit owners must minimize the transmission of footsteps and other floor sounds into neighboring units below. Any owner or occupant of a unit (except the units on the Ground Floor) who wishes to change the floor covering on any floor areas that customarily have carpeting with cushion padding, must first: (1) provide written evidence that the new floor covering shall have sound absorbent material and will not exceed the maximum decibel level to be established as described in the House Rules, and (2) obtain the Board's prior written approval of such floor covering change.

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

A. Section 5 of the Declaration provides as follows:

5. **COMMON ELEMENTS.** One freehold estate is hereby designated in all common elements of the Project, which include all portions of the Project other than the units (except as herein specifically included), and all other common elements mentioned in the Act which are actually included in the Project, including specifically, without limitation:

- a. The Land in fee simple;
- b. All structured components such as foundations, columns, girders, beams, floor slabs, supports, perimeter, party and load-bearing walls and partitions (excluding the finishes thereon within a unit as specified in Section 4 above) and roofs of the Project;
- c. All lobby areas, stairways, walkways, corridors, ramps, elevator lobby areas, exterior entrances and exits, maintenance rooms, storage rooms, machine rooms, mechanical rooms, electrical rooms, mail facilities, utility shafts, and common toilet facilities in the Project that are not located within the boundaries of a unit;
- d. All stairwells, stairways and stairway landings providing access to more than one Floor of the Building;
- e. All ducts, vents, shafts, sewer lines, sewage treatment equipment and facilities (if any), electrical transformers, emergency generators, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one unit for services such as power, light, water, gas (if any), cable television (if any), internet cable (if any), air conditioning, sewer, refuse, telephone, and radio and television signal distribution;
- f. Any and all apparatus and installations existing for common use, such as, tanks, pumps, motors, fans, compressors and, in general, all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use;
- ~~g. All mechanical, electrical and air conditioning equipment originally installed and located within any pump room, mechanical room, fire control room, transformer room or electrical room or located elsewhere in the Project (whether or not utilized for or serving only one unit); and~~
- h. The limited common elements described below.

B. Section 6 of the Declaration provides as follows:

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

a. The mailbox corresponding to the unit number of each unit, such mailbox being located on the Ground Floor of the Building as shown on Sheet A-1 of the Condominium Map;

b. The front entrance and the rear entrance into Unit 100 on the Ground Floor of the Building as shown on Sheet A-1 of the Condominium Map shall be a limited common element appurtenant to Unit 100;

c. The corridor located on the Fourth Floor of the Building, as shown on Sheet A-3 of the Condominium Map, leading the men's and women's bathrooms from the passenger elevator vestibule shall be a limited common element appurtenant to Units 400, 401, and 403, if such units are owned by the same owner;

d. The Unit 400 Lanai, located on the Fourth Floor of the Building as shown on Sheet A-3 of the Condominium Map shall be a limited common element appurtenant to Unit 400;

e. The roof top area (but not the roof itself) of the Building located directly above the Penthouse, as shown on Sheet A-4 of the Condominium Map, shall be a limited common element appurtenant to the Penthouse;

f. Any chute, flue, duct, wire, conduit, or any other fixture which lies partially within and partially outside the designated boundaries of a unit serving only that unit is a limited common element appurtenant solely to that unit;

g. Any shutters, balconies, and all exterior doors and windows or other fixtures designed to serve a single unit, but are located outside the unit's boundaries, are limited common elements appurtenant exclusively to that unit; provided, however, that the windows facing Nuuanu Avenue serving the Ground Floor, the Second Floor, and the Third Floor and the three (3) entrances located on Nuuanu Avenue, as shown on Sheet A-5 of the Condominium Map shall be common elements; and

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

i. The Crawl Space located on the Third Floor directly above Unit 210 as shown on Sheet A-2 of the Condominium Map, shall be a limited common element appurtenant to Unit 210.

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The designation of limited common elements shall be subject to the rights of unit owners to exchange or transfer appurtenant limited common elements to another unit or units pursuant to the Act. The limited common elements on each floor that are appurtenant only to the units on that floor may be changed, relocated or reconfigured with the consent of the unit owners on such floor.

C. Section 7 of the Declaration provides as follows:

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

ENCUMBRANCES AGAINST TITLE

The encumbrances against title appearing in the Preliminary Report dated June 28, 2007, prepared by Title Guaranty of Hawaii, Inc. are as follows:

1. Real property taxes that may be due and owing. Check with the County Tax Assessor's office.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Any unrecorded leases and matters arising from or affecting the same.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.
5. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described herein.

INSTRUMENT : ENCROACHMENT AGREEMENT

DATED : October 22, 2001

RECORDED : Document No. 2001-173010

PARTIES : H. WILLIAM BURGESS, Trustee under the H. William Burgess Trust Agreement dated August 3, 1998, made by H. William Burgess as Settlor, "Burgess", and HAWAII TIMES INVESTORS, a Hawaii limited partnership, "HTI"

FIRST MORTGAGE, SECURITY AGREEMENT, AND FINANCING STATEMENT

MORTGAGOR : 928 NUUANU PARTNERS, LLC, a Hawaii limited liability company

MORTGAGEE : FIRST HAWAIIAN BANK, a Hawaii corporation

DATED : May 25, 2007

RECORDED : Document No. 2007-098920

AMOUNT : \$3,300,000.00

6. The terms and provisions contained in the following:

INSTRUMENT : ABSOLUTE ASSIGNMENT OF RENTALS AND LESSOR'S INTEREST IN LEASES

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DATED : May 25, 2007
RECORDED : Document No. 2007-098921
PARTIES : 928 NUUANU PARTNERS, LLC, a Hawaii
limited liability company, "Assignor", and FIRST
HAWAIIAN BANK, a Hawaii corporation,
"Assignee"
RE : to secure the repayment of that certain loan in the
principal amount of \$3,300,000.00

7. The terms and provisions contained in the following:

INSTRUMENT : ENCROACHMENT AGREEMENT

DATED : June 22, 2007
FILED : Land Court Document No. 3619446
RECORDED : Document No. 2007-113384
PARTIES : 928 NUUANU PARTNER, LLC, a Hawaii
limited liability company, "Lot 40 Owner", and
K.J.L. Associates, a Hawaii registered limited
partnership, "Lot 36 Lessee"

NOTE: Since the issuance of the Preliminary Title Report, Developer represents that the following have been recorded as encumbrances against title, as noted in Section 3.2 on page 10 of this Public Report:

A. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY
REGIME FOR "THE HAWAII TIMES BUILDING"
CONDOMINIUM PROJECT
DATED : August 21, 2007
RECORDED : Document No. 2007-149500
MAP : 4500 and any amendments thereto

Said Declaration was amended by instruments dated November 26, 2007, recorded as Document No. 2007-208172 and dated November 13, 2009, recorded as Document No. 2009-178935.

Joinder by FIRST HAWAIIAN BANK, a Hawaii corporation dated November 18, 2009, recorded as Document No. 2009-178936.

EXHIBIT D

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B. The terms and provisions contained in the following:

INSTRUMENT : BYLAWS OF THE ASSOCIATION OF
APARTMENT OWNERS OF THE HAWAII TIMES
BUILDING
DATED : August 21, 2007
RECORDED : Document No. 2007-149501

**DEVELOPER'S RESERVED RIGHTS TO MAKE CHANGES TO THE
CONDOMINIUM PROJECT OR CONDOMINIUM DOCUMENTS**

A. Pursuant to Paragraph 21 of the Declaration, as amended, Developer reserves the right to amend the Project documents as follows:

At any time prior to the issuance of an effective date for the Public Report by the Real Estate Commission of the State of Hawaii, Declarant may amend this Declaration and the Bylaws in any manner and provided, further, that no amendment of the Declaration, the Bylaws, the House Rules or Condominium Map shall, without Declarant's prior written consent, limit, affect or impair the reserved rights of Declarant under this Declaration[.]

...Notwithstanding the foregoing and notwithstanding the sale and conveyance of any of the units, this Declaration (including the Bylaws and, when applicable, the Condominium Map) may be amended by Declarant (a) to reflect any additions to or reconfiguration of any unit still owned by Declarant by filing the certification of a licensed architect, engineer or surveyor (with plans, if applicable) required by Section 514B-34 of the Act, certifying that the Condominium Map theretofore recorded, or being recorded simultaneously with such statement, fully and accurately depicts the layout, location, boundaries, dimensions and numbers of the units substantially as built; or (b) to effect any change or amendment required by an agency of any county, state or federal government or by any territory, possession, or foreign country or other foreign jurisdiction or a mortgagee of the fee or leasehold interests in the Land as a condition to governmental approvals, marketing the Project or making a loan to finance the construction and/or the sales of the Project.

At any time prior to the conveyance of all of the Units in the Project to persons other than Developer or any mortgagee of Developer, Developer reserves the right to modify the Project Documents as may be required by law, the Real Estate Commission, a title insurance company, an institutional mortgagee or any governmental agency and for such other purposes as set forth in Paragraph E.15 of the Sales Contract, provided, however, that any such modification shall be subject to the Buyer's right to rescind only in the event such change is a "material change" pursuant to subparagraph E.15.d. of the Sales Contract and to Section 514B-87 of the Condominium Act.

Exhibit F to the Developer's Public Report is amended and restated in its entirety as follows:

SCHEDULE OF ANNUAL MAINTENANCE FEES AND MONTHLY ESTIMATED MAINTENANCE FEES FOR THE UNITS

PROJECTED BUDGET 2008			
Account	Monthly	Annual	Budgeted
Cleaning			
Supplies/Materials	200	0	2,400
Janitorial Service	2,700	0	32,400
Window Washing	250	0	3,000
Trash Removal	600	0	7,200
Total	3,750		45,000
Electrical			
Supplies/Materials	100	0	1,200
Repairs & Maintenance	50	0	600
Total	150		1,800
Elevator			
Maintenance Contract	700	0	8,400
Miscellaneous	60	0	720
Total	760		9,120
Electricity	9,000	0	108,000
Air Conditioning			
Supplies/Materials	100	0	1,200
Contract Service	1,200	0	14,400
Repairs & Maintenance	400	0	4,800
Total	1,700		20,400
Security	650	0	7,800
General Building			
Supplies/Materials	200	0	2,400
Contract Services	600	0	7,200
Fire Service	120	0	1,440
Repairs & Maintenance	1,500	0	18,000
Pest Control	25	0	300
Plumbing	100	0	1,200
Sewer	100	0	1,200
Water	75	0	900
Total	2,720		32,640

General & Administrative (Recv)			
Management Fees	2,500	0	30,000
Insurance	1,500	0	18,000
Total	4,000		48,000
Reserve Fund	3,315		39,780
Total Maintenance Cost	26,045	0	312,540

Monthly Estimated Maintenance Fees for Each Unit:

Existing Unit No.	Interior (sf)	Lanai (sf)	Total Area	Common Interest as to Entire Project	Monthly Maintenance Fee
1	1,150	0	1,150	4.766%	\$1,241.20
2	1,987	0	1,987	8.139%	\$2,119.88
100	3,412	0	3,412	13.883%	\$3,615.84
111	1,181	0	1,181	4.891%	\$1,273.75
200	2,913	0	2,913	11.872%	\$3,091.99
201	547	0	547	2.335%	\$608.18
209	1,159	0	1,159	4.802%	\$1,250.65
210	750	0	750	3.153%	\$821.29
301	296	0	296	1.323%	\$344.68
307	2,451	0	2,451	10.010%	\$2,606.99
400	1,851	970	2,821	7.591%	\$1,977.11
401	675	0	675	2.851%	\$742.55
403	1,369	0	1,369	5.648%	\$1,471.11
501	1,954	0	1,954	8.006%	\$2,085.24
Penthouse	2,177	0	2,177	10.730%	\$2,794.55
Total	23,872	970	24,842	100.0000%	\$26,045.00
Total Monthly Maintenance Fee	\$26,045.00				

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

CERTIFICATE

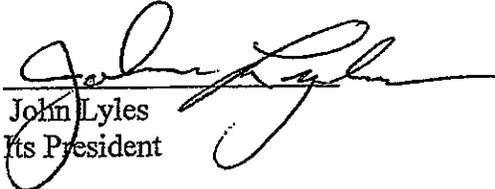
The undersigned, as Managing Agent of The Hawaii Times Building condominium project (the "Project"), hereby certifies as follows:

1. That I am the President of American Land Co., Ltd., a Hawaii corporation.

2. That the breakdown of the estimated annual maintenance charges and the monthly estimated cost for each unit in the Project as set forth above are reasonable estimates for the one-year period commencing January 1, 2008, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, 11-29-07.

American Land Co., Ltd.,
a Hawaii corporation

By: 
John Lyles
Its President

SUMMARY OF SALES CONTRACT

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

1. The Sales Contract will not become binding upon Seller and Buyer unless and until: (a) Buyer has been receipted for or is deemed to have been receipted for the Public Report for the Project for which an effective date has been issued by the Real Estate Commission, which shall include the Public Report itself, the recorded Declaration and Bylaws, House Rules, Condominium Map, and all amendments (collectively, the "Project Documents"), and a Notice of Right to Cancel Sales Contract; and (b) Buyer has waived or is deemed to have waived Buyer's right to cancel the Sales Contract as more particularly provided in Section 514B-86 of the Act. Buyer may cancel the Sales Contract at any time up to midnight of the thirtieth (30th) day after the Project Documents are delivered to Buyer. Buyer may waive Buyer's right to cancel, or shall be deemed to have waived Buyer's right to cancel, by (i) checking the waiver box on the Notice of Right to Cancel Sales Contract and delivering it to Seller, (ii) letting the 30-day period expire without taking any action to cancel, or (iii) closing the purchase of the Unit before the cancellation period expires.
2. Buyer agrees to deliver to Seller or Seller's agent certain financial information, as evidence of Buyer's ability to pay the total purchase price, and any other information required by Seller.
3. Any breach of the covenants and warranties contained therein shall constitute a default hereunder by Buyer entitling Seller to retain all sums paid hereunder as liquidated damages as provided therein.
4. In addition to such other remedies which may be available to Seller by law or pursuant to the Sales Contract, Seller may impose a late charge as specified in the Sales Contract.
5. Buyer shall, prior to or within five (5) business days from the Acceptance Date, as that date is defined in the Sales Contract, provide Seller with a evidence of funds to make all cash deposits and shall within thirty (30) days of the Acceptance Date, obtain a loan commitment for any borrower funds to be used for the purchase of the Unit.
6. Seller, in its sole discretion, may elect to cancel the Sales Contract if (a) Buyer's application or eligibility for a mortgage loan is rejected or not approved within thirty (30) business days after application; (b) Buyer fails to supply any proposed mortgage lender with full financial information; or (c) Seller is not satisfied as to Buyer's ability to make the cash deposit payments.

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7. Escrow shall allocate closing costs between Buyer and Seller. Customary closing costs may include, but shall not be limited to Escrow's fees, recording fees, and real property taxes. Escrow may charge the appropriate party other closing costs as agreed and directed in writing by Buyer and Seller.

8. The closing date shall be sixty (60) days after the Acceptance Date, as that term is defined in the Sales Contract or such other date as is set forth in the Sales Contract.

9. Buyer will be required to prepay two months maintenance fees in addition to the total purchase price as more particularly described in the Sales Contract.

10. Buyer has a right to inspect the Project Documents for thirty (30) days after the date that Buyer receives such Project Documents and has the right to inspect the Project and Unit during the Inspection Period, as set forth in the Sales Contract.

11. Buyer is informed that the existing condition of the unit is ready for occupancy as shown on the Condominium Map. The Sales Contract also specifies that notwithstanding any other provision in the Sales Contract, the Seller agrees that unless Seller is actually and necessarily delayed in completing such improvements because of matters beyond Seller's reasonable control, the completion of the Nuuanu Exit Stair (as described in Declaration) shall be completed on or before two (2) years from the effective date of the Public Report.

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

13. After the Acceptance Date, Buyer shall have the right to rescind the Sales Contract only if there is a material change in the Project which directly, substantially and adversely affects the use or value of (a) Buyer's Unit or appurtenant limited common elements, or (b) amenities of the Project available for Buyer's use; provided that such material changes shall not include any additions, deletions, modifications or reservations allowed pursuant to the terms of the Sales Contract, the Declaration or the Bylaws. Waiver of such right is governed more specifically by the terms of the Sales Contract.

14. Buyer specifically acknowledges and agrees that the Declaration of Condominium Property Regime for The Hawaii Times Building contains reservations of certain rights and certain other provisions under which Buyer consents to certain actions by Seller and others, as more particularly described in the Sales Contract and the Declaration.

15. The execution, delivery and recordation of Buyer's Unit Deed shall constitute the assignment by Seller to Buyer of any and all warranties given to Seller by the contractors for the Project, if any, including, without limitation, any warranty of materials and workmanship against faulty or deficient materials and installation. The benefit of such warranties, if any, shall accrue

EXHIBIT G

to Buyer on closing without further instruments or documents. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION WITH RESPECT TO THE UNIT, THE PROPERTY, ANY COMMON ELEMENT, LIMITED COMMON ELEMENT, OR ANYTHING INSTALLED THEREIN.

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

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

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

SUMMARY OF ESCROW AGREEMENT

A copy of the Condominium Escrow Agreement (the "Escrow Agreement") between the Seller and Title Guaranty Escrow Services, Inc. ("Escrow") has been submitted to the Real Estate Commission. The Escrow Agreement, among other things, covers in more detail the following items:

1. Seller shall deliver an executed copy of each sales contract for the sale of a unit and any amendments thereto to Escrow. Each sales contract shall be accompanied by the initial deposit required thereunder.

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

3. No disbursements of funds held in escrow shall be made unless and until, among other conditions, (a) an effective date for a Developer's Public Report has been issued; (b) the Buyer has been given a copy of said Public Report and all amendments, and shall have acknowledged receipt of the same or shall have been deemed to have acknowledged receipt of the same; and (c) Seller or Seller's attorney shall have delivered a written opinion to Escrow that the Buyer's sales contract has become effective.

4. A Buyer shall be entitled to a return of funds and Escrow shall pay such funds to such Buyer if any one of the following has occurred: (a) Seller and Buyer shall have together requested Escrow in writing to return to Buyer the funds of Buyer held by Escrow; or (b) Seller shall have notified Escrow of Seller's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller; or (c) Buyer has exercised such Buyer's right to cancel or rescind the sales contract pursuant to the Condominium Property Act, Hawaii Revised Statutes Chapter 514B.

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

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

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

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**THE HAWAII TIMES BUILDING CONDOMINIUM PROJECT
REGISTRATION NO. 6427**

ADDITIONAL DEVELOPER DISCLOSURES AS OF OCTOBER 11, 2007

This Additional Developer Disclosure (the "Additional Disclosure") is made by 928 Nuuanu Partners, LLC, a Hawaii limited liability company (the "Developer"), as the owner of that certain parcel of land disclosed in and covered by Royal Patent Grant No. 4872, Land Commission Award No. 2671, consisting of 6,864 square feet, situate at Honolulu, City and County of Honolulu, State of Hawaii and identified as a portion of Tax Map Key (1) 1-7-002-040 (the "Land") together with all buildings and improvements located thereon (the Land and said buildings and improvements are hereinafter collectively referred to as the "Property"). The Hawaii Times Building condominium project (the "Project") was created and established by that certain Declaration of Condominium Property Regime of The Hawaii Times Building dated August 21, 2007, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2007-149500 (the "Declaration"). This Additional Disclosure describes the legal status of the Project, including the common elements and all units therein, as of the date of the recording of the Declaration and the physical condition of the Project as of the date hereof.

1. **Project:** The Hawaii Times Building
 928 Nuuanu Avenue
 Honolulu, Hawaii 96817

2. **Developer:** 928 Nuuanu Partners, LLC
 1044 Nuuanu Avenue
 Honolulu, Hawaii 96817
 (808) 529-0807

3. **Managing Agent:** American Land Co., Ltd.
 828 Fort Street, suite 310
 Honolulu, Hawaii 96813
 (808) 536-6111

A. Disclosures Specific to the Project.

1. **Maintenance Fees for Residential Units:** The breakdown of the estimated annual maintenance fees and the estimated monthly fees for each unit in The Hawaii Times Building, which represents the common expenses of the Project allocated to each unit, are set forth in Exhibit F attached to this Public Report. Generally, the maintenance fee estimate is a projection of what individual unit owners will be required to contribute toward the maintenance and upkeep of the Project on a monthly basis. Such estimates are based in part upon an analysis of the physical and financial status of the Project as described in that certain 2007 Reserve Study for The Hawaii Times Building dated June 5, 2007, prepared by Armstrong Consulting, Inc. attached hereto as Exhibit 1 (the "Reserve Study"). The Reserve Study reflects the common

elements and limited common elements that form The Hawaii Times Building. The Developer advises that the maintenance fees of a condominium project are difficult to estimate prior to actual operation of the Project and even if maintenance fees have been accurately estimated, such fees will tend to increase in an inflationary economy and as the improvements age. The estimated maintenance fees and monthly fees for each unit are based on information available to the Developer and the Managing Agent and are subject to revision based on actual costs for items enumerated. Maintenance fees can vary depending on services desired by unit owners. Each buyer should check the maintenance fee schedule in Exhibit F to see what services are included therein.

2. **Construction Detail.** According to the structural engineer's report attached hereto as Exhibit 5, The Hawaii Times Building appears to consist of two buildings which were combined in a major renovation in 1982. The first, or original, front building was three stories and the second building was four stories with a loft. The front of the Building consists of concrete slab on grade with brick or stone basement walls. The Level 1 Floor is partially of original cast in place with concrete beams and slabs and wood framing supported by steel beams and columns. The Level 2 and Level 3 Floors consist of original wood framing supported by steel columns and new concrete slab and metal deck supported on steel beams and columns. A portion of the Level 4 Floor and roof over the Level 4 Floor consist of metal deck supported on steel beams and columns.

The back of the Building comprised of the back portion of the Level 4 Floor and the Level 5 Floor, and consist of original concrete beams and slabs supported on concrete columns with in fill masonry walls. A portion of the Penthouse Unit floor is partially wood decking supported on steel beams and columns, however, documents was unavailable regarding the structural system for the mauka (mountain side) portion of the floor, nor could the structural system be readily observed. The roof over the Penthouse Unit consists of metal deck supported on steel beams and columns. The lateral support appears to be provided by exterior shear walls and steel frames at the Penthouse Unit.

3. **Compliance with Building Code.** According to a letter from the Department of Planning and Permitting of the City and County of Honolulu ("DPP") dated March 15, 2007 (the "DPP Letter"), investigation revealed that the Building met all applicable code requirements when the Building was enlarged in 1982 on the underlying 6,864 square foot BMX-3 Central Business Mixed Use zoned lot. There is no on-site off-street parking provided; however parking requirements have been met at nearby public parking facilities. A copy of the DPP Letter is attached hereto as Exhibit 2.

According to a letter to the Developer from the Department of Planning and Permitting of the City and County of Honolulu ("DPP") dated March 15, 2007 ("the DPP Letter"), investigation revealed that a Building Code Variance (No. BA82-211, case No. 541) was approved with conditions to allow openings in the exterior walls of the building provided that the owner install an automatic fire-sprinkler system throughout Building and for the installation of a circular stairway with a substandard radius and landing. The variance also approved the

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installation of an emergency exit door at the rear of the Building opening onto an easement on the adjacent lot (the "Rear Door").

The DPP Letter identified three deficiencies and provided that Developer should correct such deficiencies "within a timely manner". Developer is in the process of or has resolved the deficiencies in the following manner:

(1) The Rear Door approved by the variance identified above has an eight (8) inch drop at the threshold that is inconsistent with Building Code: Developer has submitted Permit Application Number A2007-08-0191 to the DPP for the purpose of constructing a new storefront emergency exit onto Nuuanu Avenue as shown on Sheet A-1 of the Condominium Map (the "Nuuanu Exit Stair"). The Rear Door will cease to be used as an emergency exit after the Nuuanu Exit Stair access is completed.

(2) No permit is on file for the non-structural partition walls erected in Unit 2 of the Basement Floor: The non-structural partition walls erected in Unit 2 were removed and Unit 2 was restored to its original floor plan, as shown on Sheet A-1 of the Condominium Map.

(3) No permit is on file for the bathroom and kitchen additions constructed in the Penthouse Unit: Developer has submitted Permit Application Number A 2007-08-0632 for the purpose of properly documenting these additions and establishing compliance with the Building Code.

Based on professional third party property condition reports concerning the condition of the Building, the Developer believes that the Building is in such condition as is consistent with its age. Notwithstanding anything to the contrary contained herein, the Building and any fixtures, appliances and electrical and plumbing equipment included within the respective units and limited common elements appurtenant thereto will be sold "AS IS" WITH ALL FAULTS, and neither the Developer nor any of its affiliates or representatives, make any warranties, express or implied, as to their working order and condition. All recommended work described therein will be the responsibility of the owner of the units therein and not that of the Developer or any other party. The owners of the units, by the acceptance of such owners' unit deeds, shall be deemed to have accepted the building conditions described above and agreed that, except as otherwise set forth herein, neither the Developer nor any of its affiliates or representatives, shall be responsible for changing any nonconforming conditions.

The Developer disclaims any warranties, either express or implied, including any implied warranty of habitability, merchantability or fitness for a particular purpose, with respect to the Project, the Building or the units or anything installed or contained therein. Neither the Developer nor its affiliates or representatives will be liable to the Association or the unit owners for any construction or other defects (including any latent or hidden defects in the Project, the units or anything installed or contained therein) or for any other aspects of the Project, the units or anything installed or contained therein. This means that neither the Association nor the unit owners will have the right to file any lawsuit for damages against the Developer or its affiliates

or representatives for any defects or other matters later discovered by the Association or the unit owners.

4. **Warranties:** The Developer cannot determine whether the Project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes. The Developer does not give any warranties or assurances that the units can be expanded or that variances are obtainable from the City and County of Honolulu for any proposed improvements. The Project, the units and anything installed or contained therein are being sold as "AS IS" condition "WITH ALL FAULTS" by the Developer, without any warranties whatsoever, express or implied. Paragraph F.17 of the Sales Contract provides:

Seller Makes No Warranties or Promises. BUYER ACKNOWLEDGES THAT THE BUILDING IN THE PROJECT WAS CONSTRUCTED IN 1912 AND SUBSTANTIALLY EXPANDED AND RENOVATED IN 1982 AND HAS BEEN USED OVER THE YEARS PRIMARILY FOR COMMERCIAL PURPOSES. BUYER UNDERSTANDS AND AGREES THAT THE UNIT IS BEING SOLD "AS IS, WHERE IS" WITH ALL FAULTS AND THAT SELLER MAKES NO WARRANTIES OR PROMISES OF ANY KIND, EXPRESS OR IMPLIED, ABOUT THE UNIT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT), OR ABOUT ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE UNIT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT), INCLUDING ANY WARRANTIES OR PROMISES OF "MERCHANTABILITY", "WORKMANLIKE CONSTRUCTION" OR "FITNESS FOR A PARTICULAR USE OR PURPOSE".

WITHOUT LIMITING THE GENERALITY OF ANY OF THE FOREGOING, SELLER MAKES NO WARRANTIES OR PROMISES: (A) THAT THE PROJECT OR ANY IMPROVEMENTS IN THE UNIT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS) WILL BE FREE FROM CRACKS IN, OR OTHER DAMAGE TO, THE CONCRETE OR OTHER BUILDING MATERIALS; (B) REGARDING THE VALUE OF THE PROJECT OR THE PERSONAL PROPERTY; (C) REGARDING THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROJECT, INCLUDING, WITHOUT LIMITATION, ANY DEFERRED MAINTENANCE AT THE PROJECT; OR (D) REGARDING THE SUITABILITY, CONFORMANCE, COMPLIANCE OR LACK OF COMPLIANCE OF THE PROJECT WITH ANY STATE, FEDERAL, COUNTY OR LOCAL LAW, CODE, ORDINANCE, ORDER, PERMIT, ADMINISTRATIVE REQUIREMENT, OR REGULATION, INCLUDING, WITHOUT LIMITATION, THOSE RELATED TO THE CONSOLIDATION AND SUBDIVISION OF LAND, THE OPERATION AND USE OF THE PROJECT AND ACCESSIBILITY OF THE PROJECT BY PERSONS WITH

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DISABILITIES. IN OTHER WORDS, SELLER MAKES NO WARRANTIES OR PROMISES AT ALL.

BUYER FOR ITSELF AND ITS SUCCESSORS, HEIRS AND ASSIGNS, RELEASES SELLER AND ITS AFFILIATES, AND EACH OF THEIR RESPECTIVE PAST, PRESENT AND FUTURE MEMBERS, MANAGERS, DIRECTORS, OFFICERS, EMPLOYEES, SHAREHOLDERS, TRUSTEES, AGENTS, AND EACH OF THEIR RESPECTIVE SUCCESSORS AND ASSIGNS FROM AND WAIVES ANY CLAIM, ACTION OR LIABILITY WHICH ARISES FROM OR RELATES TO ANY LATENT OR PATENT DEFECT IN THE PROJECT OR THE UNIT, KNOWN OR UNKNOWN, WHICH EXISTS NOW OR IN THE FUTURE, OR WHICH ARISES FROM OR RELATES TO ANY LACK OF COMPLIANCE OF THE PROJECT WITH ANY STATE, FEDERAL, COUNTY OR LOCAL LAW, CODE, ORDINANCE, ORDER, PERMIT, ADMINISTRATIVE REQUIREMENT, OR REGULATION, THAT BUYER MAY HAVE AGAINST SELLER UNDER ANY FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION NOW EXISTING OR HEREAFTER ENACTED OR PROMULGATED, INCLUDING WITHOUT LIMITATION, THOSE RELATED TO ASBESTOS, ASBESTOS-CONTAINING MATERIALS, LEAD-BASED OR LEAD-CONTAINING PAINT, HAZARDOUS MATERIALS AND ENVIRONMENTAL CONDITIONS OR MATTERS IN, ON, UNDER, ABOUT OR MIGRATING FROM OR ONTO OR INTO THE PROPERTY OR THE PROJECT, OR BY VIRTUE OF ANY COMMON LAW RIGHT RELATING TO ASBESTOS, ASBESTOS-CONTAINING MATERIALS, LEAD-BASED OR LEAD-CONTAINING PAINT, HAZARDOUS MATERIAL AND ENVIRONMENTAL CONDITIONS OR MATTERS (INCLUDING THE PRESENCE OF MOLD OR MILDEW) IN, ON, UNDER ABOUT OR MIGRATING FROM OR ONTO OR INTO THE PROPERTY OR THE PROJECT. SELLER AND BUYER AGREE THAT THIS RELEASE FROM LIABILITY HAS BEEN SPECIFICALLY NEGOTIATED BETWEEN SELLER AND BUYER.

Buyer acknowledges and agrees that Seller's disclaimer of warranties contained in this Paragraph F.17 is an essential element in the determination of the purchase price for the Unit being sold to Buyer. This means that the Unit would not have been sold to Buyer for the amount of the purchase price stated in this Agreement without Seller's disclaimer of warranties.

5. Use.

a. Permitted Uses. Subject to the provisions of this Declaration, the units shall at all times be occupied and used for any use permitted by law by the respective owners thereof, their tenants, licensees, and for no other purpose, and no unit shall be used as a tenement or rooming house. The units shall not be rented for transient or hotel purposes, which are

defined as (i) rental for any period less than thirty (30) days or (ii) any rental in which the occupants of a unit are provided customary hotel services such as room service for food and beverages, daily maid service, laundry and linen or bellboy service. The units in the Project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-share purpose or under any time-sharing plan, arrangement or program, including, without limitation, any so-called 'vacation license', 'travel club membership' or 'time interval ownership' arrangement. The term 'time-sharing' as used herein shall be deemed to include, without limitation, any plan, program or arrangement under which the right to use, occupy, own or possess a unit or units in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, Association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise.

b. Restrictions on Use. Each unit owner in exercising the development rights set forth in the Declaration shall have the right to further restrict the use of the additional condominium units created within their appurtenant limited common element area.

6. Condition of Project and Buildings. The present physical condition of the Project and the structural components, mechanical installations and electrical installations material to the use and enjoyment of each of the buildings and the Project are described in reports from an electrical engineer, a mechanical engineer, a structural engineer, and an architect, all of which are attached hereto as Exhibits 3, 4, 5, 6, and 7.

Although not required by law, the engineers and the architect have given opinions about the condition of the Project to provide buyers with additional information. However, the Developer does not represent or warrant that the reports attached hereto are correct or complete. The reports should not be relied upon as the opinion of the Developer. No representations are made by the Developer with respect to the expected useful life of the structural components or the mechanical and electrical installations in the Project. Except as described herein, the Developer has not ascertained if any of the conditions disclosed in the attached reports have been addressed.

The observations and recommendations made by the engineers and architect in Exhibits 3, 4, 5, 6, and 7 are not intended, nor should be construed by its incorporation herein, to be any representation or warranty of the Developer. Because the Units in the Project are being sold by the Developer in "AS IS" condition with "ALL FAULTS", each buyer should carefully review Exhibits 3, 4, 5, 6, and 7 in their entirety. Furthermore, each buyer should inspect the buyer's unit and the Project or have the unit and the Project inspected by buyer's own experts to buyer's complete satisfaction.

7. Noise and Sound Transmission. The Building is old and that it is being sold by the Developer in "AS IS" condition. In some instances sound transmission from the impact of footfalls or other movements from the unit floor above may not be completely muffled. In particular, a portion of the floor of the Penthouse Unit is constructed out of light framed wood, which may result in the transmission of impact noise. Buyer should conduct its own evaluation

EXHIBIT I

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prior to contracting for the unit and during the Buyer's Inspection Period, as that term is defined in the Sales Contract.

8. **Alleyway in the back of the Project.** The concrete walkway and concrete driveway, as shown on Sheet SD-1 of the Condominium Map, are not part of the Project. Although there are doors located at the rear of the Project providing access to this area, there is no recorded right of access or agreement with the owner permitting ingress and egress over this area. The Association may, but shall not be obligated to, obtain rights of access by consent or by judicial process.

9. **Rental of garbage dumpster.** The Managing Agent for the Project currently rents a dumpster from the owner of the adjacent property for use by the Project located on the adjacent property. The access to the dumpster will be controlled by the Managing Agent. There is no other area in the Project designated for the collection of garbage and if the dumpster lease is terminated it will be the responsibility of the Association to find an alternative location for collection and disposal of garbage.

10. **No Parking or loading areas.** The Project contains no on-site off-street or on-street parking or loading areas. Unit owners requiring vehicle parking will be solely responsible for entering into individual agreements with surrounding public or private parking facilities to meet individual parking needs. Neither the Developer nor the Association shall be required to offer or provide or pay for parking facilities to the unit owners, their tenants, guests, employees, or licensees.

11. **Chinatown Historic District.** The Building is identified as a "Significant Site" in the Chinatown Special District, pursuant to Exhibit 21-9.10-A, of Ordinance 43 of the Revised Ordinances of Honolulu 1990. Ordinance 43 encourages the preservation and restoration of buildings and "sites of historic, cultural and/or architectural significance...." The identification of the Building as a Significant Site and its location in the Chinatown Special District shall limit the Association's and the unit owners' ability to construct certain improvements to the exterior of the Building, including windows, lanais, and balcony railings as set forth in the applicable federal, state, and county laws. Buyer should conduct its own evaluation of the restrictions imposed upon the Building prior to contracting for the unit and during the Buyer's Inspection Period, as that term is defined in the Sales Contract. Individual unit owners shall be solely responsible for obtaining the necessary approvals or permits prior to commencing improvements in such owner's unit.

B. General Environmental Disclosures.

1. **Hazardous Materials.** A Phase I Environmental Site Assessment dated February 15, 2007 was completed by SRP Environmental, LLC and is attached hereto as **Exhibit 7**. Except as set forth in **Exhibit 7**, the Developer has made no other independent investigation as to asbestos or other hazardous substances in the units or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants,

hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be hazardous substances in the units or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the unit inspected to determine the extent (if any) of such contamination and of any necessary remedial action. The Developer will not correct any defects in the units or in the Project or anything installed or contained therein and Buyer expressly releases the Developer from any liability to Buyer if any hazardous materials are discovered.

2. **Mold/Mildew.** A Fungal Assessment dated April 5, 2007, by SRP Environmental, LLC was completed and is attached as **Exhibit 8**. This report indicated the presence of fungal growth and set forth a list of remediation recommendations. The Developer implemented and completed each of the remediation recommendations contained in the April 5, 2007 Fungal Assessment. On August 18, 2007, SRP Environmental, LLC conducted a Clearance Fungal Investigation, attached as **Exhibit 9**, that revealed that the samples collected on August 18, 2007 indicate the absence of probable fungal growth and that no additional investigation and/or remediation is necessary. The tropical climates with warm temperatures, high humidity and frequent precipitation are conducive to the propagation of mold, mildew, fungus and other types of bacterial growths. Though the Building may be cleaned to satisfactory appearance, the Developer cannot guaranty that mold, mildew, fungus and other types of bacterial growths can be eliminated. The Building in the Project is old and may have had incidences of leaking and water exposure which may have resulted in the introduction of mold, mildew, fungus and other types of bacterial growths. Buyer should be aware that, as with all properties, the Building may have hidden, enclosed and unreachable areas where growths can occur and cannot be detected and that there may in the future be mold and mildew growth in the Project if the Association and occupants of the units do not properly maintain the Project. If Buyer, any member of Buyer's family, or any person who will inhabit the Property has respiratory, skin or other health ailments or conditions that can be affected by mold, mildew, fungus or other types of bacterial growths they should seek professional advice before purchasing an apartment in the Project. Neither the Developer nor its agents associated with the Project have the requisite knowledge to provide counsel as to the likelihood of conditions conducive to propagation of mold, mildew, fungus and other types of bacterial growth in the Project or as to the effect of the aforementioned conditions can have related to their health, welfare and continued enjoyment of the Property. Individuals who may be capable of providing such advice are professional home inspectors, medical professionals, scientific research professionals, certified industrial hygienist or other environmental specialists and/or others who have requisite knowledge in matters of detection and lab analysis services.

3. **Lead-Based or Lead-Containing Paint.** The Project may present exposure to lead from lead-based or lead-containing paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Developer is required by law to provide Buyer with any information on lead-based

or lead-containing paint hazards from risk assessments or inspections in the Developer's possession and notify Buyer of any known lead-based or lead-containing paint hazards. A risk assessment or inspection for possible lead-based or lead-containing paint hazards is recommended prior to purchase. As a condition to closing the sale of a unit, Buyer shall provide written acknowledgement of receipt of all relevant information regarding lead-based or lead-containing paint hazards together with a waiver of liability regarding the presence of such hazards.

4. Asbestos. The Project may present exposure to asbestos materials. Asbestos materials are hazardous to one's health, particularly if asbestos are released into the air and inhaled. In the past (before 1979, but possibly since) asbestos was a commonly used insulation material in heating facilities and in certain types of floor and ceiling materials, shingles, plaster products, cement and other building materials. Each Buyer shall be responsible for making appropriate inquiry into the possible existence of asbestos on the Property. Structures having "popcorn" or "cottage cheese" type ceilings may contain asbestos fibers or asbestos-containing material. Such ceilings should not be disturbed because it could release asbestos fibers in the air. Any disturbance should be done only by licensed abatement contractors. As a condition to closing the sale of a unit, Buyer shall provide written acknowledgement of receipt of all relevant information regarding asbestos materials hazards together with a waiver of liability regarding the presence of such hazards.

Exhibits

- Exhibit 1 – Reserve Study
- Exhibit 2 – DPP Letter
- Exhibit 3 – Electrical Engineer's report
- Exhibit 4 – Mechanical Engineer's report
- Exhibit 5 – Structural Engineer's report
- Exhibit 6 – Architect's report
- Exhibit 7 – Phase I Environmental Site Assessment
- Exhibit 8 – Fungal Assessment
- Exhibit 9 – Clearance Fungal Investigation

2007
RESERVE STUDY
FOR

928 Nuuanu LLC

June 5, 2007

Prepared by

Armstrong Consulting, Inc.

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2007
RESERVE STUDY
FOR
928 Nuanu LLC
June 5, 2007

A level one (1) study was performed according to the Community Associations Institute (CAI) Reserve Study Standards. (*See attached standards.*)

On-site visual observations of the common area elements [i.e., roofs, parking areas, paint, etc.] were performed on May 21, 2007 by Barry Matsumoto.

This report may also rely on information supplied by the property manager, Board of Directors, resident manager, contractors and published replacement guides modified for local conditions related to reconstruction.

The placement of a useful life on common elements is not an exact science. There are many variables that affect their life. For example, weather, usage, vandalism and proper maintenance. Therefore, we recommend a review of the physical analysis every three years or at any time of a major condition change [i.e., storm damage] and an update of the financial analysis every year.

Disclosure; as an impartial third party, Armstrong Consulting, Inc. also provides construction management for Association's reserve projects, by being the Association's representative.

This report was either prepared or reviewed by Dale Armstrong, R.S.

Armstrong Consulting, Inc.



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COMMUNITY ASSOCIATIONS INSTITUTE (CAI) RESERVE STUDY STANDARDS

What is a Reserve Study?

A Reserve Study is made up of two parts, 1) the information about the physical status and repair/replacement cost of the major common area components the association is obligated to maintain (Physical Analysis), and 2) the evaluation and analysis of the association's Reserve balance, income, and expenses (Financial Analysis). The Physical Analysis is comprised of the Component Inventory, Condition Assessment, and Life and Valuation Estimates. The Component Inventory should be relatively "stable" from year to year, while the Condition Assessment and Life and Valuation Estimates will necessarily change from year to year. The Financial Analysis is made up of a finding of the client's current Reserve Fund Status (measured in cash or as Percent Funded) and a recommendation for an appropriate Reserve contribution rate (Funding Plan).

Physical Analysis	Financial Analysis
Component Inventory	Fund Status
Condition Assessment	Funding Plan
Life and Valuation Estimates	

Reserve Study Contents

The following is a list of the minimum contents to be included in the Reserve Study.

- A summary of the association's number of units, physical description, and Reserve Fund financial condition.
- A projection of Reserve Starting Balance, recommended Reserve contributions, projected Reserve expenses, and projected ending Reserve Fund Balance for a minimum of 20 years.
- A tabular listing of the Component Inventory, component quantity or identifying descriptions, Useful Life, Remaining Useful Life, and Current Replacement Cost.
- A description of methods and objectives utilized in computing the Fund Status and development of the Funding Plan.
- Source(s) utilized to obtain component Repair or Replacement cost estimates.
- A description of the Level of Service by which the Reserve Study was prepared.
- Fiscal year for which the Reserve Study is prepared.

Levels of Service

The following three categories describe the various types of Reserve Studies, from exhaustive to minimal.

- I. Full: A Reserve Study in which the following five Reserve Study tasks are performed:
 - Component Inventory
 - Condition Assessment (based upon on-site visual observations)
 - Life and Valuation Estimates
 - Fund Status
 - Funding Plan

II. Update, With-Site-Visit/On-Site Review: A Reserve Study update in which the following five Reserve Study tasks are performed:

- Component Inventory (verification only, not quantification)
- Condition Assessment (based on on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

III. Update, No-Site-Visit/Off-Site Review: A Reserve Study update with no on-site visual observations in which the following three Reserve Study tasks are performed:

- Life and Valuation Estimates
- Fund Status
- Funding Plan

Disclosures

The following are the minimum disclosures to be included in the Reserve Study.

General: Description of other involvement(s) with the association that could result in actual or perceived conflicts of interest.

Physical Analysis: Description of how thorough the on-site observations were performed: representative sampling vs. all common areas, destructive testing or not, field measurements vs. drawing take-offs, etc.

Financial Analysis: Description of assumptions utilized for interest and inflation, tax, and other outside factors.

Personnel Credentials: State or organizational licenses or credentials carried by the individual responsible for Reserve Study preparation or oversight.

Update Reports: Disclosure of how the current work is reliant on the validity of prior Reserve Studies.

Completeness: Material issues which, if not disclosed, would cause a distortion of the association's situation.

Reliance on Client Data: Information provided by the official representative of the association regarding financial, physical, quantity, or historical issues will be deemed reliable by the consultant. The reserve study will be a reflection of information provided to the consultant and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.

Reserve Balance: The actual or projected total presented in the reserve study is based upon information provided and was not audited.

Component Quantities: For Update With-Site-Visit and Update No-Site-Visit Levels of Service, the client is considered to have deemed previously developed component quantities as accurate and reliable.

Reserve Projects: Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection.

Terms and Definitions

CASH FLOW METHOD: A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

COMPONENT: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

COMPONENT INVENTORY: The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

COMPONENT METHOD: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. See "Cash Flow Method."

CONDITION ASSESSMENT: The task of evaluating the current condition of the component based on observed or reported characteristics.

CURRENT REPLACEMENT COST: See "Replacement Cost."

DEFICIT: An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

EFFECTIVE AGE: The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS: The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

FULLY FUNDED: 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

FULLY FUNDED BALANCE (FFB): Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association total. Two formulas can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

$$\text{FFB} = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$$

or

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) + [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate}) ^ \text{Remaining Life}] - [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Inflation Rate}) ^ \text{Remaining Life}]$$

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding.

FUNDING GOALS: Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

- **Baseline Funding:** Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
- **Full Funding:** Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.
- **Statutory Funding:** Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statutes.
- **Threshold Funding:** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

FUNDING PLAN: An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

FUNDING PRINCIPLES:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

LIFE AND VALUATION ESTIMATES: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

PERCENT FUNDED: The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

PHYSICAL ANALYSIS: The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

REMAINING USEFUL LIFE (RUL): Also referred to as "Remaining Life" (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have "zero" Remaining Useful Life.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. Based upon information provided and not audited.

RESERVE PROVIDER: An individual who prepares Reserve Studies.

RESERVE STUDY: A budget planning tool that identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. "Our budget and finance committee is soliciting proposals to update our Reserve Study for next year's budget."

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services that directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve study of which he was in responsible charge. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review;
4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

SPECIAL ASSESSMENT: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

SURPLUS: An actual (or projected) Reserve Balance greater than the Fully Funded Balance. See "Deficit."

USEFUL LIFE (UL): Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

HAWAII'S AMENDMENT TO ALLOW CASH FLOW ANALYSIS

HB 70

"Cash flow plan" means a twenty-year projection of an association's future income and expense requirements to fund fully its replacement-reserves requirements each year during that twenty-year period, except in an emergency; provided that it does not include a projection of special assessments or loans during that twenty-year period, except in an emergency.

Courtesy of Armstrong Consulting, Inc.

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928 Nuuanu Avenue
PROJECT DEFINITION REPORT

6/05/2007

Project Information

Project: 928 Nuuanu Avenue
Address: 928 Nuuanu Avenue
City: Honolulu
State: HI
Zip: 96817-0000

Project Date: 1/01/1910
Number of Phases: 0
Number of Units: 1
Number of Models: 0

Property Description

The 928 Nuuanu Avenue property is a 5-story concrete structure that is the Chinatown Special District of Honolulu. According to City and County of Honolulu records, the structure was placed in service in 1910. The facility was fully renovated in 1982 and is currently zoned for mixed business use. Building amenities include a main elevator and a service elevator, central air conditioning, fully carpeted and stone-tiled floors, and an artistic entry lobby with a water feature pond.

A site visit was performed on May 21, 2007. At that time, the facilities were in mixed condition. According to property management, a number of key building components were in the process of being replaced or upgraded. This report assumes that the replacement or upgrade work will take place as scheduled in 2007. Specific information about these items and the current condition of individual components are described in the Component Detail section of this report.

928 Nuuanu Avenue
ANALYSIS DEFINITION REPORT

Analysis 1 - 2007

Project Information

Project: 928 Nuuanu Avenue
 Address: 928 Nuuanu Avenue
 City: Honolulu
 State: HI
 Zip: 96817-0000

Project Date: 1/01/1910
 Analysis Date: 8/15/2007
 Number of Phases: 0
 Number of Units: 1
 Number of Models: 0

Analysis Parameters

Rate of Inflation: 3.8%
 Rate of Return on Investment: 3.5%
 Beginning Funds: \$25,000.00
 Loan/Special Assessment: No

Deferred Expenditures: No
 Contingency: 0%
 Contingency Time: None

Annual Contribution Factors

		2017:	2%
2008:	2%	2018:	2%
2009:	2%	2019:	2%
2010:	2%	2020:	2%
2011:	2%	2021:	2%
2012:	2%	2022:	2%
2013:	2%	2023:	2%
2014:	2%	2024:	2%
2015:	2%	2025:	2%
2016:	2%	2026:	2%

Additional Analysis Information

This analysis addresses the funding plan Analysis 1 for the 928 Nuuanu property. The analysis utilizes a starting balance of \$25,000 for 08/15/2007. This figure is based on a lump sum contribution from the developer of \$25,000. It is assumed that all contributions will be received in 2007. A 3.5% average rate of return on reserve fund investments and a 3.8% inflation rate are used for future expenditures.

An annual \$39,000 reserve contribution for 2007 is recommended. From 2008 on, this amount increases by 2% each year throughout the time horizon of the study. Under this analysis the Association would meet Hawaii State reserve requirements under the cash flow method of calculations.

Please review the above financial parameters and the entire report for accuracy.

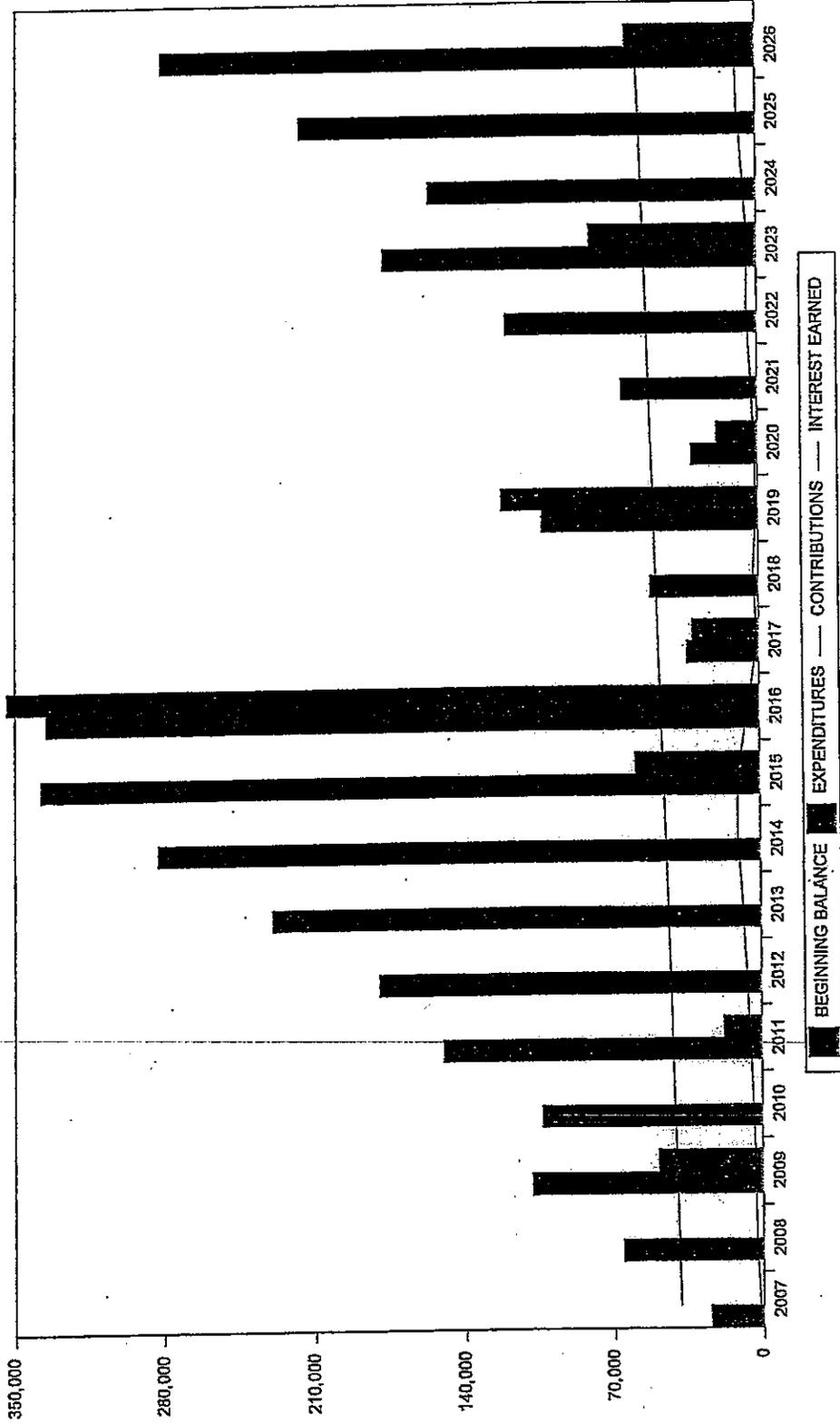
928 Nuuanu Avenue
CASHFLOW PERCENT FUNDED SUMMARY PROJECTIONS

Analysis 1 - 2007

Year	Beginning Balance	Contribution	Average/ Unit/Mo	Interest Earned	Expenditures	Ending Balance
2007	25,000.00	39,000.00	3,250.00	1,636.72	0.00	65,636.72
2008	65,636.72	39,780.00	3,315.00	3,097.15	0.00	108,513.87
2009	108,513.87	40,575.60	3,381.30	3,627.42	49,040.00	103,676.89
2010	103,676.89	41,387.11	3,448.93	4,481.08	0.00	149,545.08
2011	149,545.08	42,214.85	3,517.90	5,752.61	18,250.00	179,262.54
2012	179,262.54	43,059.15	3,588.26	7,201.79	0.00	229,523.48
2013	229,523.48	43,920.33	3,660.03	9,006.14	0.00	282,449.95
2014	282,449.95	44,798.74	3,733.23	10,905.62	0.00	338,154.31
2015	338,154.31	45,694.71	3,807.89	10,809.33	58,894.00	335,764.35
2016	335,764.35	46,608.60	3,884.05	5,556.76	353,422.00	34,507.71
2017	34,507.71	47,540.77	3,961.73	1,000.98	31,981.00	51,068.46
2018	51,068.46	48,491.59	4,040.97	2,745.87	0.00	102,305.92
2019	102,305.92	49,461.42	4,121.79	1,288.09	121,307.00	31,748.43
2020	31,748.43	50,450.65	4,204.22	1,403.83	19,465.00	64,137.91
2021	64,137.91	51,459.66	4,288.31	3,267.65	0.00	118,865.22
2022	118,865.22	52,488.85	4,374.07	5,234.09	0.00	176,588.16
2023	176,588.16	53,538.63	4,461.55	4,484.31	79,368.00	155,243.10
2024	155,243.10	54,609.40	4,550.78	6,568.74	0.00	216,421.24
2025	216,421.24	55,701.59	4,641.80	8,765.86	0.00	280,888.69
2026	280,888.69	56,815.62	4,734.64	9,906.80	61,828.00	285,683.11
Totals:		947,597.27		106,640.84	793,555.00	

928 Nuuanu Avenue
 CASHFLOW PROJECTIONS GRAPH

Analysis 1 - 2007



PROJECTED EXPENDITURES
Analysis 1 - 2007

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Carpeting			31,419							
Concrete Spall Repairs									13,461	
Elevator Cab Refurbish			9,835							234,195
Elevator Modernization					4,121					
Exhaust Fan Ventilator				14,129						
Fire Alarm System Upgrade										28,387
Lobby Refurbishment										
Lobby Water Feature										
Mail Boxes			2,322							
Painting - Building Exterior									45,433	
Restroom Refurbishment										14,194
Roof Cap Flashing										76,646
Security System Upgrade			5,464							
Service Elevator										
Totals			49,040		18,250				58,894	353,422

PROJECTED EXPENDITURES

Analysis 1 - 2007

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
AC Split System Chillers				19,465						
Carpeting			45,638							
Concrete Spall Repairs						18,141				
Elevator Cab Refurbish			14,287							41,219
Lobby Refurbishment							61,227			
Painting - Building Exterior	31,981									
Painting - Building Interior										
Restroom Refurbishment										20,609
Roofing Coating System			53,445							
Security System Upgrade			7,937							
Totals	31,981		121,307	19,465			79,368			61,828

928 Nuuanu Avenue
ACCOUNTANT'S REPORT

Analysis 1 - 2007
8/15/2007 - 8/14/2008

Component	Remaining Life (yr/mo)	Future Cost	Assigned Reserves	2007 Contribution Requirement	2007 Assigned Interest Earned	2007 Funding Requirement
AC Split System Chillers	13/00	19,465	5	8	0	8
Carpeting	02/05	31,419	2,161	3,371	141	3,512
Concrete Spall Repairs	08/00	13,461	6	9	0	9
Elevator Cab Refurbish	02/05	9,835	658	1,026	43	1,069
Elevator Modernization	09/05	234,195	15,049	23,476	985	24,461
Exhaust Fan Ventilator	04/05	4,121	309	482	20	502
Fire Alarm System Upgrade	04/05	14,129	1,059	1,653	69	1,722
Lobby Refurbishment	09/05	28,387	154	241	10	251
Lobby Water Feature	02/05	0	0	0	0	0
Mail Boxes	02/05	2,322	187	291	12	303
Painting - Building Exterior	08/00	45,433	19	30	1	31
Painting - Building Interior	10/00	31,981	11	17	1	18
Restroom Refurbishment	09/05	14,194	77	120	5	125
Roof Cap Flashing	09/05	76,646	4,925	7,683	322	8,005
Roofing Coating System	12/00	53,445	15	23	1	24
Security System Upgrade	02/05	5,464	365	570	24	594
Service Elevator	04/05	0	0	0	0	0
Totals:		584,497	25,000	39,000	1,634	40,634

928 Nuuanu Avenue
COMPONENT SUMMARY REPORT

Analysis 1 - 2007

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
Concrete							
Concrete Spall Repairs	8/01/2007	08/00	00/00	08/15	Y	10,000	13,461
Sub Total:						10,000	13,461
Elevator							
Elevator Modernization	1/01/1982	30/00	+05/00	01/17	Y	165,000	234,195
Service Elevator	1/01/1982	30/00	00/00	01/12	Y	0	0
Sub Total:						165,000	234,195
Elevators							
Elevator Cab Refurbish	1/01/2000	10/00	00/00	01/10	Y	9,000	9,835
Sub Total:						9,000	9,835
Fire/Life Safety							
Fire Alarm System Upgrade	1/01/1982	20/00	+10/00	01/12	Y	12,000	14,129
Sub Total:						12,000	14,129
Flooring							
Carpeting	1/01/1999	10/00	+01/00	01/10	Y	28,750	31,419
Sub Total:						28,750	31,419
Interior Finishes							
Lobby Refurbishment	1/01/2007	10/00	00/00	01/17	Y	20,000	28,387
Lobby Water Feature	1/01/1982	28/00	00/00	01/10	Y	0	0

928 Nuuanu Avenue
COMPONENT SUMMARY REPORT

Analysis 1 - 2007

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
Restroom Refurbishment	1/01/2017	10/00	00/00	01/17	Y	10,000	14,194
Sub Total:						30,000	42,581
Mail							
Mail Boxes	1/01/1982	25/00	+03/00	01/10	Y	2,125	2,322
Sub Total:						2,125	2,322
Mechanical							
AC Air Handler	8/01/2007	20/00	00/00	08/27	Y	30,000	63,204
AC Chilled Water Pump	8/01/2007	20/00	00/00	08/27	Y	40,000	84,272
AC Chiller	8/01/2007	20/00	00/00	08/27	Y	90,000	189,612
AC Control Unit	8/01/2007	20/00	00/00	08/27	Y	15,000	31,602
AC Split System Chillers	8/01/2007	15/00	-02/00	08/20	Y	12,000	19,465
Exhaust Fan Ventilator	1/01/1982	20/00	+10/00	01/12	Y	3,500	4,121
Sub Total:						190,500	392,276
Painting							
Painting - Building Exterior	8/01/2007	08/00	00/00	08/15	Y	33,750	45,433
Painting - Building Interior	8/01/2007	10/00	00/00	08/17	Y	22,050	31,981
Sub Total:						55,800	77,414
Roofing							
Roof Cap Flashing	1/01/1982	25/00	+10/00	01/17	Y	54,000	76,646
Roof Flashing	8/01/2007	20/00	00/00	08/27	Y	4,800	10,113

928 Nuuanu Avenue
COMPONENT SUMMARY REPORT

Analysis 1 - 2007

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
Roofing Coating System	8/01/2007	12/00	00/00	08/19	Y	34,200	53,445
Sub Total:						93,000	140,204
Security							
Security System Upgrade	1/01/2000	10/00	00/00	01/10	Y	5,000	5,464
Sub Total:						5,000	5,464
Grand Total:						601,175	963,300

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

AC Air Handler

Category:	Mechanical	Unit Cost:	\$30,000.00
Began Use:	8/01/2007	Cost Type:	Contractor
Lifespan:	20 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$30,000.00
Next Replacement:	8/01/2027	Future Cost:	\$63,203.97
Remaining Life:	19 YRS	Salvage Value:	\$0.00
Quantity:	1.00 EACH		

Remarks

This component budgets for the replacement of the roof-mounted air handling unit. According to property management, a 10 ton outside air "precool" air handler unit is to be installed by Air Central that will replace the existing units.

This report assumed that the new AHU will be placed in service in 2007.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

AC Chilled Water Pump

Category:	Mechanical	Unit Cost:	\$20,000.00
Began Use:	8/01/2007	Cost Type:	Contractor
Lifespan:	20 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$40,000.00
Next Replacement:	8/01/2027	Future Cost:	\$84,271.96
Remaining Life:	19 YRS	Salvage Value:	\$0.00
Quantity:	2.00 EACH		

Remarks

This component budgets for the replacement of the roof-mounted chiller water pump units. According to property management, two Aurora chilled water pumps are to be installed by Air Central that will replace the existing units.

This report assumed that the new pump units will be placed in service in 2007.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

AC Chiller

Category:	Mechanical	Unit Cost:	\$45,000.00
Began Use:	8/01/2007	Cost Type:	Contractor
Lifespan:	20 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$90,000.00
Next Replacement:	8/01/2027	Future Cost:	\$189,611.92
Remaining Life:	19 YRS	Salvage Value:	\$0.00
Quantity:	2.00 EACH		

Remarks

This component budgets for the replacement of the roof-mounted chiller units. According to property management, two Carrier 30RAN050 chiller units rated at 50 tons each are to be installed by Air Central that will replace the existing units.

This report assumed that the new chiller units will be placed in service in 2007.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

AC Control Unit

Category:	Mechanical	Unit Cost:	\$15,000.00
Began Use:	8/01/2007	Cost Type:	Contractor
Lifespan:	20 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$15,000.00
Next Replacement:	8/01/2027	Future Cost:	\$31,601.99
Remaining Life:	19 YRS	Salvage Value:	\$0.00
Quantity:	1.00 EACH		

Remarks

This component budgets for the replacement of the roof-mounted ac control unit. According to property management, a new control unit is to be installed by Air Central that will replace the existing unit.

This report assumed that the new controller will be placed in service in 2007.

928 Nuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

AC Split System Chillers

Category:	Mechanical	Unit Cost:	\$3,000.00
Began Use:	8/01/2007	Cost Type:	Contractor
Lifespan:	15 years	Percent Replacement:	100.00%
Lifespan Adjustment:	- 2 years	Current Cost:	\$12,000.00
Next Replacement:	8/01/2020	Future Cost:	\$19,465.29
Remaining Life:	12 YRS	Salvage Value:	\$0.00
Quantity:	4.00 EACH		

Remarks

This component budgets for the replacement of the split system air conditioner chiller units located at the exterior of the ground, second, third, and fourth floor lobbies. There are three 1 ton units and one 2.5 ton unit. All units are scheduled to be replaced or re-conditioned in 2007 by Air Central.

Currently, the units are in operating condition. The total service life has been reduced to reflect the re-conditioning of 1 unit.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Carpeting			
Category:	Flooring	Unit Cost:	\$50.00
Began Use:	1/01/1999	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	100.00%
Lifespan Adjustment:	+ 1 years	Current Cost:	\$28,750.00
Next Replacement:	1/01/2010	Future Cost:	\$31,418.65
Remaining Life:	2 YRS	Salvage Value:	\$0.00
Quantity:	575.00 SQ. YD.		

Remarks

This component budgets for the replacement of the hallway carpeting. The installation date of the existing carpeting could not be determined during the site visit. The installation date used is based on the existing general condition of the carpeting. Although there are a number of different types of carpet in the facility, this component budgets for the complete replacement of all carpeting at one time. The unit cost does not include a base.

Currently, the carpeting is in mixed condition. The deep red carpet is in fair condition; other colored carpets are in fair to poor condition. To maintain consistency, all carpeting is assumed to be replaced in 2010.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Concrete Spall Repairs

Category:	Concrete	Unit Cost:	\$10,000.00
Began Use:	8/01/2007	Cost Type:	Contractor
Lifespan:	8 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$10,000.00
Next Replacement:	8/01/2015	Future Cost:	\$13,461.48
Remaining Life:	7 YRS	Salvage Value:	\$0.00
Quantity:	1.00 LUMP SUM		

Remarks

This component budgets for performing concrete spall repairs to the building exterior surfaces prior to exterior painting. According to property management, spall repairs will be performed during the exterior painting work in 2007. The budgeted amount is an estimate only. The actual cost for the repairs may be significantly different based on the extend of the spall damage.

This report assumed that significant spall repair work will take place in 2007.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Elevator Cab Refurbish

Category: Elevators
Began Use: 1/01/2000
Lifespan: 10 years
Lifespan Adjustment: None
Next Replacement: 1/01/2010
Remaining Life: 2 YRS
Quantity: 1.00 EACH

Unit Cost: \$9,000.00
Cost Type: Contractor
Percent Replacement: 100.00%
Current Cost: \$9,000.00
Future Cost: \$9,835.40
Salvage Value: \$0.00

Remarks

This component budgets for the upgrade of the elevator cab and includes replacement of the flooring, wall panelling, ceiling grids and fixture, and control panel. It could not be determined during the site visit when the last cab upgrade work was performed. The installation date used is an estimate only based on the current condition of the cab interior.

Currently, the cab interior is in fair condition. The control panel is currently not configured for ADA guidelines.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Elevator Modernization

Category:	Elevator	Unit Cost:	\$165,000.00
Began Use:	1/01/1982	Cost Type:	Contractor
Lifespan:	30 years	Percent Replacement:	100.00%
Lifespan Adjustment:	+ 5 years	Current Cost:	\$165,000.00
Next Replacement:	1/01/2017	Future Cost:	\$234,194.72
Remaining Life:	9 YRS	Salvage Value:	\$0.00
Quantity:	1.00 EACH		

Remarks

This component budgets for the upgrade and modernization of the main elevator mechanical and electrical systems. This component assumes that the elevator was placed in service during the major building renovation of 1982-83. The elevator is currently being serviced by Thyssen-Krupp. The budgeted amount is an estimate only. The actual cost may be significantly different, depending on the scope of work for the modernization and upgrade work.

Currently, the elevator mechanical and electrical systems are in fair condition. The service life has been revised to reflect his condition.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Exhaust Fan Ventilator

Category: Mechanical
Began Use: 1/01/1982
Lifespan: 20 years
Lifespan Adjustment: + 10 years
Next Replacement: 1/01/2012
Remaining Life: 4 YRS
Quantity: 1.00 EACH

Unit Cost: \$3,500.00
Cost Type: Contractor
Percent Replacement: 100.00%
Current Cost: \$3,500.00
Future Cost: \$4,121.09
Salvage Value: \$0.00

Remarks

This component budgets for the replacement of the powered roof exhaust fan and housing unit. The installation date is assumed to be during the 1982-83 renovation.

Currently, the fan motor is in operating condition. The fan housing is in fair condition.

928 Nuuanu Avenue .

COMPONENT DETAIL REPORT

Analysis 1 - 2007

Fire Alarm System Upgrade

Category:	Fire/Life Safety	Unit Cost:	\$12,000.00
Began Use:	1/01/1982	Cost Type:	Contractor
Lifespan:	20 years	Percent Replacement:	100.00%
Lifespan Adjustment:	+ 10 years	Current Cost:	\$12,000.00
Next Replacement:	1/01/2012	Future Cost:	\$14,129.46
Remaining Life:	4 YRS	Salvage Value:	\$0.00
Quantity:	1.00 SYSTEM		

Remarks

This component budgets for the upgrading of the fire alarm system for the building. The existing alarm system is assumed to have been installed during the 1982-83 renovation. The alarm system is being maintained by Alert Alarm of Hawaii. The upgrade work includes replacement of the annunciator panel, controls, and upgrading of alarm stations.

According to property management, the alarm system is currently in operating condition.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Lobby Refurbishment

Category:	Interior Finishes	Unit Cost:	\$20,000.00
Began Use:	1/01/2007	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$20,000.00
Next Replacement:	1/01/2017	Future Cost:	\$28,387.24
Remaining Life:	9 YRS	Salvage Value:	\$0.00
Quantity:	1.00 LUMP SUM		

Remarks

This component budgets for the refurbishment of the main lobby area and includes re-finishing woodwork, replacement of artwork and furniture, replacement of the entry door, and replace light fixtures. The main lobby is scheduled for refurbishment in 2007. This component assumes that the refurbishment work will be completed in 2007 and that the lobby will be in good condition after completion of the refurbishment work.

928 Nuuanu Avenue

COMPONENT DETAIL REPORT

Analysis 1 - 2007

Lobby Water Feature

Category:	Interior Finishes	Unit Cost:	\$0.00
Began Use:	1/01/1982	Cost Type:	Contractor
Lifespan:	28 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$0.00
Next Replacement:	1/01/2010	Future Cost:	\$0.00
Remaining Life:	2 YRS	Salvage Value:	\$0.00
Quantity:	1.00 LUMP SUM		

Remarks

This component concerns the existing water feature pond located in the ground floor main lobby. The water feature is currently not in service.

No funds were allocated to this component. The water feature is not scheduled to be replaced. The feature is to be converted into a planter or landscaped display area.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Mail Boxes

Category:	Mail	Unit Cost:	\$85.00
Began Use:	1/01/1982	Cost Type:	Contractor
Lifespan:	25 years	Percent Replacement:	100.00%
Lifespan Adjustment:	+ 3 years	Current Cost:	\$2,125.00
Next Replacement:	1/01/2010	Future Cost:	\$2,322.25
Remaining Life:	2 YRS	Salvage Value:	\$0.00
Quantity:	25.00 EACH		

Remarks

This component budgets for the replacement of the metal mail boxes located in the lobby area. It is assumed that the mail boxes were placed in service in 1982-83 during the renovation of the building.

Currently, the mail boxes are in fair condition.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Painting - Building Exterior

Category:	Painting	Unit Cost:	\$2.25
Began Use:	8/01/2007	Cost Type:	Contractor
Lifespan:	8 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$33,750.00
Next Replacement:	8/01/2015	Future Cost:	\$45,432.51
Remaining Life:	7 YRS	Salvage Value:	\$0.00
Quantity:	15,000.00 SQ FT		

Remarks

This component budgets for the painting of the exterior surfaces of the building. The painting work includes surface preparation, minor patching and caulking, primer painting, and application of one coat of latex paint. According to property management, the painting work is scheduled for 2007.

This report assumed that the exterior painting work will be placed in service in 2007.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Painting - Building Interior

Category:	Painting	Unit Cost:	\$1.40
Began Use:	8/01/2007	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$22,050.00
Next Replacement:	8/01/2017	Future Cost:	\$31,981.31
Remaining Life:	9 YRS	Salvage Value:	\$0.00
Quantity:	15,750.00 SQ FT		

Remarks

This component budgets for the painting of the interior common area surfaces of the building. The painting work includes surface preparation, minor patching and caulking, spot priming, and application of one coat of latex paint. According to property management, the painting work is scheduled for 2007.

This report assumed that the interior painting work will be placed in service in 2007.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Restroom Refurbishment

Category:	Interior Finishes	Unit Cost:	\$10,000.00
Began Use:	1/01/2017	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$10,000.00
Next Replacement:	1/01/2027	Future Cost:	\$14,193.62
Remaining Life:	9 YRS	Salvage Value:	\$0.00
Quantity:	1.00 LUMP SUM		

Remarks

This component budgets for the refurbishment of the men and women's restrooms located on all of the floors. The refurbishment work includes replacement of the toilet fixtures and accessories, light fixtures, door and hardware, and ceramic tile repair. This component budgets for the refurbishment work to take place in 2017 when the main lobby is scheduled for refurbishment.

Currently, the restrooms are in fair condition.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Roof Cap Flashing

Category:	Roofing	Unit Cost:	\$30.00
Began Use:	1/01/1982	Cost Type:	Contractor
Lifespan:	25 years	Percent Replacement:	100.00%
Lifespan Adjustment:	+ 10 years	Current Cost:	\$54,000.00
Next Replacement:	1/01/2017	Future Cost:	\$76,645.54
Remaining Life:	9 YRS	Salvage Value:	\$0.00
Quantity:	1,800.00 SQ FT		

Remarks

This component budgets for the replacement of the galvanized sheet metal roofing along certain sections of the building roof. It is assumed that the sheet metal is from the 1982-83 renovation.

Currently, the roofing is in mixed condition. Certain sections (Ewa side) are in poor condition, having been partially repaired and painted. Other sections (Mauka side) are in fair condition. This component assumes that repairs will be made when necessary under the operating budget until 2017 when the entire sheet metal roofing system is to be replaced.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Roof Flashing

Category:	Roofing	Unit Cost:	\$20.00
Began Use:	8/01/2007	Cost Type:	Contractor
Lifespan:	20 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$4,800.00
Next Replacement:	8/01/2027	Future Cost:	\$10,112.64
Remaining Life:	19 YRS	Salvage Value:	\$0.00
Quantity:	240.00 LIN FT		

Remarks

This component budgets for the replacement of the roof edge flashing along the perimeter of the building. According to property management, new copper edge flashing is to be installed by Tory's Roofing that will replace the existing edge flashing.

This report assumed that the new edge flashing will be placed in service in 2007.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT.

Analysis 1 - 2007

Roofing Coating System

Category:	Roofing	Unit Cost:	\$6.00
Began Use:	8/01/2007	Cost Type:	Contractor
Lifespan:	12 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$34,200.00
Next Replacement:	8/01/2019	Future Cost:	\$53,445.17
Remaining Life:	11 YRS	Salvage Value:	\$0.00
Quantity:	5,700.00 SQ FT		

Remarks

This component budgets for the re-application of a fluid-applied, elastomeric coating system on the existing built-up roofing on all roof decks. According to property management, a new application of an elastomeric coating system will be placed on the existing roof in 2007.

This report assumed that the coating system will be placed in service in 2007.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Security System Upgrade

Category:	Security	Unit Cost:	\$5,000.00
Began Use:	1/01/2000	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$5,000.00
Next Replacement:	1/01/2010	Future Cost:	\$5,464.11
Remaining Life:	2 YRS	Salvage Value:	\$0.00
Quantity:	1.00 LUMP SUM		

Remarks

This component budgets for the upgrading of the existing security alarm system. The system is a keypad system that is activated at the lobby entrance. There is no camera monitoring system. The installation date of the existing system could not be determined during the site visit. The installation date used is based on the current condition of the system.

According to property management, the security system is in fair operating condition.

928 Nuuanu Avenue
COMPONENT DETAIL REPORT

Analysis 1 - 2007

Service Elevator

Category:	Elevator	Unit Cost:	\$0.00
Began Use:	1/01/1982	Cost Type:	Contractor
Lifespan:	30 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$0.00
Next Replacement:	1/01/2012	Future Cost:	\$0.00
Remaining Life:	4 YRS	Salvage Value:	\$0.00
Quantity:	1.00 EACH		

Remarks

The service elevator is not in current use. No funds are being accrued to repair or replace the elevator at this time. This component detail is for reference only.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MUFI HANNERMANN
MAYOR

HENRY ENG. FAICP
DIRECTOR

DAVID K. TANGLIE
DEPUTY DIRECTOR

2006/ELOG-2905(AS)

March 15, 2007

~~Mr. Steven M. Marlette, AIA~~
MC Architects Incorporated
1044 Nuuanu Avenue
Honolulu, Hawaii 96817

Dear Mr. Marlette:

Subject: Condominium Conversion Project
The Nippu Jiji Building
928 Nuuanu Avenue
Tax Map Key: 1-7-002: 040

This is in response to your letter dated November 15, 2006, requesting verification that the structure at the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that on February 28, 1983, Building Permit No 176887 was issued for "rehabilitation" and for addition of a fourth floor and loft to the existing three-story nonconforming building which was constructed in approximately 1910. There now exists a four-story, with loft and basement, business building on this 6,864-square-foot BMX-4 Central Business Mixed Use zoned lot. There was no on-site off-street parking provided; however, parking requirements for this parcel have been met at the public parking facilities (between Nimitz Highway and King Street, and Smith and Maunakea Streets) under assessment for Improvement District (ID-80).

Investigation also revealed the following:

1. On June 29, 1982, a building code variance (No. BA82-211, case No. 541) was approved with conditions by the Building Board of Appeals to allow prohibited openings in the exterior walls on the ewa and makai sides of the building provided that an automatic fire-sprinkler system be provided throughout the building and for the installation of a circular stairway with substandard radius and landing. The variance also approved with conditions, the installation of an exit door to open onto an easement on the adjacent lot at the rear of the building.

EXHIBIT 2

Mr. Steven M. Marlette, AIA
MC Architects Incorporated
March 15, 2007
Page 2

2. The following deficiencies were found:

- a. There is an approximately eight-inch drop at the threshold of the above-mentioned door and does not meet Building Code requirements for an exit.
- ... b. There is no record on file for the addition and alteration work in the basement floor and for the addition of a bathroom and kitchen in the loft floor area.

If the above-mentioned deficiencies are not corrected within a timely manner, a notice of violation will be issued.

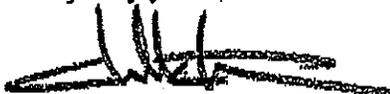
For your information, the Department of Planning and Permitting cannot determine all other legal nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

No other variances or special permits were granted to allow deviations from any applicable codes.

Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; it does not create separate lots of record for subdivision and zoning purposes.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of our Commercial and Multi-Family Code Enforcement Branch at 527-6341.

Very truly yours,


Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:ft

doc523431

February 9, 2007

928 Nuuann Avenue Building
Electrical Engineering Observation Report

Date of observation: January 9, 2007 at approximately 10:00 am.

General Notes:

- a. Our field observation was general in nature and was intended to check the basic electrical condition of the building. A detailed investigation was not done.
- b. This report is only a description of the general electrical condition of the building, and is not a document which requires modifications to the building.
- c. The building is a five-story building with basement, and is used primarily as a commercial multitenant office space (approximately 24,000 total square feet).

Field Observations:

Main Electrical Service/Distribution System

1. The underground HECO networked service feeds a 1200A-rated FPE service switchboard in the main electrical room at the basement level. There is a single HECO C.T. meter (#366315) which master-meters the entire building. Service voltage is at 120/208 volt, three-phase, four-wire. The switchboard appears to be in good condition.
2. There are seven (7) fusible switches in the switchboard feeder sections which feed various loads in the building. There appears to be space in the feeder section for two (2) additional fusible switches.
3. There is a separate switch labelled "912 Nuuannu Main Disconnect" adjacent to the switchboard. This apparently feeds the space next door to the building.
4. There is a pipe column just inside the main electrical room doors which partially obstructs the left half of the double doors. We are unsure if this is a code violation - although the minimum NEC entrance requirements seem to be satisfied, this is an unusual condition.
5. Most of the Basement, 2nd Floor, 3rd Floor, and 4th Floor tenants are fed from common panels located in the common-use areas (electric room and/or hallways). Some of the tenants have panels within their space (we assume that these feed the loads within their respective space). We could not find a common panel on the 5th Floor. The Penthouse space contains panels within that space.

6. We did not notice any tenant checkmeters, so it appears that individual tenant usage of electrical power is not currently being monitored.

Building Fire Alarm System

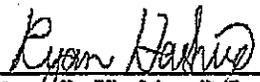
7. The fire alarm system is an old Honeywell system. The main control panel is located in the basement main electric room.
8. The system appears to consist primarily of pullstations and bells on each floor. There are no visual flashers – the system does not comply with current ADA standards.
9. There were no smoke detectors noted in the elevator lobbies. This, along with the apparent age of the elevator system, leads us to believe that the elevator system currently does not have an automatic recall function.

General Field Observations/Notes

1. The existing service equipment and distribution system for this facility appear to be in good condition. The service life of electrical equipment is generally listed as 25 years – however, with regular maintenance/upkeep, this can usually be extended. Based on our visual observations, the existing electrical distribution system should last for many more years.
2. We did not notice any major code violations with the service and distribution system.
3. The existing fire alarm system does not comply with ADA requirements.

Bennett Engineers Inc. (Electrical Engineers)

Submitted By


Ryan R. Hashiro, P.E.

ENGINEERING SYSTEMS/hawaii Inc.

Consulting Mechanical Engineers

joseph@engineering-systems.net

January 11, 2007

M C ARCHITECTS, INC.

1044 Nuuanu Avenue
Honolulu, Hawaii 96817

Attention: Mr. Steve Marlette, AIA
President

926 Nuuanu Avenue Building

Due Diligence
Honolulu, Hawaii 96817

CONDITION REPORT

Time of observation

January 9, 2007 10:00 AM

PLUMBING

The plumbing piping appears to be in good condition. The plumbing fixtures in bathrooms are in fair condition. At the time of observation, we could not locate the reduced pressure backflow preventer for the whole building.

FIRE SPRINKLER SYSTEM

The automatic fire sprinkler system provides protection throughout the building. The OS&Y valve of the sprinkler system is located in the ceiling in a basement tenant space. The valve assembly is monitored with tampered switches. The fire sprinkler piping appears to be in good condition. The Fire Department Connections are in the wall facing the street.

VENTILATION

The common restrooms exhaust through roof via a power roof ventilator. The fan is in fair condition. The distant between exhaust fan and the fresh air intake is 10 feet which is under 12 feet minimum required by the State Health Department.

9 N Pauahi Street, Suite 300 Honolulu, Hawaii 96817

tel. (808)531-6142 . (808)531-4089 fax

AIR CONDITIONING

The whole building is air conditioned by two (2) 50-ton air-cooled chillers. Two (2) single-speed chilled water pumps are serving the building. There is a pre-cooled AC unit on the roof feeding conditioned outside air. The chillers are aged. Condensing coils are starting to corrode. The chilled water pumps and piping/ valves are in the same condition as the chillers. The chilled water piping insulation is starting to deteriorate and is missing in several locations. The chiller plant seems to have adequate capacity for the tenants at full load, however the cooling loads at the time of observation are light due to building vacancy and fair weather. The chillers and pumps have a very limited life remaining and should be considered for replacement in the very near future.

There are several air handling units (AHU) in each floor. All AHU's are constant volume, single thermostat type. Most of them are located within the ceiling of the tenant spaces. One AHU serves the common corridors at each floor. Some mounted below ceiling in the third floor tenants. Some of the tenants share a single AHU and a common thermostat. The units concealed in the ceiling are in fair condition.

The AC unit serving suite 505 is in the penthouse space and suite 505 has its own thermostat.

The AC unit serving suites 501, 502 and 505 is located in the penthouse above and suite 505 has the control thermostat. Suites 501 and 502 are depending on the temperature set by suite 505. Similarly, suite 403 has the thermostat for the AC unit serving suites 403, 401 and 405.

Suite 111 does not have air handler off the building central AC system. The weather exposed AC unit serving suite 111 is in poor conditions with broken condensate drain piping. Suite 200 has individual fan coil system, controls provided for each room. The Penthouse has three (3) split, ductless AC systems with condensing units on roof. One of the office spaces on the fourth floor might utilize the air come from the pre-cooled A/C unit without return air.

SUMMARY

In general, the mechanical systems seem to have limited maintenance. The air conditioning system in whole is in relatively fair condition. Temperature controls are in poor condition.

Please feel free to call us should you have any questions.

Sincerely,
Joseph Nguyen, P.E.



KAI HAWAII
STRUCTURAL & FORENSIC ENGINEERS

Ken K. Hayashida, P.E.
Thang T. Pham, P.E.
Michael P. Hunnemann, P.E.

January 9, 2007

Steve Marlette
928 Nuuanu Partners LLC
1044 Nuuanu Avenue
Honolulu, Hawaii 96818

Subject: The Nippu Jiji Building-Condition Assessment
928 Nuuanu Avenue, Honolulu, Hawaii

We had the opportunity on January 9, 2007 to review the subject project for a condition assessment of the structural system.

The existing building appears to consist of two building which were combined in a major renovation as shown in drawings by Lacayo dated July 30, 1982. The original front building was noted as three stories and the back building was four stories with a loft. The combined building is a four-story office building with a partial basement in the front section, mezzanine between the second and third stories and a penthouse unit (fifth level) in the rear. The footprint of the building is approximately 6,800 square feet. The building's structural system is shown in structural drawings signed by Stanley Shigemura in 1982 and appears to resemble conditions observed.

The front section of the building consists of concrete slab on grade with brick or stone basement walls covered with plaster plus an additional concrete retaining wall used lower the original basement level. The first or ground floor is partially of original cast in place concrete beams and slabs and wood framing supported by steel beams and columns. The second floor consists of the original wood framing support by steel columns. The mezzanine and third levels consists of a new concrete slab and metal deck supported on steel beams and columns. The fourth level, partial front section roof, consists of metal deck supported on steel beams and columns.

The building's back section, original four story building, second, third and fourth level floors consist on original concrete beams and slabs supported on concrete columns with in fill masonry walls. The penthouse and roof are new additions done in the 1982 project. The penthouse floor is partially wood decking supported on steel beams and columns however the mauka floor section was added later and no documentation of the structural system could be found or observed readily. The roof consists of metal deck supported on steel beams and columns.

Lateral support appears to be provided by exterior shear walls and steel frames at the penthouse level. The exact age of the building is unknown, except date on building is 1895.

For this project, our scope of work consisted of the following items:

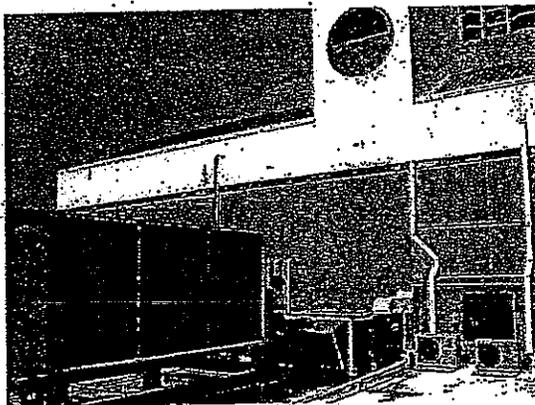
31 N. Pauahi Street * 2nd Floor * Honolulu * Hawaii * 96817
Telephone: (808) 533-2210 * Facsimile: (808) 533-2686 * E-mail Address: mail@kaihawaii.com

EXHIBIT 5

- ♦ **Visual field survey of building.** Our survey consisted of nondestructive visual observations of exposed building structural elements at the exterior of the structure from ground and floor level locations. In addition, the interior of the stairwells and few selected units were also visually observed. Hidden conditions such as those covered by floor, ceiling or wall panels and coverings were not reviewed during our visit. This survey did not include physical testing of building elements. Accordingly, our visual field survey should be considered cursory in nature by an informed reader of this letter.
- ♦ **Structural assessment of building.** The building was assessed based upon the visual field survey only. The assessment did not include any quantitative structural analysis of the structural system. The original building's structural drawings and record documents were not available from the owner for review.

From our visits the following conditions were observed:

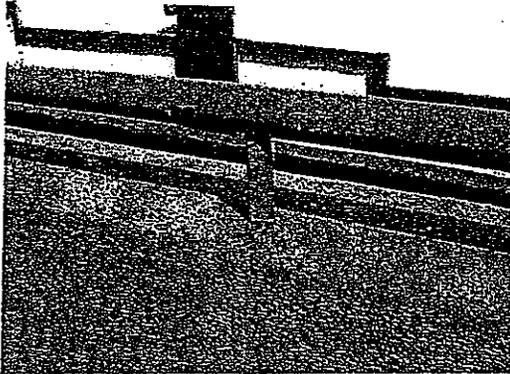
- ♦ The exterior wall had deteriorating paint, numerous hairline cracks and a few spalls which may be causing water infiltration.
- ♦ The Lobby, several offices (Suites 401, 403 and 500) had minor architectural plaster spalls at the interior of walls near windows.
- ♦ There was light corrosion of several of the railing post on the fourth level lanai of Suite 400. This does not appear to be a structural issue but it should be maintained.
- ♦ The second floor had several wood beams repaired during the 1982 construction and appears to have several more which need to be invasively condition assessed.
- ♦ There appeared to be termite damage to the soffit in Suite 500 at the makai lanai and also in the makai stair well. Damage appears to be non structural in nature
- ♦ The roof top mechanical equipment was support on structural steel members, all of which is in various stages of corrosion. The level of corrosion is typical for a unit of its age and does not have any immediate structural concerns however maintenance is required.



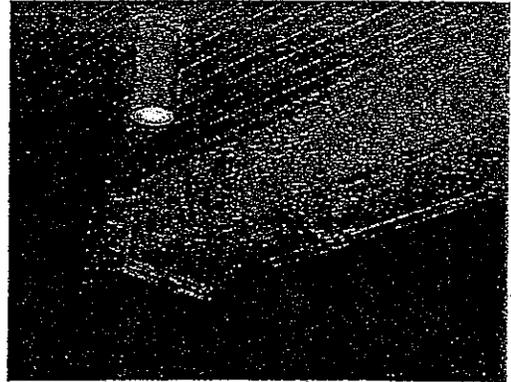
Typical Condition of Exterior Wall



Interior Wall of Suite 403



Fourth Level Lanai Railing



Second Floor Wood Framing

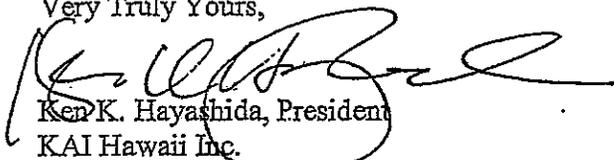
The building needs to have the exterior walls repaired, sealed and painted to prevent possible deterioration of the structural elements. A more detail investigation of several second floor wood girders should be done to assess possible termite damage. The structural steel railings and mechanical equipment supports should be cleaned and painted. The 3rd level and above structure where termites were noted are mainly of constructed of concrete and steel framing thus it would appear that the damage is mainly to non-structural elements such as nailers for plaster, trim elements, etc.

The main structural elements of the building appear in good condition without signs of significant distress or deterioration. The building has two solid shear walls on the Makai and Mauka ends and frames/ shear walls on the front and rear of the building. The building's lateral system should conform to the City & County of Honolulu Building Code in 1982 since the construction was a major addition and renovation.

No representations are being expressed or implied as to the expected or useful life of the main structural elements of the building. The opinions and comments in this report are based on visual observations and the documentation provided only. This letter is intended for the informed reader, knowledgeable of real estate development, engineering and construction. Other third parties are advised not to rely upon this letter for making purchasing decisions or as a substitute for their own analysis and due diligence. Architectural, mechanical, electrical, or plumbing conditions are not included and no warranty expressed or implied as to the condition of the structure, is intended.

Should there be questions, please call.

Very Truly Yours,


Ken K. Hayashida, President
KAI Hawaii Inc.



March 21, 2007

928 Nuuanu Partners, LLC
1044 Nuuanu Ave
Honolulu, Hawaii 96817

Re: Condition Report
928 Nuuanu Avenue, Honolulu, Hawaii
Tax Map Key No. (1) 1-7-002:040

MC Architects has been retained to evaluate the existing condition of a five level office building located at 928 Nuuanu Avenue, Honolulu, Hawaii. This report was drafted utilizing on-site observation, as well as a letter dated March 15, 2007 from the City and County of Honolulu (attached), and a set of as-built drawings dated July 20, 1982 as prepared by Lacayo Architecture, Planning and Interiors ("Lacayo") for a 1982 addition and major renovation to the building. No existing building drawings were made available for the building prior to the 1982 renovation. I was able to confirm that the City and County of Honolulu Department of Planning and Permitting does not have records of any existing building drawings prior to the 1982 renovation.

City and County Zoning Information:

Address: 928 Nuuanu Ave, Honolulu, HI 96817

TMK: (1) 1-7-002:040

Site Area: 6,864 sf

Zoning Designation: BMX-4 (Business Mixed Use)

Special District: Chinatown Special Historic District Designation as a structure of "Very High Value" to the Historic nature of the District.

Building Area: 27,056 sf

Floor Area Ratio: Maximum 4.0

Parking: Exempt from parking requirements per Chinatown Special District Regulations. No parking is currently on the building site.

Occupancy: "B" (Offices)

EXHIBIT 6

City and County Building Information:

City and County of Honolulu Department of Planning and Permitting (DPP) records indicate that the building was legally constructed somewhere around 1910, and they do not have any plans on file for its construction, which is not unusual for a building of this age. The County does have a file plan for a major renovation of the building in 1982 under permit BP-176887, as well as numerous permits for non-structural interior improvements dating from 1982 to present.

A review of the County record drawings dated July 20, 1982 as prepared by Lacayo for the 1982 renovation revealed a substantial renovation and addition to the existing structure including new structural members, new foundation upgrades, addition of two (2) new levels to the building, a new lobby, new exit stairs, new passenger and freight elevators, a new fire sprinkler system, new electrical service and distribution, new water service and distribution, a new AC system and distribution, a new fire alarm system, and a new roof system. The drawings appear to be bringing the entire building up to compliance with all building codes in effect as of 1982.

A request was made to the DPP on November 15, 2006 for verification of County records that the structure met all applicable code requirements at the time of construction and a request for inspection by County Officials of the current condition of the premises. On March 15, 2007 the DPP issued a letter in response indicating that the building appears to have been legally constructed pursuant to their records including a variance #BA82-211 for openings in the exterior wall and exiting into an alleyway to the rear of the building. The on-site inspection of the premises indicated the following three deficiencies in the project that were inconsistent with County records and the current building code:

- 1) The rear exit door into the alleyway had an 8" drop at the landing on the exterior of the building. The Uniform Building Code ("UBC") allows a maximum of ½" of drop at a landing on both sides of a required exit door. The deficiency appears to be easily corrected by providing a ramp on the interior side of the door that would allow the door to be dropped to within ½" of the exterior existing sidewalk grade.
- 2) The inspector was not able to find records on file for the non-structural interior partitions within the existing basement area. Correction of this deficiency is readily achievable by either processing a retroactive permit for the construction of the interior improvements or by demolishing the interior improvements to conformity with the drawings on record.
- 3) The inspector was not able to find records on file for the existing bathroom and kitchen in the loft area (penthouse level). Correction of this deficiency is readily achievable by either processing a retroactive permit for the construction of the bathroom and kitchen or by demolishing the interior improvements back to conform with the drawings on record.

Field Observations:

A field observation of the building was conducted on March 18, 2007. The following conditions were observed:

Building exterior:

The Nuuanu Avenue façade has a very distinguished historical stone façade that appears to be in good shape considering the age of the building. Street level storefronts and doorways are in good condition. Exterior canopy shows signs of wear on the fascia, however appears to be in serviceable condition. The rear (alleyway) exterior is painted a plaster finish and is generally in good condition considering the age of the building. The plaster finish shows signs of peeling paint and should be considered for future repainting as part of the ongoing maintenance program for the building. The exterior window system is typically steel windows that are typical for and building of this vintage.

The roof area on Level 5 contains most of the mechanical equipment for the building. The roof is a built-up type of system that appears to be in average condition but should be considered for future replacement as part of the ongoing maintenance program for the building. Level 4 has an exterior lanai on the Nuuanu Avenue side of the building that appears to have a fluid applied roof coating that appears to have been somewhat recently installed (within the last 5 years) and is in good condition. The roof area above Level 5 and the Penthouse is a combination of standing seam metal and built-up roofing that appears to be in reasonably good shape. The management company (Colliers Monroe Friedlander) indicated that they did not have any reports of current roof leaks in the building from tenants.

Building interior:

The main entrance to the building is from Nuuanu Avenue into a two level lobby area that opens up into the basement area. Access to the lobby from the street level is by a ramp that goes to a passenger elevator on the ground floor and an exit stair. The interior lobby finishes are in good shape and appear to be well maintained. A freight elevator is also accessed from the lobby area. Unit 100 is separately accessed directly from Nuuanu Avenue without access to the building lobby area.

Access to the basement units is through the main lobby area down a circular staircase. The basement lobby area is served by the passenger elevator for ADA access to this level. Finishes within the basement lobby area appear to be in good shape.

Level 2 is accessed by passenger elevator, freight elevator or exit Stair #1 and Stair #2. Two legal means of exit are maintained on this level to Stair #1 and Stair #2. The lobby finishes with Level 2 common area are in good shape. Level 2 has a men's and women's common area restroom. Interior finishes of the restrooms are in reasonable shape and appear to be adequately maintained. The units on Level 2 appear to be in very good shape and well maintained. Unit 210 was unoccupied at the time of this report.

Level 3 is accessed by passenger elevator, Stair #1 and Stair #2. Two legal means of exit are maintained on this level to Stair #1 and Stair #2. The lobby finishes and common area hallway are in good shape. Unit 301 was occupied at the time of this report and appears to be very well maintained. Unit 307 was unoccupied at the time of this report.

Level 4 is accessed by passenger elevator, Stair #1 and Stair #2. Two legal means of exit are maintained on this level to Stair #1 and Stair #2. The lobby finishes and common area hallway are in good shape. Level 4 has a men's and women's common area restroom. Access to Units 401 and 403 is by an internal stairway within the common area hallway. Unit 400 is in very good condition and well maintained and has an exterior lanai on three sides of the space. The exterior wall system is floor to ceiling glass with sliding doors giving private access to the lanai. The exterior wall system fronting Unit 401 appears to be in good condition. Units 401 and 403 appear to be in good overall condition and well maintained.

Level 5 is accessed by passenger elevator, freight elevator, Stair #1 and Stair #2. Two legal means of exit are maintained on this level to Stair #1 and Stair #2. The lobby finishes and common area hallway are in good shape. Level 5 has doorway access out onto the roof where the mechanical equipment is located servicing the building. The Level 5 lobby has a stairway access down to Unit 501 that was occupied by three separate tenants at the time of this report. Unit 501 appears to be in good overall condition and well maintained.

Penthouse Level is accessed off of the Level 5 common area lobby with a short run of steps up into the unit from the lobby area. The Penthouse Level has two legal means of exit to Stair #1 by an internal Penthouse Stair "A" to the lobby area and Stair 2 by an internal Penthouse Stair "B". The Penthouse has numerous internal level changes and includes a exterior lanai, kitchen and internal bathroom. The Penthouse roof is accessed privately through the Penthouse by a circular stairway. The Penthouse Unit appears to be in good overall condition and well maintained.

ADA Compliance:

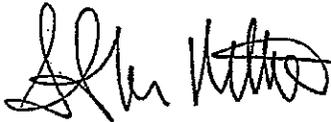
The building was built well prior to implementation to the Americans with Disabilities Act (ADA) in 1991. The renovation work in 1982 was done prior to implementation of the ADA in 1991.

A detailed ADA compliance analysis was not performed as part of this report on the building. Buyer should conduct its own evaluation prior to contracting for the unit and during the Buyer's Inspection Period, as that term is defined in the Sales Contract.

Summary / Conclusions:

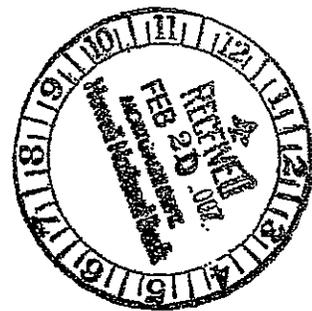
Based upon the information presented above, including information from the City and County of Honolulu Department of Planning and Permitting, as built drawings and field observation, to the best of my knowledge, the building condition is as good or better than what could be expected for a building of this age and that no representation is being made related to the expected useful life of the structure.

Sincerely,
MC Architects, Inc.



Steven M. Marlette, AIA

Attachments: DPP letter dated March 15, 2007 (2 pages)



**PHASE I
ENVIRONMENTAL SITE ASSESSMENT**

**HAWAIIAN TIMES BUILDING
928 NUUANU AVENUE
HONOLULU, HONOLULU COUNTY, HAWAII**

**PREPARED FOR:
HAWAII NATIONAL BANK
HONOLULU, HAWAII**

FEBRUARY 2007

EXHIBIT 7

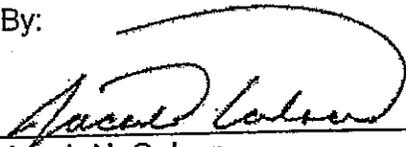
PREFACE

In February of 2007, Ms. Bonnie Wong of Hawaii National Bank, authorized SRP Environmental (SRP) to conduct a Phase I Environmental Site Assessment on a property located at 928 Nuuanu Avenue in Honolulu, Honolulu County, Hawaii.

The Phase I Environmental Site Assessment, conducted by SRP Environmental, includes the 0.158-acre subject property and all structures and improvements located therein.

SRP has performed investigations within the scope and limitations of American Society of Testing and Materials (ASTM) Practices E-1527-05 and E-1528-06, which exceeds the ASTM Standard practice for "Transaction Screen" analysis and the "All Appropriate Inquiry" rule, which is effective as of November 1, 2006. Investigations were conducted in accordance with customarily accepted good and sound professional practices and procedures at the time this work was undertaken. SRP believes it has performed all appropriate inquiry, but assumes no responsibility for the accuracy of property-specific information provided by its client (or its client's agent) and/or federal, state, or local agency file information. Moreover, SRP assumes no responsibility for client liabilities and related costs that may arise in the future from property features that could not have been reasonably identified at the time work reported herein was performed.

By:


→ PH# 520-1062

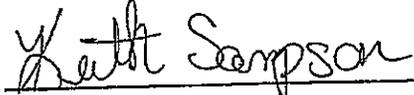
Jacob N. Colson
Field Inspector
SRP Environmental

02-15-07
Date



Carrie Salinas
Report Writer
SRP Environmental

02-15-07
Date



Keith Sampson
President/Report Reviewer
SRP Environmental

02-15-07
Date

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APPENDIX

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B	LANDOWNER QUESTIONNAIRE
C	SITE PHOTOGRAPHS

1.0 INTRODUCTION

In February of 2007, Ms. Bonnie Wong of Hawaii National Bank, authorized SRP Environmental (SRP) to conduct a Phase I Environmental Site Assessment on a property located at 928 Nuuanu Avenue in Honolulu, Honolulu County, Hawaii.

The Phase I Environmental Site Assessment, conducted by SRP Environmental, includes the 0.158-acre subject property and all structures and improvements located therein.

1.1 SITE LOCATION

The subject property is located northeast of the intersection of Nuuanu Avenue and Street and Marin Street. The official address of the property is 928 Nuuanu Avenue of Honolulu, Hawaii, 96817. The subject property is zoned as BMX-4, Central Business Mixed Use District and is located within the corporate limits of Honolulu, Hawaii. The Property is bound on all sides by commercial properties. A vicinity map showing the location of the subject property is included as Figure 1.1.

1.2 PURPOSE

The focus of the investigation reported herein was to evaluate the environmental risks associated with the subject property. This includes the occurrence or potential occurrence, existing, past, or potential release of petroleum products or hazardous substances as defined by the Comprehensive Environmental Response Compensation and Liability Act (CERCLA). Local land use controls (e.g., city ordinances) and title easements are beyond the scope of this report.

1.3 SPECIAL TERMS AND CONDITIONS

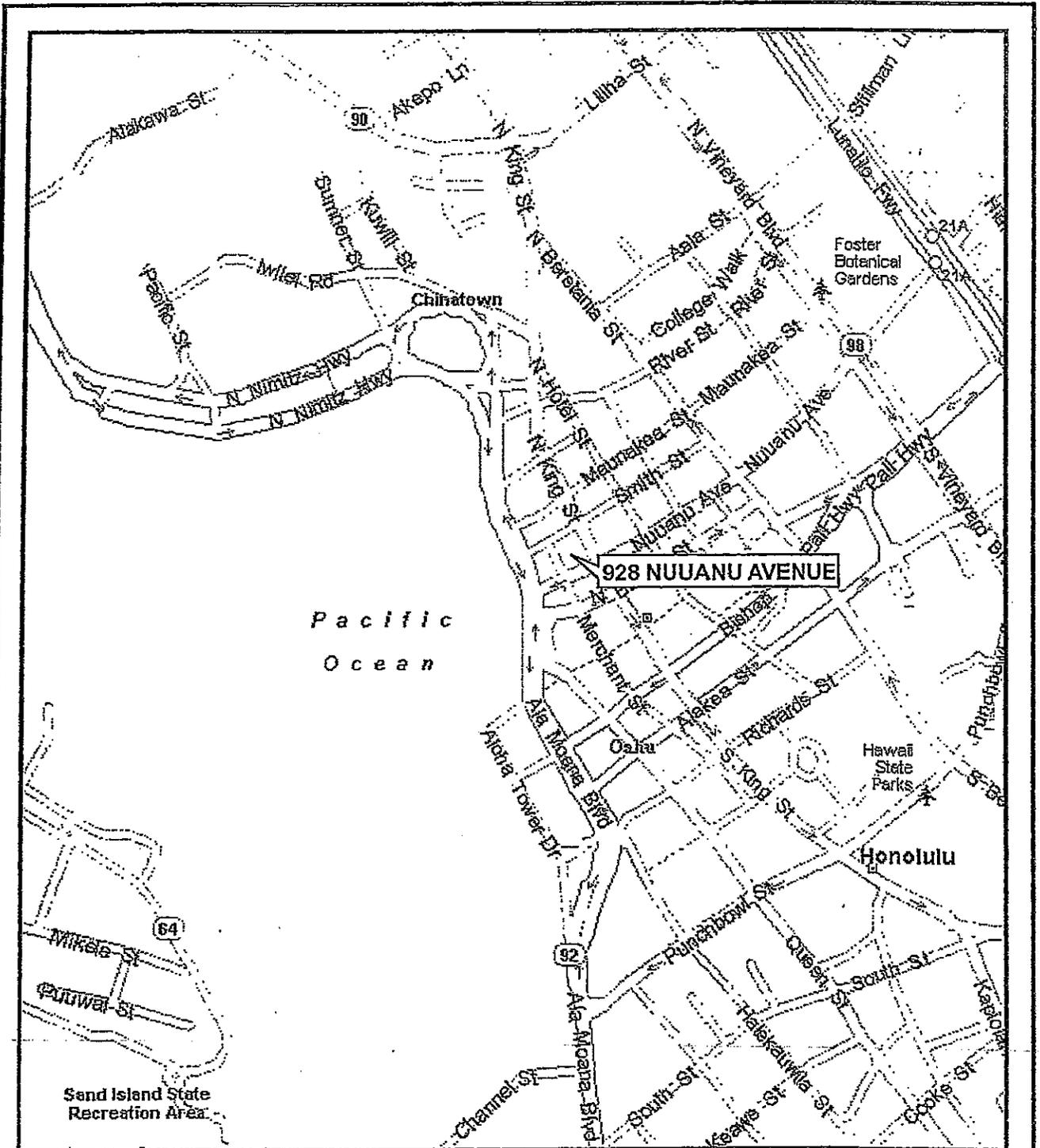
SRP pursued all appropriate inquiry into previous landownership and property uses according to customarily accepted sound professional practices and procedures as defined in 42 US § 9601(35)(B). SRP assumes no responsibility for the accuracy of property-specific information provided by its client (or its client's agent) or federal, state, or local agency file information. Moreover, SRP assumes no responsibility for client liabilities and related costs that may arise in the future from property features that could not have been reasonably identified at the time the work reported herein was performed.

1.4 LIMITATIONS AND EXCEPTIONS OF THE ASSESSMENT

This Phase I ESA meets the industry standard to qualify for the "innocent landowner" defense as stated in ASTM Practice E-1527-05 and E-1528-06 and exceeds the ASTM Standard practice for "Transaction Screen" analysis and the "All Appropriate Inquiry" rule, which is effective as of November 1, 2006. Environmental conditions of the subject property that may present a financial or environmental consideration not included in the ASTM E-1527-05 scope are evaluated to the extent that such information is reasonably ascertainable.

SRP has obtained as much information as is reasonably ascertainable, including, but not limited to, knowledge of environmental liens or violations; current existence of hazardous substances or petroleum products on the site; past, threatened, or pending lawsuits or administrative proceedings concerning a release of hazardous substances.

SRP has investigated the subject property and adjoining properties to identify recognized environmental conditions. The onsite investigation included observation of physical conditions of land, structures, and improvements of the subject site. These areas were accessible at the time of the survey and were investigated for potential indicators of recognized environmental conditions. Additionally, SRP investigated adjoining property, as accessible or visible, to detect the presence of recognized environmental conditions.



SOURCE: MICROSOFT MAP POINT, 2007.

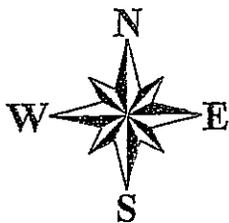


FIGURE 1.1

**VICINITY MAP
 HAWAIIAN TIMES BUILDING
 928 NUUANU AVENUE
 HONOLULU COUNTY, HAWAII**

2.0 SITE OWNERSHIP AND LAND USE HISTORY

2.1 RECORDED LAND TITLE RECORDS

Recorded Land Title Records include records of historical fee ownership. These may include leases, land contracts and activity and use limitations on or of the subject property. These records are recorded in the place where land title records are, by law or custom, recorded for the local jurisdiction in which the subject property is located.

The records of the Honolulu County Tax Assessor identify the current owners of the subject property to be Giampaolo P. Boschetti and the Adam Sparks Family Trust. Mr. Boschetti and the Sparks Family Trust purchased the subject property in 1986 from Gordon Uyeda. Mr. Uyeda acquired the subject property from Norman Lacayo in 1981. Mr. Lacayo purchased the subject property from Hawaiian Times, Ltd. in 1935. The Hawaiian Times acquired the subject property the Nippu Jiji Company in 1935. The Nippu Jiji Company owned the subject property since at least the 1920's.

Site ownership information is intended to serve as an ownership review and does not qualify as an official chain of title for the subject property. This information should not be used as a basis for title insurance, encumbrances, or liens.

2.2 LAND USE HISTORY

An examination of historical aerial photography was conducted to determine past land uses and/or disturbances on the subject property as well as areas encompassing the subject property. Aerial Photographs from 1968, 1978, and 2004 were produced for and provided by the USDA Natural Resource Conservation Service in Aiea, Hawaii.

Examination of the 1968 photograph (Figure 2.1) showed the subject property to be a commercial property. Adjacent properties appear to be commercial and residential. The aerial photograph dated 1978, (Figure 2.2) indicates no substantial development on the subject property or on adjacent properties. The 2004 aerial photograph (Figure 2.3) shows no additional development on the subject property or on adjacent properties.

Based upon a review of historical aerial photography, no recognized environmental conditions were evident on the subject property or on immediately adjacent lands.

2.3 LANDOWNER/OCCUPANT QUESTIONNAIRE

On February 13, 2007, Mr. Adam Sparks, current owner of the subject property, was contacted regarding the subject property. Mr. Sparks was presented the Landowner/ Occupant Questionnaire, which is included in Appendix B.

On February 15, 2007, Mr. Sparks returned the Landowner/Occupant Questionnaire and did not have any knowledge of current or previous industrial use; current or previous use as a gasoline station, motor repair facility, commercial printing facility, dry cleaners, photo developing laboratory, junkyard or landfill, or as a waste treatment, storage, disposal, processing, or recycling facility; current or previous presence of damaged or discarded automotive or industrial batteries, or pesticides, paints, or other chemicals in individual containers of greater than 5 gal (19 L) in volume or 50 gal (190 L) in the aggregate, stored on or used at the subject property; current or previous presence of industrial drums or sacks of chemicals located at the subject property; fill material from contaminated or unknown origin; current or previous presence of pits, ponds, or lagoons in connection with waste treatment or waste disposal; current or previous presence of stained soil; current or previous presence of registered or unregistered above or underground storage tanks; current or previous presence of vent pipes, fill pipes, or access ways indicating a fill pipe protruding from the ground; current or previous presence of leaks, spills or stained flooring, drains or walls; environmental liens or governmental notification relating to past or recurrent violations of environmental laws relating to the property; current or previous presence of hazardous substances or petroleum products or environmental violations; current or previous discharge of wastewater on or adjacent to the subject property; buried and/or burned hazardous substances or petroleum products, unidentified waste materials, tires, automotive or industrial batteries; or current or previous presence of transformers, capacitors or other hydraulic equipment containing PCB's.

2.4 CITY DIRECTORIES

City directories provide a listing of residents or businesses present at a specific address each year. The listings included in the city directories are typically limited to areas within corporate boundaries. The address of the subject property is 928 Nuuanu Avenue, which is located within the corporate limits of Honolulu, Hawaii. City Directories were researched at five-year intervals, beginning at 1950, as available. City Directories list the main tenants of the subject property as being the Hawaiian Times Building since 1991. The subject property was not listed prior to 1991.

2.5 SANBORN FIRE INSURANCE MAPS

The Sanborn Company published fire insurance maps in urban areas designed for use by companies offering fire insurance policies. The maps show the size, shape, construction materials of a structure, land use, and other independent improvements, such as gasoline storage tanks. The maps were originally published in the 1930s and updated periodically through at least the 1950s. The Honolulu area, however, has Sanborn coverage up until 1993. According to the Sanborn maps, commercial development was indicated on the subject property as of 1914. According to the Sanborn maps, a printing facility was located on the subject property until the 1960's. After the 1960's, the subject property was identified as the Hawaiian Times Building.



SOURCE: USDA NATURAL RESOURCE CONSERVATION SERVICE, 1968.

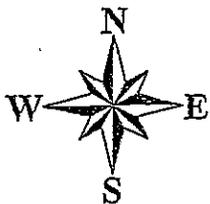


FIGURE 2.1

1968 AERIAL PHOTOGRAPH
HAWAIIAN TIMES BUILDING
928 NUUANU AVENUE
HONOLULU COUNTY, HAWAII



SOURCE: USDA NATURAL RESOURCE CONSERVATION SERVICE, 1978.

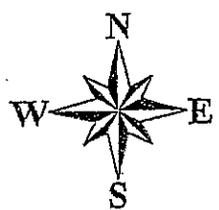


FIGURE 2.2

**1978 AERIAL PHOTOGRAPH
HAWAIIAN TIMES BUILDING
928 NUUANU AVENUE
HONOLULU COUNTY, HAWAII**



SOURCE: USDA NATURAL RESOURCE CONSERVATION SERVICE, 2004.

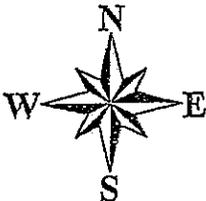


FIGURE 2.3

2004 AERIAL PHOTOGRAPH
HAWAIIAN TIMES BUILDING
928 NUUANU AVENUE
HONOLULU COUNTY, HAWAII

3.0 ENVIRONMENTAL SETTING

3.1 GEOLOGY

Oahu was formed primarily in thin-bedded pahoehoe and Aa lava flows. The rocks are mostly basaltic; the basalt is about 50 percent silica. Andesitic rocks as well as volcanic ash and cinders occur in a few places. Adjacent to the ocean is a small amount of coral limestone and coral sand. The relief of the islands varies. The once smooth volcanic domes have been weathered and eroded.

3.2 SOILS

The soil unit mapped for the subject property is the Ewa Silty Clay Loam, 0 to 2 percent slopes.

The Ewa Silty Clay Loam series consists of well-drained soils located on alluvial fans and terraces. Typically, the surface soil is dark reddish brown silty clay loam about 18 inches thick. The subsoil layer, to about 50 inches, is very dark reddish brown and dark red silty clay loam. The substratum is coral limestone, sand or gravelly alluvium. The soil is neutral in the surface layer and subsoil.

The Ewa Silty Clay Loam is well-drained and is characterized by moderate permeability, slow runoff, with slight erosional hazard. A soil map of the subject property is included as Figure 3.1.

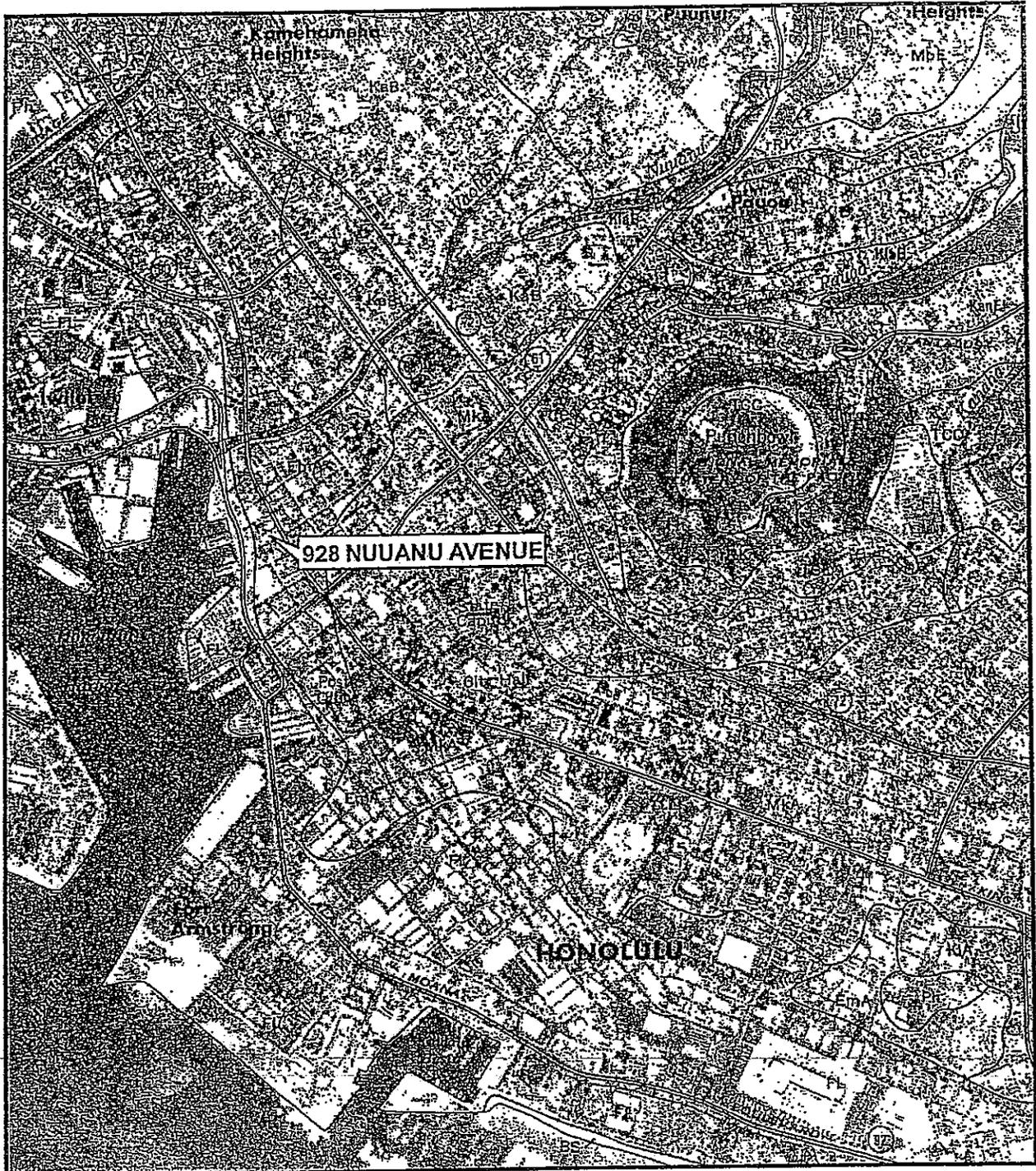
3.3 GROUNDWATER

A search was made for water wells on the subject property and adjacent properties through the Hawaii Board of Water Supply. A total of one hundred twelve wells were located within a one-mile radius of the subject property. No water wells were identified on the subject property or on immediately adjacent properties. One domestic and ten municipal water wells were located within one mile of the subject property.

3.4 TOPOGRAPHY AND SURFACE WATER

The topography of the subject property is relatively flat, with elevations of approximately 15 feet above sea level sloping to the south toward Honolulu Harbor. A topographic map of the area is included as Figure 3.2.

Flood Insurance Rate Maps, which were prepared for Honolulu County, Hawaii by the Federal Emergency Management Agency, dated September 30, 2004, indicate that the subject property subject property and immediately adjacent properties are not within the 100- year flood plain area.



SOURCE: USDA NATURAL RESOURCE CONSERVATION SERVICE.

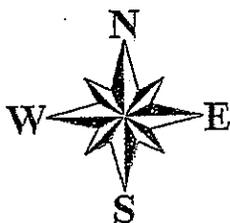


FIGURE 3.1

SOIL SURVEY OF HONOLULU COUNTY
HAWAIIAN TIMES BUILDING
928 NUUANU AVENUE
HONOLULU COUNTY, HAWAII



SOURCE: USGS 7.5 MINUTE TOPOGRAPHIC QUADRANGLE; HONOLULU, HAWAII; 1998.

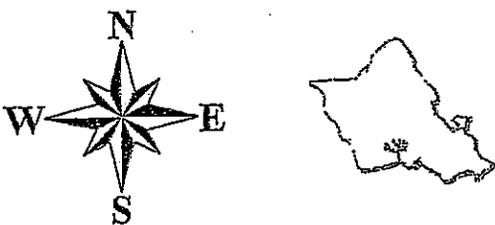
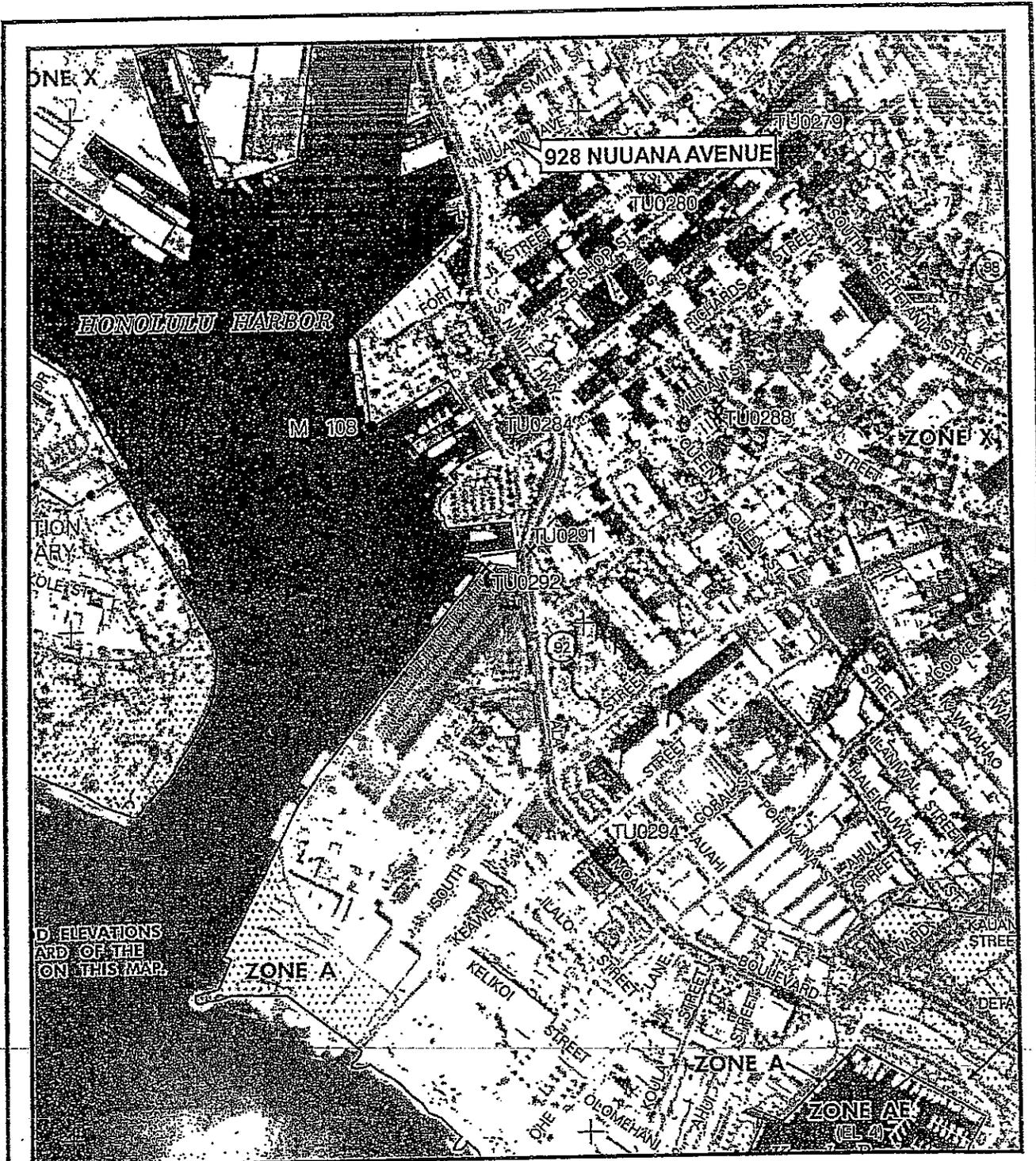


FIGURE 3.2

**TOPOGRAPHIC MAP
HAWAIIAN TIMES BUILDING
928 NUUANU AVENUE
HONOLULU COUNTY, HAWAII**



SOURCE: FEMA; PANEL NO. 15003C0365F; SEPTEMBER 30, 2004.

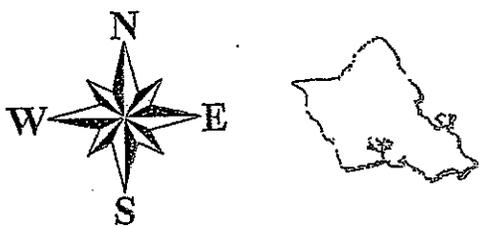


FIGURE 3.3

**FLOOD HAZARD BOUNDARY MAP
 HAWAIIAN TIMES BUILDING
 928 NUUANU AVENUE
 HONOLULU COUNTY, HAWAII**

4.0 REGULATORY AGENCY INQUIRIES, FEDERAL AND STATE

SRP commissioned Environmental Data Resources, Inc. to provide a computer file search of selected state and federal agency records. Documentation of agency database records is provided in Appendix A. The database search was conducted for the subject property using radii of review as outlined in the American Society for Testing and Materials Standards (ASTM, 2000). The distance of each radii of review is provided for each category in the following text.

4.1 FEDERAL ASTM STANDARD RECORDS

No sites were found on the subject property or within the listed ASTM search radius for the following federal databases:

National Priority List (NPL)	1.00 Mile
Proposed National Priority List (Proposed NPL)	1.00 Mile
Delisted National Priority List (Delisted NPL)	1.00 Mile
CERCLIS No Further Remedial Action Planned (CERCLIS NFRAP)	0.50 Mile
The Resource Conservation and Recovery Information System Non-CORRACTS TSD Facilities List (RCRA non-CORRACTS)	0.50 Mile
Emergency Response Notification System (ERNS)	site only

A total of one site was found on the subject property or within the listed ASTM search radius for the following federal databases:

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS)	0.50 Mile
---	------------------

The listed site is as follows:

1) Aloha Tower Development Piers 8-14, Nimitz Hwy	0.27 Miles NW
--	---------------

A total of one site was found on the subject property or within the listed ASTM search radius for the following federal databases:

The Resource Conservation and Recovery Information System CORRACTS Facilities List (RCRA CORRACTS)	1.00 Mile
---	------------------

The listed site is as follows:

1) Hawaiian Electric Company 170 Ala Moana Blvd	0.53 Miles S
--	--------------

A total of eleven sites were found on the subject property or within the listed ASTM search radius for the following federal databases:

**The Resource Conservation and Recovery Information System
Hazardous Waste Generators** **0.25 Mile**

The listed sites are as follows:

- | | |
|--|---------------|
| 1) Honolulu Harbor
Pier Sixteen - 18 Nimitz | 0.02 Miles SW |
| 2) State of Hawaii Doh Heer
65 N Nimitz Hwy | 0.07 Miles W |
| 3) Pioneer Ventures Inc
919 Kekaulike St | 0.14 Miles NW |
| 4) Honolulu Shipyard Inc
Pier 41 Nimitz Hwy | 0.18 Miles S |
| 5) Collier Monroe Friedlander MGM
1132 Bishop St Ste 2305 | 0.20 Miles E |
| 6) Hawaii Pacific University
1060 Bishop St | 0.20 Miles SE |
| 7) Longs Drug Store
1088 Bishop St Ste 113 | 0.21 Miles SE |
| 8) Industrial Technology
1088 Bishop St | 0.22 Miles SE |
| 9) Grosvenor Center
733 Bishop St | 0.22 Miles S |
| 10) Ship: Pride of America
700 Bishop St | 0.23 Miles S |
| 11) State of Hawaii Auto Mgmt Div
869a Punchbowl St | 0.24 Miles SE |

4.2 FEDERAL ASTM SUPPLEMENTAL RECORDS

No sites were found on the subject property or within the listed ASTM search radius for the following supplemental federal databases:

Superfund (CERCLA) Consent Decrees (CONSENT)	1.00 Mile
Records of Decision (ROD)	1.00 Mile
Emergency Response Notification System (ERNS)	site only
Facility Index System/Facility Identification Initiative Program Summary Report (FINDS)	site only
Hazardous Materials Information Reporting System (HMIRS)	site only
Material Licensing Tracking System (MLTS)	site only
Mines Master Index File (MINES)	0.25 Mile
Federal Superfund Liens (NPL LIENS)	site only
PCB Activity Database System (PADS)	site only
RCRA Administrative Action Tracking System (RAATS)	site only
Toxic Chemical Release Inventory System (TRIS)	site only
Toxic Substances Control Act (TSCA)	site only
FIFRA/TSCA Tracking System (FTTS)	site only

4.3 STATE OF HAWAII ASTM STANDARD RECORDS

A total of one site was found on the subject property or within the listed ASTM search radius for the following state databases:

Hawaii Hazardous Waste Spills (SPILLS) Subject Property

The listed site is as follows:

- 1) 928 Nuuanu Avenue Subject Property
928 Nuuanu Avenue

A total of sixty-five sites were found on the subject property or within the listed ASTM search radius for the following state databases:

Hawaii Hazardous Waste Sites (SHWS) 1.00 Mile

The listed sites are as follows:

- 1) Yee Hop Building Maunakea Street 0.08 Miles NW
950 Maunakea Street

- | | |
|--|---------------|
| 2) Harbor Court
66 Queen Street | 0.13 Miles S |
| 3) Kekaulike Diamond Head Block Revitalization
163 N Hotel Street | 0.18 Miles N |
| 4) Chevron, USA
1001 Bishop Street | 0.19 Miles SE |
| 5) 215 North King Street Construction Site
215 N King Street | 0.28 Miles N |
| 6) Town Inn
248-258 N Beretania Street | 0.30 Miles NE |
| 7) Iwilei Project Site (Iwilei Brownfields)
Iwilei Rd / N King Street | 0.31 Miles N |
| 8) 373 North Nimitz Highway
373 N Nimitz Hwy | 0.33 Miles NW |
| 9) Liliha Civic Center
337 N King Street | 0.36 Miles N |
| 10) Capitol Place Development Project
1212 Queen Emma Street | 0.36 Miles E |
| 11) 420-470 North Nimitz Highway
420-470 N Nimitz Hwy | 0.39 Miles NW |
| 12) City Mill Company, Ltd.
660 N Nimitz Hwy | 0.48 Miles NW |
| 13) Hawaii Grain Corporation
701 N Nimitz Hwy | 0.49 Miles NW |
| 14) Hawaiian Flour Mill
703 N Nimitz Hwy | 0.49 Miles NW |
| 15) Hawaiian Tug & Barge Corp
705 N Nimitz Hwy | 0.49 Miles NW |
| 16) Young Brothers, Ltd Piers 24-2
705 N Nimitz Hwy | 0.49 Miles NW |

17) Hawaiian Electric Company 170 Ala Moana Blvd	0.53 Miles S
18) Von Hamm Textiles 546 Kaaahi Street	0.53 Miles NW
19) Aloha Petroleum Terminal 739 N Nimitz Hwy	0.54 Miles NW
20) BHP Pier 29 739 N Nimitz Hwy	0.54 Miles NW
21) Travel Plaza Transportation 818 Pine Street	0.55 Miles NW
22) Iwilei Business Center 501 Sumner Street	0.55 Miles NW
23) Honolulu Marine Terminal 777 N Nimitz Hwy	0.59 Miles NW
24) Polynesian Hospitality 330 Pacific Street	0.61 Miles NW
25) Brewer Environmental Industries 311 Pacific Street	0.61 Miles NW
26) Equilon Enterprises LLC Honolulu 789 N Nimitz Hwy	0.62 Miles NW
27) Pauley Petroleum 795 N Nimitz Hwy	0.63 Miles NW
28) Queen Emmalani Tower 600 Queen Street	0.65 Miles SE
29) Unocal 76 Honolulu LRNG Ctr 411 Pacific Street	0.65 Miles NW
30) Cutter Dodge Dillingham 735 Dillingham Blvd	0.65 Miles NW
31) BHP Gasco Benzene Site 432 Pacific Street	0.67 Miles NW

32) Dole Iwilei 801 Dillingham Blvd	0.70 Miles NW
33) Amelco Corporation 645 Halekauwila Street	0.72 Miles SE
34) Hall Mark Dry Cleaners 1470 Liliha Street	0.73 Miles NE
35) USCG Base Honolulu 400 Sand Island Pkwy	0.74 Miles SW
36) Weyerhaeuser 900 N Nimitz Hwy	0.76 Miles NW
37) Motor Imports 650 Kapiolani Blvd	0.77 Miles SE
38) Honolulu Community College Gas Station 874 Dillingham Blvd	0.79 Miles NW
39) Sprint PCS Call Center 925 Dillingham Blvd	0.79 Miles NW
40) Chevron Honolulu Transportation 933 N Nimitz Hwy	0.80 Miles NW
41) Costco Warehouse 525 Alakawa Street	0.80 Miles NW
42) Costco Gas Station 520 Alakawa Street	0.80 Miles NW
43) Sand Island Business Association 1020 Ulupono Street	0.81 Miles SW
44) Lance Goya's Chevron Service 504 N School Street	0.81 Miles NE
45) 1510 Frear Street 1510 Frear Street	0.81 Miles E
46) Chevron Pier 35 Pipeline Release 965 N Nimitz Hwy	0.83 Miles NW

47)Hawaii Stevedores 965 N Nimitz Hwy	0.83 Miles NW
48)HD&C 725 Kapiolani Blvd	0.85 Miles SE
49)Home Depot 421 Alakawa Street	0.85 Miles NW
50)Kakaako Pump Station 240 Keawe Street	0.89 Miles S
51)Cooke Street Lead Contamination 501 Cooke Street	0.89 Miles SE
52)One Archer Lane 801 S King Street	0.90 Miles SE
53)Kakaako Improvement District 2	0.90 Miles NW
54)Ala Moana #2 WWPS 210 Keawe Street	0.91 Miles S
55)BMW of Honolulu 777 Kapiolani Blvd	0.92 Miles SE
56)Hart Street WWPS 1031 N Nimitz Hwy	0.92 Miles NW
57)Hawaiian Dredging & Construction 825 Beretania Street	0.93 Miles SE
58)HCDA/UH Health and Wellness Center 651 Ilalo Street	0.94 Miles S
59)American Linen Warehouse 837 Kawaiahao Street	0.94 Miles SE
60) Hawaii Instrumentation & Controls, Inc. 822 Halekauwila St	0.95 Miles SW
61) Chuei Shokoh, Inc. 825 Kapiolani Blvd	0.96 Miles SE

- | | |
|---|---------------|
| 62)McCabe, Hamilton, & Renny Company, Ltd.
1130 N Nimitz Hwy | 0.96 Miles NW |
| 63)Underground Hoists
744 Ala Moana Blvd | 0.97 Miles S |
| 64)Heco Soil Contamination
Chapin Ln / Kapiolani | 0.98 Miles SE |
| 65)Kapalama Incinerator
757 Kokea Street | 0.99 Miles NW |

A total of one site was found on the subject property or within the listed ASTM search radius for the following state databases:

Hawaii Voluntary Response Program Sites **0.50 Mile**

The listed site is as follows:

- | | |
|---|--------------|
| 1) Town Inn
248-258 N Beretania Street | 0.21 Miles W |
|---|--------------|

A total of eleven sites were found on the subject property or within the listed ASTM search radius for the following state databases:

Hawaii Underground Storage Tank Database (UST) **0.25 Mile**

The listed sites are as follows:

- | | |
|---|---------------|
| 1) Bank of Hawaii Annex
(1 UST – Permanently Out of Service)
800 Nuuanu Avenue | 0.05 Miles SW |
| 2) Waterfront Fire Sation
(1 UST – Permanently Out of Service)
111 N Nimitz Hwy | 0.09 Miles NW |
| 3) Young Brothers, Ltd.
(3 UST's – Permanently Out of Service)
Pier 24 | 0.11 Miles N |

- | | |
|---|---------------|
| 4) C.Q.Yee Hop & Co., Ltd.
(2 UST's – Permanently Out of Service)
111 N King Street | 0.11 Miles N |
| 5) Pantheon Company, Ltd.
(2 UST's – Permanently Out of Service)
1108 Fort Street Mall | 0.17 Miles E |
| 6) Kekaulike Ewa Block
(2 UST's – Permanently Out of Service)
173 N Hotel Street | 0.19 Miles N |
| 7) DEG, LLC.
(1 UST – In Service; 1 UST - Permanently Out of Service)
1132 Bishop Street, Suite 2 | 0.20 Miles E |
| 8) Pacific Guardian Life Insurance
(1 UST – In Service)
733 Bishop Street | 0.22 Miles S |
| 9) Pacific Light Net
(1 UST – In Service; 1 UST - Permanently Out of Service)
737 Bishop Street | 0.24 Miles SE |
| 10) MCI International, S/O Worldcom
(1 UST – In Service)
737 Bishop Street, Suite 16 | 0.24 Miles SE |
| 11) AWA Street Wastewater Pump Station
(1 UST – In Service)
190 Nimitz Hwy | 0.24 Miles NW |

A total of twenty-two sites were found on the subject property or within the listed ASTM search radius for the following state databases:

Hawaii Leaking Underground Storage Tank Database (LUST) 0.50 Mile

The listed sites are as follows:

- | | |
|--|---------------|
| 1) Waterfront Fire Station
111 N Nimitz Hwy | 0.09 Miles NW |
|--|---------------|

- | | |
|--|---------------|
| 2) Pacific Guardian Life Insurance
733 Bishop Street | 0.22 Miles S |
| 3) Kekaulike Ewa Block
(2 UST's – Permanently Out of Service)
173 N Hotel Street | 0.19 Miles N |
| 4) Central Pacific Bank
220 S King Street | 0.25 Miles SE |
| 5) Downtown Chevron
17 S Beretania Street | 0.26 Miles NE |
| 6) Dot - Harbors Division
Pier 8 | 0.27 Miles SW |
| 7) Dags - Automotive Management
869A Punchbowl Street | 0.29 Miles SE |
| 8) Town Inn
1200 College Walk | 0.30 Miles NE |
| 9) Steeltech Inc
373 N Nimitz Hwy | 0.33 Miles NW |
| 10) Harbor Square Association
700 Richards Street | 0.34 Miles SE |
| 11) Iwilei Fruit and Vegetable Warehouse
920 Iwilei Road | 0.34 Miles NW |
| 12) Melim Bldg
333 Queen Street | 0.34 Miles SE |
| 13) Tenney's Bishop Union
169 S Beretania Street | 0.34 Miles E |
| 14) State Capitol - TMK 2-1-33:25
235 S Beretania Street | 0.37 Miles E |
| 15) Mid Pac Petroleum LLC #270595
540 N Nimitz Hwy | 0.40 Miles NW |

- | | |
|--|---------------|
| 16) Harry & Jeanette Weinberg Foundation
580 N Nimitz Hwy | 0.43 Miles NW |
| 17) Island Movers, Inc.
414 Kuwili Street | 0.44 Miles NW |
| 18) Maunawili Produce
906 Kaaahi Place | 0.46 Miles NW |
| 19) Maunawili Produce, Inc.
914 Kaaahi Place | 0.46 Miles NW |
| 20) Sasamoto Union Service I-5005
33 S Vineyard Blvd | 0.47 Miles NE |
| 21) City Mill
660 N Nimitz Hwy | 0.48 Miles NW |
| 22) Hawaiian Grain Corporation
701 N Nimitz Hwy | 0.49 Miles NW |

5.0 RESULTS OF ONSITE INVESTIGATION

5.1 GENERAL

SRP conducted an onsite investigation of the subject property on February 13, 2007. Concurrent with the onsite investigation, a review of immediately adjacent lands was also conducted to observe any existing or potential sources of offsite contamination that may affect the subject site. Photographs taken during the onsite investigation are provided in Appendix C.

5.2 BUILDINGS AND OTHER STRUCTURES

This assessment includes a 0.158-acre property with one 6,864 square foot structure. The Property is bound on all sides by commercial properties.

This assessment includes the 0.158-acre subject property with all associated structures located therein. The subject property is bound on all sides by commercial properties. One structure is located on-site, which was constructed in approximately 1910. The structure is approximately 6,864 square feet and consists of masonry construction. It includes six stories, with various office units.

The following recognized environmental conditions were noted during the site investigation:

- Based on the age of the subject property, lead and asbestos containing materials are suspected to be located within the subject property. No asbestos or lead surveys have been conducted at the time of this report.
- Several suites and a mechanical room were located on the first floor of the subject property. Cracked foundation was noted in the storage room of suite 001. No other recognized environmental conditions were noted on the first floor.
- ~~Several suites and a freight elevator were located on the ground level of the subject property. Water damage from the upstairs restroom and a previously removed water fountain were noted in suite 111. No other recognized environmental conditions were noted on the ground level.~~
- Several suites and a storage room were located on the second floor of the subject property. Water damage was located in Suites 200, 201, and 210. Possible fungal growth related to water damage was indicated in suites 200 and 210. No other recognized environmental conditions were noted on the second floor.

- Several suites and storage areas were located on the third floor of the subject property. Significant water damage was located in suite 320. No other recognized environmental conditions were noted on the third floor.
- Several suites and storage areas were located on the fourth floor of the subject property. Cracked foundation was noted in the storage room of suite 401. Water damage was noted in suites 400, 401, 403, and 405. Previous flooding was also reported. No other recognized environmental conditions were noted on the fourth floor.
- Several suites and storage areas were located on the fifth floor of the subject property. Water damage was noted in suites 502, 505, and in the penthouse. Possible fungal growth was also noted in the penthouse. No other recognized environmental conditions were noted on the fifth floor.

5.3 OFF-SITE FINDINGS

The off-site investigation revealed no areas suspect of containing hazardous substances that may have the potential to contaminate the site. SRP observed no hazardous waste spills on adjacent properties.

6.0 RECOMMENDATIONS

Based on research of state and federal file information related to the subject property, coupled with an onsite investigation completed on February 13, 2007, the following is a summary of conclusions and recommendations:

- 1) Based on a review of regulatory records, historical information, and the site investigation, the subject property was found to have a moderate probability for environmental risk and/or liability from hazardous materials or substances.
- 2) Based on the age of the subject property, lead and asbestos containing materials, such as floor tile in pipe insulation, are suspected to be located within the subject property. It is recommended that lead and asbestos surveys be conducted prior to any renovation activities. No asbestos or lead surveys had been conducted at the time of this report.
- 3) Water damage was located throughout the subject property, due to HVAC leaks, roof leakage, on other miscellaneous leaks. In several areas, suspected microbial growth was also observed. Current leaks should be immediately repaired to prevent fungal growth. It is also recommended that a mold survey be conducted in order to determine the presence of fungal growth.
- 4) According to federal and state databases, one CERLCIS site was located within 0.5 miles of the subject property and one corrective action site located within 1.0 mile of the subject property. There are eleven hazardous waste generators located within 0.25 miles from the subject property. One hazardous waste spill was located on the subject property. Eleven registered underground storage tanks are located within 0.25 miles of the subject property. Twenty-two leaking underground storage tanks are located within 0.50 miles of the subject property. All sites are properly documented and should not pose an immediate environmental threat to the subject property.
- 5) A search was made for water wells on the subject property and adjacent properties through the Hawaii Board of Water Supply. A total of one hundred twelve wells were located within a one-mile radius of the subject property. No water wells were identified on the subject property or on immediately adjacent properties. One domestic and ten municipal water wells were located within one mile of the subject property.
- 6) Examination of historical aerial photography showed the subject property and adjacent properties were primarily commercial properties. Based on the

examination of historic aerial photography, no recognized environmental conditions were evident on the site or on immediately adjacent lands.

- 7) Federal Insurance Rate Maps (FIRM) prepared by the Federal Emergency Management Agency (FEMA) indicate the subject property is not within a 100-year flood hazard area.

7.0 REFERENCES

American Society for Testing and Materials (ASTM). *ASTM Standards on Environmental Site Assessments for Commercial Real Estate*, 4th Edition, E 1527-05. West Conshohocken, PA: ASTM, 2000.

American Society for Testing and Materials (ASTM). *ASTM Standards on Environmental Site Assessments for Commercial Real Estate*, 4th Edition, E 1528-06. West Conshohocken, PA: ASTM, 2000.

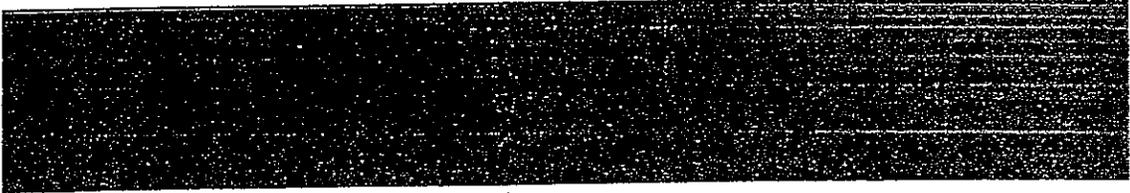
Federal Emergency Management Agency (FEMA). Flood Insurance Rate Map (FIRM), Honolulu County, Hawaii; September 30, 2004.

Natural Resource Conservation Service (NRCS). Unpublished. *Soil Survey of Honolulu County, Hawaii*, US Department of Agriculture.

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Introduction

SRP Environmental was requested by Mr. Steve Marlette of MC Architects, Inc. to perform a Fungal Investigation at the building located at 928 Nuuanu Ave. in Honolulu, Hawaii. The request was in response to a previous Phase I Environmental Site Assessment completed by SRP Environmental.

Procedure

Mr. Jacob N. Colson, of SRP Environmental completed the investigation on April 5, 2007. This fungal investigation was in response to a Phase I Environmental Site Assessment prepared by SRP Environmental for Hawaii National Bank. The Phase I ESA recommended a representative fungal assessment to determine areas of possible fungal growth in areas identified as containing probable fungal growth.

The fungal investigation focused on suites identified in the Phase I Environmental Site Assessment as having past/present water damage and/or visible probable growth. Suites identified in the Phase I Environmental Site Assessment were Suite 111, Suite 201, Suite 200, Suite 210, Suite 320, Suite 400, Suite 403, and the Penthouse. During the investigation on April 5, 2007, Suite 400 was inaccessible so samples were not taken.

EXHIBIT 8



Fungal Investigation / 928 Nuuanu Ave.
Page 2

Procedure (continued)

Area air samples were collected for Fungal analysis. American Conference of Governmental Industrial Hygienists (ACGIH) guidelines were followed for the sample collection. Spore Trap Cassettes were used as sampling media. Air samples for Fungal analysis were collected in the following areas:

- ❖ Suite 111
- ❖ Suite 201
- ❖ Suite 200
- ❖ Suite 210
- ❖ Suite 320
- ❖ Suite 403
- ❖ Outdoor

A high volume pump was used to draw a measured volume of air through the sample cassette. The pump was calibrated, using a calibrated rotameter, to draw the air at fifteen (15) liters per minute. Each air sample was collected for a five (5) minute period. The samples were collected approximately four (4) feet above the floor.

Surface samples were collected using BioTapes. The tapes were applied against the suspected fungal growth, then replaced in their protective containers. The surface samples were collected in the following locations:

- ❖ Suite 210 – HVAC Vent
- ❖ Penthouse – Under Bathroom Sink

A clean pair of nitrile gloves was worn for each air sample collection. Following the sample collection, each sample was labeled with a unique sample number and location and secured for shipment to the laboratory. The sample information was recorded onto the laboratory chain of custody form. The samples were shipped via FEDEX overnight delivery, following proper chain of custody procedures, to U.S. Micro-Solutions in Greensburg, Pennsylvania. U.S. Micro-Solutions is accredited by the American Industrial Hygiene Association's EMPAT program for microbiological analysis.



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Results

Currently, there are no regulatory standards for surface or airborne fungal contamination. Therefore, the results of the fungal analysis are compared against scientific guidelines. Bioaerosol samples are evaluated by comparing the indoor samples against the outdoor sample. The same types of fungi should be found in both the indoor and outdoor samples. Should higher fungal concentrations occur in the indoor sample, this generally indicates there is a source of fungal growth in the area. The types of fungi are also evaluated.

The air samples collected on April 5, 2007 were evaluated. Sample results are included in Appendix A. The comparison of the indoor and outdoor air samples by type and quantity did indicate some spores were present in the indoor air in larger quantities than collected in the outdoor air. The outdoor sample yielded 106 Spores per cubic meter of *Aspergillus/Penicillium* and *Basidiospores* and yielded 53 spores per cubic meter of *Cladosporium*. Suites 111, 200, 201, 320, and 403 did not yield high enough levels or concentrations when compared with the outdoor sample to justify additional investigation and/or remediation. Suite 210 yielded 318 spores per cubic meter of *Aspergillus/Penicillium* and 1,166 spores per cubic meter of *Cladosporium* which indicates probable fungal growth and justifies further investigation and/or remediation.

Surface samples are based on levels of concentration from the scale from least contamination to greatest contamination as follows: **Rare Amounts, Few, Moderate, Many and Numerous**. If a sample returns **Moderate, Many and Numerous** readings for specific genus of molds, it could be an indicator of fungal contamination.

The surface samples collected on April 5, 2007 do indicate probable fungal growth in the two locations sampled. The sample taken from an HVAC vent in Suite 210 yielded **Many** amounts of *Hyphal Fragments* and **Numerous** amounts of *Cladosporium Conidia*. The surface sample taken from under the bathroom sink in the Penthouse yielded **Moderate** amounts of *Aspergillus/Penicillium Conidia*, and **Many** amounts of *Cladosporium Conidia*. The surface samples indicate probable fungal growth in both locations sampled and justify further investigation and/or remediation.



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Conclusions

- Air samples taken inside 928 Nuuanu indicate probable fungal growth in Suite 210 as the spore counts of *Aspergillus/Penicillium* and *Cladosporium* were significantly higher than the outdoor sample.
- Air samples taken inside Suites 111, 200, 201, 320, and 403 did not indicate probable fungal growth at the time of investigation.
- The surface sample taken from Suite 210 indicates probable fungal growth as it yielded **Many** amounts of *Hyphal Fragments* and **Numerous** amounts of *Cladosporium*. This sample justifies additional investigation and/or remediation.
- The surface sample taken from the Penthouse indicates probable fungal growth as it yielded **Many** amounts *Aspergillus/Penicillium* and **Many** amounts of *Cladosporium*. This sample justifies additional investigation and/or remediation.

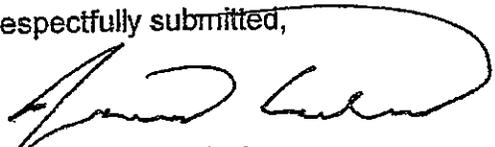


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Recommendations

- The results of the samples collected on April 5, 2007 are indicative of the fungal growth on the survey date and may not reflect fungal concentrations prior to and following the survey.
- The presence of fungal growth in a surface sample does not necessarily also indicate the presence of fungal growth in bioaerosol samples.
- Remediation of the areas of fungal contamination, should be performed by a Mold Abatement Contractor licensed with the Hawaii State Department of Health.
- Remediation should be performed following work practices such as those outlined in the New York City Department of Health and Environmental Protection Agency's protocols.
- Remediation recommendations are as follows:
 - Remove water damaged ceiling tiles and ALL carpet in Suite 210.
 - Inspect areas above both affected and non-affected ceiling tiles to determine sources of water intrusion and repair this source(s).
 - Clean the floor after the carpet has been removed with 10% bleach in water solution.
 - The HVAC system and all ducts in Suite 210 should be cleaned and any leaks should be repaired.
 - Segregate Suite 210 with plastic sheeting/poly during cleaning/remediation process. An air scrubber should also be placed inside the work area during the remediation process.
 - The air scrubber should continue to filter the air in Suite 210 until the remediation process is complete.
 - Remove all affected areas in the Penthouse and clean with a 10% bleach in water solution.
 - Segregate the affected areas in the Penthouse with sheeting/poly during the remediation process. An air scrubber should also be placed inside the work area during the remediation process.
 - Post-remediation air samples should be collected in the same locations as in the initial survey to verify the effectiveness of the remediation process.
- The owner should not be present in the building during the remediation process based upon her reported sensitivities.

Respectfully submitted,


Jacob N. Colson B.A.



Introduction

SRP Environmental was requested by Mr. Steve Marlette of MC Architects, Inc. to perform a Clearance Fungal Investigation at the building located at 928 Nuuanu Ave. in Honolulu, Hawaii. The request was in response to a previous fungal investigation completed by SRP Environmental.

In the previous fungal investigation completed on April 5, 2007, two areas indicated probable fungal growth: an air sample collected in Suite 210 and a surface sample collected under the kitchen sink in the Penthouse.

The purpose of this clearance fungal investigation is to determine if remediation was successful.

Procedure

Mr. Jacob N. Colson, of SRP Environmental completed the investigation on August 18, 2007. Mr. Colson focused the investigation on the portions of the original fungal investigation which identified possible fungal growth in the Suite 210 and the Penthouse.



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Procedure (continued)

Area air samples were collected for Fungal analysis. American Conference of Governmental Industrial Hygienists (ACGIH) guidelines were followed for the sample collection. Spore Trap Cassettes were used as sampling media. Air samples for Fungal analysis were collected in the following areas:

- ❖ Suite 210
- ❖ Outdoor

A high volume pump was used to draw a measured volume of air through the sample cassette. The pump was calibrated, using a calibrated rotameter, to draw the air at fifteen (15) liters per minute. Each air sample was collected for a five (5) minute period. The samples were collected approximately four (4) feet above the floor.

Surface samples were collected using BioTapes. The tapes were applied against the suspected fungal growth, then replaced in their protective containers. The surface samples were collected in the following locations:

- ❖ Penthouse – Under Bathroom/Kitchen Sink

A clean pair of nitrile gloves was worn for each air sample collection. Following the sample collection, each sample was labeled with a unique sample number and location and secured for shipment to the laboratory. The sample information was recorded onto the laboratory chain of custody form. The samples were shipped via FEDEX overnight delivery, following proper chain of custody procedures, to U.S. Micro-Solutions in Greensburg, Pennsylvania. U.S. Micro-Solutions is accredited by the American Industrial Hygiene Association's EMPAT program for microbiological analysis.



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Results

Currently, there are no regulatory standards for surface or airborne fungal contamination. Therefore, the results of the fungal analysis are compared against scientific guidelines. Bioaerosol samples are evaluated by comparing the indoor samples against the outdoor sample. The same types of fungi should be found in both the indoor and outdoor samples. Should higher fungal concentrations occur in the indoor sample, this generally indicates there is a source of fungal growth in the area. The types of fungi are also evaluated.

The air samples collected on August 18, 2007 were evaluated. Sample results are included in Appendix A. The comparison of the indoor and outdoor air samples by type and quantity did indicate some spores were present in the indoor air in larger quantities than collected in the outdoor air. Due to the types and concentrations of the spores and the low overall spore count, additional investigation and/or remediation is not justified at this time.

Surface samples are based on levels of concentration from the scale from least contamination to greatest contamination as follows: **Rare Amounts, Few, Moderate, Many and Numerous**. If a sample returns **Moderate, Many and Numerous** readings for specific genus of molds, it could be an indicator of fungal contamination.

The surface sample collected on August 18, 2007 does not indicate probable fungal growth and does not justify additional investigation and/or remediation at this time.



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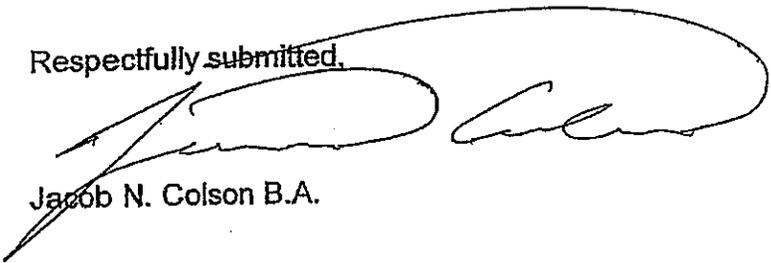
Conclusions

- The air sample taken in Suite 210 does not indicate fungal growth at this time.
- The surface sample taken in the Penthouse does not indicate fungal growth at this time
- Additional investigation and/or remediation is not necessary.

Recommendations

- The results of the samples collected on August 18, 2007 are indicative of the fungal growth on the survey date and may not reflect fungal concentrations prior to and following the survey.
- Additional investigation and/or remediation is not necessary.

Respectfully submitted,



Jacob N. Colson B.A.

EXHIBIT J

1.3 Unit Types and Sizes of Units

	Unit No.	Level	Net Area	Present Unit Configuration	Net Lanai Area	% Common Interest (15 apts.)
1.	1	Basement Level	1,150 sf	Unimproved Office/Storage	-	4.766%
2.	2	Basement Level	1,987 sf	Unimproved Office/Storage	-	8.139%
3.	100	Ground Floor	3,412 sf	Improved Office	-	13.883%
4.	111	Ground Floor	1,181 sf	Improved Office/Storage	-	4.891%
5.	200	Second Floor	2,913 sf	Improved Office	-	11.872%
6.	201	Second Floor	547 sf	Improved Office	-	2.335%
7.	209	Second Floor	1,159 sf	Improved Office	-	4.802%
8.	210	Second Floor	750 sf	Improved Office	-	3.153%
9	301	Third Floor	296 sf	Improved Office	-	1.323%
10	307	Third Floor	2,451 sf	Improved Office	-	10.010%
11	400	Fourth Floor	1,851 sf (excl. lanai)	Improved Office	970 sf	7.591%
12	401	Fourth Floor	675 sf	Improved Office		2.851%
13	403	Fourth Floor	1,369 sf	Improved Office		5.648%
14	501	Fifth Floor	1,954 sf (incl. lanai)	Improved Office	135 sf	8.006%
15	Penthouse	Penthouse	2,177 sf (incl. lanai)	Improved Office	139 sf	10.730%
			23,872		1,244	100%
	15	Total Number of Units				

EXHIBIT J