

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

CONDOMINIUM PROJECT NAME	ALA MOANA TOWER
Project Address	1617 Kapiolani Boulevard, Honolulu, HI 96814
Registration Number	6435 (Conversion)
Effective Date of Report	November 30, 2007
Developer (s)	HIDC Ala Moana Development, 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. The Association and Unit Classes. All owners of units in the Project, which include the residential units ("the Residential Units") and the commercial units ("the Commercial Units"), shall constitute the Association of Unit Owners of Ala Moana Tower ("the Association"). The Association shall be comprised of two (2) Unit Classes whereby all owners of the Commercial Units shall be members of the Commercial Unit Class and all owners of Residential Units shall be members of the Residential Unit Class. In addition to a common interest in the common elements of the Project, each unit shall have assigned to it a Class Common Interest based upon the Unit Class to which such unit belongs. All common profits and expenses of operating the Commercial Units, and all common profits and expenses of operating the Residential Units and the respective limited common elements appurtenant to such units, shall be allocated amongst the units on the basis of their respective Class Common Interests. All owners of units in a Unit Class shall have the right to vote such owner's Class Common Interest with respect to matters requiring voting by Unit Class, and each unit in a Unit Class shall be responsible for its proportionate share of all Class Common Expenses of the Project, if any. See Exhibit A to this Public Report for more information.

2. Common Elements, Commercial Limited Common Elements and Residential Limited Common Elements. The Project contains common elements common to all units in the Project, including, but not limited to, the land underlying the Project, the Parking Area, the resident manager's unit (if any), and the security gates and security enterphones. The Project also contains categories of limited common elements appurtenant to only certain units. The first category consists of the limited common elements appurtenant to all of the Commercial Units, referred to as the "Commercial Limited Common Elements," which include, but are not limited to, the nineteen (19) parking stalls comprising the Commercial Parking Pool (which includes a stall serving as a handicap access aisle), any vents, air conditioners or other equipment accessory or related to the use of such Commercial Units, and the corridor adjacent to the Commercial Units located on the 2nd Floor. The second category consists of the limited common elements appurtenant to all of the Residential Units and are referred to as the "Residential Limited Common Elements," which include, but are not limited to, the swimming pool and its appurtenant deck, the launderette room and laundry facilities, the common storage areas designated as Unit Nos. 205 and 209, and the stairways, utility rooms, elevator foyers, vestibules and corridors located on each of the 3rd through 18th Floors of the building.

3. Common Interest, Unit Class Common Interest and Allocation of Expenses and Voting Rights by Unit Class.

Each unit in the Project shall have an undivided percentage interest (the "Common Interest") in the common elements of the Project and in all common profits and expenses of the Project ("Common Expenses") and for all other purpose with respect to Association matters, including voting as set forth on Exhibit A attached to this Public Report. In addition to the Common Interest, each unit shall have a percentage share within its respective Unit Class (the "Class Common Interest") as set forth in Exhibit A attached hereto.

Accordingly, in addition to each unit owner's share of Common Expenses with respect to the common elements of the Project, each unit owner shall be responsible for such owner's share of their respective Unit Class Common Expenses in accordance with the Class Common Interest appurtenant to such owner's unit. Such Unit Class Common Expenses may include, but are not limited to, the costs of maintenance and repair of the respective Unit Class Limited Common Elements, the cost to borrow money for the purpose of repair, replacement and maintenance,

operation or administration of the respective Unit Class Limited Common Elements, the cost of premiums for any required fire and hazard liability insurance covering the respective Unit Class Limited Common Elements, and all compensation of the Managing Agent related to or connected with the operation and maintenance of the respective Unit Class Limited Common Elements.

All owners of units in a Unit Class shall have the right to vote such owner's Class Common Interest with respect to matters requiring voting by Unit Class. Such voting matters based on Unit Class membership include, but are not limited to, the election and removal of Unit Class Directors as provided in the Bylaws, the borrowing of money for the purpose of repair, replacement and maintenance, operation or administration of the respective Unit Class Limited Common Elements, and, with respect to the Commercial Parking Pool and the Parking Fund established for the Commercial Unit Class and which pertains only to the Commercial Unit owners, the amendment or termination of such Parking Pool and/or Parking Fund by an affirmative vote of sixty-seven percent (67%) of the Commercial Unit Class Common Interests.

4. Parking Plan, Parking Stall Assignments, Rented Stalls and Commercial Unit Owners' Parking Fund.

Developer has established a parking plan in the House Rules for the benefit of the Association and the unit owners, and the use of such parking stalls will be governed by the Declaration, the Bylaws and the House Rules ("the Parking Plan"). Each Residential Unit shall be assigned at least one (1) parking stall ("the Residential Stalls"), and the Commercial Units shall collectively be assigned nineteen (19) parking stalls ("the Commercial Stalls"), as designated in the House Rules. See Exhibit B hereto for parking stall assignments. To accommodate the parking needs of the Commercial Unit owners, as a condition to purchasing certain Residential Units, sixteen (16) of the Residential Stalls assigned to such units shall be subject to a ten-year rental agreement by and between those Residential Unit owners, as lessor, and the Association on behalf of the Commercial Unit owners, as lessee, effective as of the date of the Residential Unit conveyance for a period of ten (10) years ("the Rented Stalls"). The Commercial Stalls, together with four (4) Rented Stalls, will be placed in and used as a part of a parking pool for the Commercial Units except Unit No. 203 ("the Commercial Parking Pool"). With respect to Unit No. 203, twelve (12) Rented Stalls located on the 2nd Floor parking level will be reserved for the exclusive use of the customers, invitees and guests of Unit No. 203, subject to certain terms and conditions set forth in the Declaration and the House Rules ("the Avance Stalls").

The Rented Stalls are those stalls indicated with the letter "R" on Exhibit B. During the ten-year rental period, the Commercial Unit owners shall have the right to use and maintain the Rented Stalls in the same manner and to the same extent as the Commercial Stalls, excepting the right to assign, lease or otherwise transfer or sell such Rented Stalls. The owners of the Rented Stalls shall not have any right to use such stalls until the expiration or termination of their respective rental agreements. At the end of the ten-year term or earlier termination of each rental agreement, the Rented Stall shall revert back to the respective Residential Unit owner and shall thereafter be used and governed as a Residential Stall. Following expiration of the ten-year term and the termination of all rental agreements for the Rented Stalls, the Commercial Unit owners shall have only the nineteen (19) stalls assigned to them in the Commercial Parking Pool. A rental fee for the Rented Stalls shall be paid collectively by the Commercial Unit owners into a parking fund to be established and maintained by the Association on behalf of the Commercial Unit owners.

On behalf of the Commercial Unit owners, the Association shall establish and maintain a parking fund to provide for the Commercial Unit owners' payment of rental fees for the Rented Stalls, to meet parking expenditures with respect to the Commercial Stalls or to purchase any services or equipment required for the same ("Parking Fund"). The Commercial Unit owners shall have control over all decisions and matters related to the Parking Fund, including termination of the same. The Commercial Unit owners may, at their sole cost and expense, use the Parking Fund to create, implement and operate a valet and/or validation parking system for the Project;

provided, however, that for so long as any of the rental agreements for the Rented Stalls are in effect, the rental amounts due for the Rented Stalls shall first be set aside before any surplus funds in the Parking Fund are used for any other purpose. Each month, all of the Commercial Unit owners, including the owner of Unit No. 203, shall pay the amounts described in the House Rules, with the initial amounts to be assessed against each Commercial Unit at the closing of the sale of that Commercial Unit owner's unit.

5. Special Use Restrictions Applicable to Residential Units (Unit Types 01-2, 02-2, 06-2 and 06-2).

As described in the DPP Letter attached to Exhibit J hereto, a building permit was issued in January 1989 under the then-applicable zoning code to convert twenty-three (23) two-bedroom units into twenty-three (23) one-bedroom units with twenty-three (23) lodging units attached thereto. As part of this conversion, separate doors were installed in each lodging unit providing access to the common hallway independent of each adjacent Residential Unit. Because the doors for the lodging units were installed pursuant to building permit and have been "grandfathered" under the current zoning code, Residential Unit owners may not install any additional doors leading to the common hallway area. Pursuant to the zoning code of the City and County of Honolulu, the twenty-three (23) "lodging units" are defined as a room or rooms connected together constituting an independent living unit for a family which does not contain any kitchen. Accordingly, the lodging units shall not be sold or transferred as separate units apart from their respective adjacent Residential Units.

6. Special Rights Reserved to Developer and/or the Association.

a. Trash Chute System. The Project currently does not have a trash chute system within the building and occupants are required to hand-carry their trash to the dumpsters located in the trash room on the Ground Floor. In the event the Association elects to install a trash chute system in the building, the Board shall have the right to grant non-exclusive easements over the Property as may be reasonably necessary for the construction and installation of the same, including easements for access, ingress and egress, in the enclosed areas designated "Util. Rm." or "Utility Rm." adjacent to the elevators on each floor, as shown on the Condominium Map. The trash chute system, if and when installed, shall be a part of the common elements and shall be maintained by the Association.

b. Swimming Pool. The Project has a swimming pool located on the third (3rd) floor of the Parking Area in the location shown on Sheet A-4 of the Condominium Map. The swimming pool is not presently functioning or being used by the owners and occupants of the Project. Restoration and repair is required to put the swimming pool into usable condition. The Association shall be responsible for the maintenance, repair and/or reinstatement of the swimming pool for its originally intended use. In addition, the Association shall have the right to keep such area as open space, and shall further have the right, but not the obligation, to improve the open space area as a lanai and/or recreational facility for the benefit of the Project.

c. Association's Rental and Purchase of Unit No. 305. As described in the Declaration, the Association shall be obligated to purchase Unit No. 305 for use as the Project's resident manager's unit. Developer will contribute \$125,000 to the Association to fund the Association's down payment and closing costs associated with such purchase. From and after the date of the Association's first meeting until the closing of the Association's purchase of Unit No. 305 but not more than one-hundred and twenty (120) days following the Association's first meeting, the Association may initially lease Unit No. 305 from Developer for use as the resident manager's unit. In the event the Association is unable to purchase Unit No. 305 within the one-hundred twenty (120) day period following the first meeting of the Association, Developer's \$125,000 contribution shall automatically be deemed forfeited by the Association and the Association shall promptly refund Developer its \$125,000 contribution. Upon such forfeiture, Developer shall be under no further obligation to provide the \$125,000 to the Association.

7. Bulk Closing of Units; Project Lenders. Developer has scheduled a bulk closing for the units with the Land Court on February 11, 2008. This means that, for all buyers participating in the bulk closing, the unit deeds will be recorded and title to the units will be transferred to the buyers as of February 11, 2008. In connection with the bulk closing, Developer, as seller of the units, will be entering into arrangements with certain lenders operating in the State of Hawaii to provide financing for buyers in the Project (collectively, "Approved Lenders"). If a buyer chooses to use a lender other than one of the Approved Lenders, such buyer agrees to pay a processing fee of \$1,000 to cover Developer's increased costs of communicating and coordinating with such lender. If a buyer chooses to use a lender other than an Approved Lender and the buyer fails to participate in the bulk closing, the buyer agrees to pay an additional processing fee of \$4,000 to cover Developer's increased cost resulting from the buyer's failure to participate in the bulk closing. Buyers are not, however, under any obligation to use any of the Approved Lenders and may obtain financing from any lender of each buyer's choosing.

TABLE OF CONTENTS

	<u>Page</u>
Preparation of this Report	1
General Information On Condominiums	2
Operation of the Condominium Project	2
1. THE CONDOMINIUM PROJECT	3
1.1 The Underlying Land.....	3
1.2 Buildings and Other Improvements.....	3
1.3 Unit Types and Sizes of Units.....	3
1.4 Parking Stalls.....	4
1.5 Boundaries of the Units.....	4
1.6 Permitted Alterations to the Units	4
1.7 Common Interest	4
1.8 Recreational and Other Common Facilities	4
1.9 Common Elements	5
1.10 Limited Common Elements.....	5
1.11 Special Use Restrictions	5
1.12 Encumbrances Against Title	5
1.13 Uses Permitted by Zoning and Zoning Compliance Matters	6
1.14 Other Zoning Compliance Matters	6
1.15 Conversions.....	7
1.16 Project In Agricultural District.....	8
1.17 Project with Assisted Living Facility	8
2. PERSONS CONNECTED WITH THE PROJECT	9
2.1 Developer	9
2.2 Real Estate Broker.....	9
2.3 Escrow Depository.....	9
2.4 General Contractor	9
2.5 Condominium Managing Agent.....	9
2.6 Attorney for Developer	9
3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS	10
3.1 Declaration of Condominium Property Regime.....	10
3.2 Bylaws of the Association of Unit Owners.....	10
3.3 Condominium Map.....	10
3.4 House Rules	11
3.5 Changes to the Condominium Documents	11
3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents.....	11
4. CONDOMINIUM MANAGEMENT	12
4.1 Management of the Common Elements.....	12
4.2 Estimate of the Initial Maintenance Fees	12
4.3 Utility Charges to be included in the Maintenance Fee.....	12
4.4 Utilities to be Separately Billed to Unit Owner.....	12
5. SALES DOCUMENTS.....	13
5.1 Sales Documents Filed with the Real Estate Commission	13
5.2 Sales to Owner-Occupants	13
5.3 Blanket Liens	13
5.4 Construction Warranties	13
5.5 Status of Construction, Date of Completion or Estimated Date of Completion	14

TABLE OF CONTENTS

	<u>Page</u>
5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance.....	14
5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance	14
5.6.2 Purchaser Deposits Will Be Disbursed Before Closing	14
5.7 Rights Under the Sales Contract	16
5.8 Purchaser's Right to Cancel or Rescind a Sales Contract	16
5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract.....	16
5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed.....	17
5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change	17
6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT.....	18
EXHIBIT A: Description of Unit Types; Sizes and Boundaries of Units; Common Interest and Class Common Interests	
EXHIBIT B: Description of Parking Plan	
EXHIBIT C: Permitted Alterations to the Units	
EXHIBIT D: Common Elements and Limited Common Elements	
EXHIBIT E: Encumbrances Against Title	
EXHIBIT F: Developer's Reserved Rights to Make Changes to the Project or Condominium Documents	
EXHIBIT G: Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursements	
EXHIBIT H: Summary of Sales Contract	
EXHIBIT I: Summary of Escrow Agreement	
EXHIBIT J: Developer's Statements Regarding Converted Units	

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	Koon Chuck Wong, Inc., a Hawaii corporation
Address of Project	1617 Kapiolani Boulevard, Honolulu, HI 96814
Address of Project is expected to change because	N/A
Tax Map Key (TMK)	(1) 2-3-041-011
Tax Map Key is expected to change because	Individual CPR numbers may be assigned to the units.
Land Area	25,000 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	Pursuant to that certain Commercial Real Property Purchase and Sale Agreement (PSA) dated August 15, 2007, and the Addendum attached thereto, by and between Fee Owner and Developer

1.2 Buildings and Other Improvements

Number of Buildings	1 building
Floors Per Building	17 floors
Number of New Building(s)	N/A
Number of Converted Building(s)	1 building
Principal Construction Materials (concrete, wood, hollow tile, steel glass, etc.)	Reinforced concrete, masonry, steel, aluminum and appropriate trim

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
01-1, 02-1, 05-1, 06-1	35	2BR/2BA	798	132	Lanai	930
03-0, 04-0	30	1BR/1BA	511	78	Lanai	589
07-0	14	1BR/1BA	539	78	Lanai	617
01-2, 02-2, 05-2, 06-2	23	2BR/2BA	798	132	Lanai	930
307-4	1	Studio/1BA	383	43	Lanai	426
1805-5	1	1BR/1BA	539	78	Lanai	589
1806-3	1	2BR/2BA	1,039	174	Lanai	1,213
Commercial	9	n/a	n/a	See Exhibit A	n/a	See Exhibit A
See Exhibit <u> A </u> .						

114	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 Stalls in the Project :	147
Number of Guest Stalls in the Project:	See Exhibit B
Number of Parking Stalls Assigned to Each Unit:	19 for the Commercial Units; at least 1 parking stall per Residential Unit
Attach Exhibit <u> B </u> 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).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. Pursuant to Section 27 of the Declaration and the House Rules, sixteen (16) parking stalls appurtenant to certain Residential Units shall be subject to a 10-year rental agreement by and between such unit owners and the Association for the benefit of the Commercial Unit owners. In addition, the nineteen (19) parking stalls appurtenant to the Commercial Units shall be owned and operated as a parking pool in accordance with the Declaration and the House Rules with respect thereto.	

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 C.

1.7 Common Interest

<u>Common Interest:</u> 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 <u> A </u> .
As Follows:

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

<input checked="" type="checkbox"/>	Swimming pool (presently in unusable condition)
<input checked="" type="checkbox"/>	Laundry Area
<input checked="" type="checkbox"/>	Storage Area: For use by the Association
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s) (see Item 6 on page 1.c of this Public Report)
<input type="checkbox"/>	Exercise Room
<input checked="" type="checkbox"/>	Security Gate: Driveway gates at the entryways of the parking garage and secured lobby entrance
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): Project grounds, planters, walkways

1.9 Common Elements

<p>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 element for this project, as described in the Declaration, are set forth below.</p>									
<p>Described in Exhibit <u>D</u>.</p>									
<p>Described as follows:</p>									
<table border="1"> <thead> <tr> <th>Common Element</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Elevators</td> <td>2</td> </tr> <tr> <td>Stairways</td> <td>4</td> </tr> <tr> <td>Trash Chutes</td> <td>0 (but see Item 6 on page 1.c of this Public Report)</td> </tr> </tbody> </table>		Common Element	Number	Elevators	2	Stairways	4	Trash Chutes	0 (but see Item 6 on page 1.c of this Public Report)
Common Element	Number								
Elevators	2								
Stairways	4								
Trash Chutes	0 (but see Item 6 on page 1.c of this Public Report)								

1.10 Limited Common Elements

<p>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.</p>
<p>Described in Exhibit <u>D</u>.</p>
<p>Described as follows:</p>

1.11 Special Use Restrictions

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

1.12 Encumbrances Against Title

<p>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).</p>
<p>Exhibit <u>E</u> describes the encumbrances against title contained in the title report described below.</p>
<p>Date of the title report: October 5, 2007</p>
<p>Company that issued the title report: Title Guaranty of Hawaii, Incorporated.</p>

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	114 (105 residential, 9 commercial)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	BMX-3 Community Business District
<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 Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Describe any variances that have been granted to zoning code.		N/A		

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>
--

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 style="text-align: center;">See Exhibit J.</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p> <p style="text-align: center;">See Exhibit J.</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p> <p style="text-align: center;">N/A.</p>	
<p>Estimated cost of curing any violations described above:</p> <p style="text-align: center;">N/A.</p>	

<p>Verified Statement from a County Official</p>
<p>Regarding any converted structures in the project, attached as Exhibit <u>J</u> 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 nonconforming 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>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>

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</p> <p>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</p> <p>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

<p>2.1 Developer (s)</p>	<p>Name: HIDC Ala Moana Development, LLC, a Hawaii limited liability company Business Address: 931 University Avenue, Suite 105 Honolulu, HI 96826 Business Phone Number: (808) 946-3224 E-mail Address: peters@hihltd.com</p>
<p>Name of the 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.)</p>	<p>Managing Member of Developer: Hawaiian Island Development Co., Inc., a Hawaii corporation Peter Savio, Its President, Vice-President, Secretary, Treasurer & Director Fee Owner: Koon Chuck Wong, Inc., a Hawaii corporation Herbert Y. K. Wong, Its President and Treasurer Kendric W. L. Wong, Its Vice President, Secretary and Director</p>
<p>2.2. Real Estate Broker</p>	<p>Name: Hawaiian Island Homes, Ltd. Business Address: 931 University Avenue, Suite 105 Honolulu, HI 96816 Attn: Barry Kaplan Business Phone Number: (808) 864-1500 E-mail Address: barryk@hihltd.com</p>
<p>2.3 Escrow Depository</p>	<p>Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street, 1st Floor Honolulu, HI 96813 Attn: Theresa Widmer Business Phone Number: (808) 521-0211</p>
<p>2.4 General Contractor</p>	<p>Name: N/A Business Address: Business Phone Number:</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Hawaiiana Management Company, Ltd. Business Address: 711 Kapiolani Boulevard, 7th Floor Honolulu, HI 96813 Attn: Ms. Phyllis Kacher Business Phone Number: (808) 593-6896</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Chun Kerr Dodd Beaman & Wong, LLLP Business Address: 745 Fort Street, 9th Floor Honolulu, HI 96813 Attn: Andrew R. Bunn, Esq. Kaleen S. H. Miyasato, Esq. Business Phone Number: (808) 528-8200</p>

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
Land Court	August 29, 2007	3685666

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

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
Land Court	August 29, 2007	3685667

Amendments to the 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	1931
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map:	

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 29, 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 Maps are effective only if they are duly adopted and recorded. Where permitted, the minimum percentage 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 F.

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

<p>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.</p>	
<p>The Initial Condominium Managing Agent for this project is (check one):</p>	
<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

<p>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.</p>
<p>Exhibit <u>G</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.</p>

4.3 Utility Charges to be Included in the Maintenance Fee

<p>If checked, the following utilities are included in the maintenance fee:</p>	
<input checked="" type="checkbox"/>	Electricity for the common elements and all Commercial and Residential Units (All Commercial Units, except Commercial Unit 101, shall pay their prorata share until submeters are installed for each Commercial Unit by the Association with funds contributed for such purpose by Developer at each unit closing. Commercial Unit 101 currently has its own submeter and shall be responsible for its own electricity charges)
<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 checked="" type="checkbox"/>	Other (specify): Refuse collection, telephone (common elements only)

4.4 Utilities to be Separately Billed to Unit Owner

<p>If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:</p>	
<input type="checkbox"/>	Electricity for the Unit only
<input checked="" type="checkbox"/>	Gas for the Unit only (This presently applies to Commercial Unit No. 101 only)
<input checked="" type="checkbox"/>	Water (Commercial Units shall pay their prorata share until submeters are installed for each Commercial Unit by the Association with funds contributed for such purpose by Developer at each unit closing)
<input checked="" type="checkbox"/>	Sewer (This applies to Commercial Unit No. 101 only)
<input checked="" type="checkbox"/>	TV cable
<input type="checkbox"/>	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>H</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: <u>May 10, 2007</u> Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u>I</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 checked="" 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> </u> .
<input checked="" 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.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> 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
Mortgage Lien(s) of Developer's Lender	Purchaser's interest is specifically made subject and subordinate to such lien(s). Purchaser's sales contract may be canceled and Purchaser may lose all rights to acquire the unit. Purchaser's deposit, less escrow cancellation fee, will be returned if default and foreclosure occur before conveyance. Note: At the time of the first conveyance of each unit, Developer's lender's 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: The units are being sold in "As Is" condition.
Appliances: The appliances, if any, in a unit are being sold in "As Is" condition.

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

Status of Construction: The Project was constructed in 1968.
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.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: N/A
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A

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"/>	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. If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project.
-------------------------------------	---

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

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 projects costs. For this project, the Developer indicates that purchaser deposits may be used to the following purposes (check applicable box):	
<input type="checkbox"/>	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
<input type="checkbox"/>	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.

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

<p>Box A <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 <input type="checkbox"/></p>	<p>The Developer has not 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: Form of Parking Stall Lease

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

<p>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:</p> <ol style="list-style-type: none">(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:<ol style="list-style-type: none">(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 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

a. Hazardous Materials. The Developer has made no 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. Purchaser 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, Purchaser 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 Purchaser expressly releases the Developer from any liability to Purchaser if any hazardous materials are discovered.

b. Mold/Mildew. Purchaser is hereby advised that 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 and other improvements that are a part of the Project 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 apartments do not properly maintain the Project. If Purchaser, any member of Purchaser'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 presence, 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.

c. Lead-Based or Lead-Containing Paint. Purchaser is hereby notified that 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 Purchaser with any information on lead-based or lead-containing paint hazards from risk assessments or inspections in the Developer's possession and notify Purchaser 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, Purchaser 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.

c. Asbestos. Purchaser is hereby notified that 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 Purchaser shall make 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, Purchaser 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.

d. General Condition of the Project. Based on property condition reports for the Project obtained from an architect, a structural/civil engineer, a mechanical engineer and an electrical engineer, Developer believes that the building is in such condition as is consistent with its age. The reports are attached as Exhibits 3, 4, 5 and 6 to Exhibit J of this public report. All recommended work described therein will be the responsibility of the owners of the units and the Association and not that of Developer or any other party. Notwithstanding anything to the contrary contained herein, the units, fixtures, appliances and electrical and plumbing equipment included in the building and the units, common elements and limited common elements appurtenant thereto will be sold "AS IS" with "ALL FAULTS", and neither Developer nor any of its affiliates or representatives make any warranties, express or implied, as to their working order and condition. Developer makes no warranties or representations regarding the completeness or accuracy of the foregoing reports. The Developer further discloses that the Project may be subject to exterior weathering, rust, earthquake, fire, floods, erosion, high water table, dangerous underground soil conditions and similar occurrences or conditions which may alter the Project's condition or affect its suitability for any proposed use. The Developer shall have no responsibility or liability for or with respect to any such occurrence or condition or any conditions disclosed in any of the reports included in Exhibit J to this public report or otherwise made available to the Purchaser.

e. Developer's Contribution to Association's Reserves. Developer is contributing a total sum of \$833,670 to the Association, (i) \$561,670 of which shall cover future Project reserve expenditures for the years 2007 through 2013, (ii) \$125,000 of which shall cover a down payment and closing costs toward the Association's purchase of Unit No. 305 for use as a resident manager's unit as described in Item 6.c. on page 1.c above, and (iii) \$147,000 of which shall cover a portion of the cost for miscellaneous repair expenditures and upgrades recommended by the Project architect (these recommendations include sub-metering of water and electricity for the Commercial Units). Developer will pay the \$833,670 in increments at the closing of each unit. At each unit closing, the Developer will instruct Escrow to transfer to an account of the Association the sum of \$6,085.18 per unit to the Association's reserves. In consideration of the Developer's contribution of the foregoing total sum, each buyer agrees to release the Developer from any continuing or further obligations to the Project.

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 Sections 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.

HIDC ALA MOANA DEVELOPMENT, LLC, a Hawaii limited liability company
Printed Name of Developer

By: Hawaiian Island Development Co., Inc., a Hawaii corporation
Its Member

By:  August 29, 2007
Duly Authorized Signatory* Date

Peter Savio, President
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a corporation by an officer; 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; SIZES AND BOUNDARIES OF UNITS;
COMMON INTEREST AND CLASS COMMON INTERESTS

1. Description of Unit Types and Sizes of Units.

The Project contains a total of one hundred fourteen (114) condominium units, comprised of one hundred five (105) Residential Units and nine (9) Commercial Units. The units are configured into the following unit types, as described in the Declaration and designated on the Condominium Map:

Type 01-1. The Project contains nine (9) Type 01-1 Residential Units. These units are located on the 3rd, 4th, 7th, 8th, 9th, and 15th through 18th Floors. Each Type 01-1 unit has one (1) door adjacent to the common hallway, two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and one (1) lanai. The net living area of this unit type is approximately 798 square feet, with a net lanai area of 132 square feet.

Type 01-2. The Project contains six (6) Type 01-2 Residential Units which are located on the 5th, 6th, 10th, 11th, 12th, and 14th Floors. Each Type 01-2 unit has two (2) doors adjacent to the common hallway and has two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and two (2) lanais. The net living area of this unit type is approximately 798 square feet, with a net lanai area of approximately 132 square feet.

Type 02-1. The Project contains eight (8) Type 02-1 Residential Units. These units are located on the 3rd, 4th, 5th, 7th, and 15th through 18th Floors. Each Type 02-1 unit has one (1) door adjacent to the common hallway, two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and one (1) lanai. The net living area of this unit type is approximately 798 square feet, with a net lanai area of 132 square feet.

Type 02-2. The Project contains seven (7) Type 02-2 Residential Units which are located on the 6th, 8th, 9th, 10th, 11th, 12th, and 14th Floors. Each Type 02-2 unit has two (2) doors adjacent to the common hallway and has two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and two (2) lanais. The net living area of this unit type is approximately 798 square feet, with a net lanai area of approximately 132 square feet.

Types 03-0 and 04-0. The Project contains fifteen (15) Type 03-0 Residential Units and fifteen (15) Type 04-0 Residential Units. These units are located on the 3rd through 18th Floors. Each Type 03-0 and 04-0 unit has one (1) door adjacent to the common hallway, one (1) bedroom, one (1) bathroom, a living room, a kitchen and one (1) lanai. The net living area of these unit types is approximately 511 square feet, with a net lanai area of 78 square feet.

Type 05-1. The Project contains eight (8) Type 05-1 Residential Units. These units are located on the 3rd, 4th, 5th, 7th, 11th, 15th, 16th, and 17th Floors. Each Type 05-1 unit has one (1) door adjacent to the common hallway, two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and one (1) lanai. The net living area of this unit type is approximately 798 square feet, with a net lanai area of 132 square feet.

Type 05-2. The Project contains six (6) Type 05-2 Residential Units which are located on the 6th, 8th, 9th, 10th, 12th, and 14th Floors. Each Type 05-2 unit has two (2) doors adjacent to the common hallway, two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and two (2) lanais. The net living area of this unit type is approximately 798 square feet, with a net lanai area of approximately 132 square feet.

Type 06-1. The Project contains ten (10) Type 06-1 Residential Units. These units are located on the 3rd, 4th, 6th, 7th, 8th, 11th, 12th, 15th, 16th and 17th Floors. Each Type 06-1 unit has one (1) door adjacent to the common hallway, two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and one (1) lanai. The net living area of this unit type is approximately 798 square feet, with a net lanai area of 132 square feet.

Type 06-2. The Project contains four (4) Type 06-2 Residential Units which are located on the 5th, 9th, 10th, and 14th Floors. Each Type 06-2 unit has two (2) doors adjacent to the common hallway, two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and two (2) lanais. The net living area of this unit type is approximately 798 square feet, with a net lanai area of approximately 132 square feet.

Type 07-0. The Project contains fourteen (14) Type 07-0 Residential Units which are located on the 4th through 18th Floors. Each Type 07-0 unit has one (1) door adjacent to the common hallway, one (1) bedroom, one (1) bathroom, a living room, a kitchen and a lanai. The net living area of this unit type is approximately 539 square feet, with a net lanai area of approximately 78 square feet.

Studio 307-4 Type. The Project contains one (1) Studio 307-4 Type unit which is located on the 3rd Floor and designated as Unit No. 307. Unit No. 307 is a studio apartment with one (1) bathroom, a kitchen and a lanai. The net living area of Unit No. 307 is approximately 383 square feet, with a net lanai area of approximately 43 square feet.

Unit 1805-5 Type. The Project contains one (1) Unit 1805-5 Type unit which is located on the 18th Floor and designated as Unit No. 1805. Unit 1805 has one (1) bedroom, one (1) bathroom, a living room, a kitchen and a lanai. The net living area of this unit type is approximately 539 square feet, with a net lanai area of approximately 78 square feet.

Penthouse 1806-3 Unit. The Project contains one (1) Penthouse 1806-3 Type unit which is located on the 18th Floor and designated as Unit No. 1806. The Penthouse Unit has two (2) bedrooms, two (2) bathrooms, a living room, a kitchen, a dishwasher, a washer/dryer and two (2) lanais. The net living area of this unit is approximately 1,039 square feet, with a net lanai area of approximately 174 square feet.

Commercial Type. The Project contains nine (9) Commercial Units which are located on the 1st and 2nd Floors.

2. Boundaries of the Units. Each unit will have the number of rooms (exclusive of lanais), approximate net living floor area in square feet (exclusive of lanais), and approximate net lanai floor area in square feet, as set forth below. The approximate net living floor areas set forth below are based on measurements taken from the undecorated 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 below are based on measurements taken from the inner surfaces of all perimeter walls and boundaries of the lanai areas. All floor areas set forth below are not exact but are approximations based on the floor plans of each type of unit. All floor areas set forth below have also been rounded to the lowest full square foot where the approximations of such floor areas exceed a square foot by any fraction of a square foot. For these reasons, the measurements of the floor areas set forth below 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 below may be different from the actual floor areas of the units as constructed.

Notwithstanding the floor areas set forth below and the manner in which such floor areas have been measured, the 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.

3. Access. Each unit will have immediate access to the walkways, corridors, stairways and/or elevators of the building which lead to the lobby areas, the grounds of the Project and other common areas of the Project. The ground level walkways and driveways and ground floor lobby area lead to Kapiolani Boulevard, a public street, and Kona Street, a private street.

4. Common Interest and Class Common Interest.

a. Common Interest in Common Elements of the Project. Each unit will have an undivided percentage interest (the "Common Interest") in the common elements of the Project and in all common profits and expenses of the Project and for all other purpose with respect to Association matters, including voting as set forth below.

b. Class Common Interests. In addition to the Common Interest, each unit shall have assigned to it, for administrative purposes, a Class Common Interest as set forth below and in Exhibit C attached to the Declaration, based upon the Unit Class to which such unit belongs. There are two (2) Unit Classes. All owners of the Commercial Units shall be members of the Commercial Unit Class (“the Commercial Unit Class”), and all owners of Residential Units shall be members of the Residential Unit Class (“the Residential Unit Class”). All common profits and expenses of operating the Commercial Units, and all common profits and expenses of operating the Residential Units and the respective limited common elements appurtenant to such units, will be allocated on the basis of the interests of each Unit Class. All owners of units in a Unit Class will have the right to vote such owner’s Class Common Interest with respect to matters requiring voting by Unit Class, and each unit in a Unit Class shall be responsible for its proportionate share of all Class Common Expenses of the Project, if any.

5. Specific Identification of Units, Common Interests and Class Common Interests.

Unit No.	Unit Type	BD/BA	Net Living/Other Area (s.f.)	Net Lanai Area (s.f.)	Common Interest (%) in Project Common Elements	Class Common Interest (%) in Unit Class Limited Common Elements
COMMERCIAL UNIT CLASS						
101	Commercial	N/A	2,398	N/A	2.7127%	40.6785%
102	Commercial	N/A	503	N/A	0.5690%	8.5327%
201	Commercial	N/A	351	N/A	0.3971%	5.9542%
202	Commercial	N/A	351	N/A	0.3971%	5.9542%
203	Commercial	N/A	934	N/A	1.0566%	15.8439%
204	Commercial	N/A	252	N/A	0.2851%	4.2748%
206	Commercial	N/A	393	N/A	0.4446%	6.6667%
207	Commercial	N/A	480	N/A	0.5430%	8.1425%
208	Commercial	N/A	233	N/A	0.2636%	3.9525%
						100.0000%

Unit No.	Unit Type	BD/BA	Net Living/Other Area (s.f.)	Net Lanai Area (s.f.)	Common Interest (%) in Project Common Elements	Class Common Interest (%) in Unit Class Limited Common Elements
RESIDENTIAL UNIT CLASS						
301	01-1	2BD/2BA	798	132	1.0520%	1.1272%
302	02-1	2BD/2BA	798	132	1.0520%	1.1272%
303	03-0	1BD/1BA	511	78	0.6663%	0.7139%
304	04-0	1BD/1BA	511	78	0.6663%	0.7139%
305	05-1	2BD/2BA	798	132	1.0520%	1.1272%
306	06-1	2BD/2BA	798	132	1.0520%	1.1272%
307	307-4	Studio/BA	383	43	0.4819%	0.5163%
401	01-1	2BD/2BA	798	132	1.0520%	1.1272%
402	02-1	2BD/2BA	798	132	1.0520%	1.1272%
403	03-0	1BD/1BA	511	78	0.6663%	0.7139%
404	04-0	1BD/1BA	511	78	0.6663%	0.7139%
405	05-1	2BD/2BA	798	132	1.0520%	1.1272%
406	06-1	2BD/2BA	798	132	1.0520%	1.1272%
407	07-0	1BD/1BA	539	78	0.6980%	0.7478%
501	01-2	2BD/2BA	798	132	1.0520%	1.1272%
502	02-1	2BD/2BA	798	132	1.0520%	1.1272%
503	03-0	1BD/1BA	511	78	0.6663%	0.7139%
504	04-0	1BD/1BA	511	78	0.6663%	0.7139%
505	05-1	2BD/2BA	798	132	1.0520%	1.1272%
506	06-2	2BD/2BA	798	132	1.0520%	1.1272%
507	07-0	1BD/1BA	539	78	0.6980%	0.7478%
601	01-2	2BD/2BA	798	132	1.0520%	1.1272%
602	02-2	2BD/2BA	798	132	1.0520%	1.1272%
603	03-0	1BD/1BA	511	78	0.6663%	0.7139%
604	04-0	1BD/1BA	511	78	0.6663%	0.7139%
605	05-2	2BD/2BA	798	132	1.0520%	1.1272%
606	06-1	2BD/2BA	798	132	1.0520%	1.1272%
607	07-0	1BD/1BA	539	78	0.6980%	0.7478%
701	01-1	2BD/2BA	798	132	1.0520%	1.1272%
702	02-1	2BD/2BA	798	132	1.0520%	1.1272%
703	03-0	1BD/1BA	511	78	0.6663%	0.7139%
704	04-0	1BD/1BA	511	78	0.6663%	0.7139%
705	05-1	2BD/2BA	798	132	1.0520%	1.1272%
706	06-1	2BD/2BA	798	132	1.0520%	1.1272%
707	07-0	1BD/1BA	539	78	0.6980%	0.7478%
801	01-1	2BD/2BA	798	132	1.0520%	1.1272%
802	02-2	2BD/2BA	798	132	1.0520%	1.1272%
803	03-0	1BD/1BA	511	78	0.6663%	0.7139%
804	04-0	1BD/1BA	511	78	0.6663%	0.7139%
805	05-2	2BD/2BA	798	132	1.0520%	1.1272%
806	06-1	2BD/2BA	798	132	1.0520%	1.1272%
807	07-0	1BD/1BA	539	78	0.6980%	0.7478%
901	01-1	2BD/2BA	798	132	1.0520%	1.1272%
902	02-2	2BD/2BA	798	132	1.0520%	1.1272%
903	03-0	1BD/1BA	511	78	0.6663%	0.7139%
904	04-0	1BD/1BA	511	78	0.6663%	0.7139%
905	05-2	2BD/2BA	798	132	1.0520%	1.1272%

EXHIBIT A

Unit No.	Unit Type	BD/BA	Net Living/Other Area (s.f.)	Net Lanai Area (s.f.)	Common Interest (%) in Project Common Elements	Class Common Interest (%) in Unit Class Limited Common Elements
906	06-2	2BD/2BA	798	132	1.0520%	1.1272%
907	07-0	1BD/1BA	539	78	0.6980%	0.7478%
1001	01-2	2BD/2BA	798	132	1.0520%	1.1272%
1002	02-2	2BD/2BA	798	132	1.0520%	1.1272%
1003	03-0	1BD/1BA	511	78	0.6663%	0.7139%
1004	04-0	1BD/1BA	511	78	0.6663%	0.7139%
1005	05-2	2BD/2BA	798	132	1.0520%	1.1272%
1006	06-2	2BD/2BA	798	132	1.0520%	1.1272%
1007	07-0	1BD/1BA	539	78	0.6980%	0.7478%
1101	01-2	2BD/2BA	798	132	1.0520%	1.1272%
1102	02-2	2BD/2BA	798	132	1.0520%	1.1272%
1103	03-0	1BD/1BA	511	78	0.6663%	0.7139%
1104	04-0	1BD/1BA	511	78	0.6663%	0.7139%
1105	05-1	2BD/2BA	798	132	1.0520%	1.1272%
1106	06-1	2BD/2BA	798	132	1.0520%	1.1272%
1107	07-0	1BD/1BA	539	78	0.6980%	0.7478%
1201	01-2	2BD/2BA	798	132	1.0520%	1.1272%
1202	02-2	2BD/2BA	798	132	1.0520%	1.1272%
1203	03-0	1BD/1BA	511	78	0.6663%	0.7139%
1204	04-0	1BD/1BA	511	78	0.6663%	0.7139%
1205	05-2	2BD/2BA	798	132	1.0520%	1.1272%
1206	06-1	2BD/2BA	798	132	1.0520%	1.1272%
1207	07-0	1BD/1BA	539	78	0.6980%	0.7478%
1401	01-2	2BD/2BA	798	132	1.0520%	1.1272%
1402	02-2	2BD/2BA	798	132	1.0520%	1.1272%
1403	03-0	1BD/1BA	511	78	0.6663%	0.7139%
1404	04-0	1BD/1BA	511	78	0.6663%	0.7139%
1405	05-2	2BD/2BA	798	132	1.0520%	1.1272%
1406	06-2	2BD/2BA	798	132	1.0520%	1.1272%
1407	07-0	1BD/1BA	539	78	0.6980%	0.7478%
1501	01-1	2BD/2BA	798	132	1.0520%	1.1272%
1502	02-1	2BD/2BA	798	132	1.0520%	1.1272%
1503	03-0	1BD/1BA	511	78	0.6663%	0.7139%
1504	04-0	1BD/1BA	511	78	0.6663%	0.7139%
1505	05-1	2BD/2BA	798	132	1.0520%	1.1272%
1506	06-1	2BD/2BA	798	132	1.0520%	1.1272%
1507	07-0	1BD/1BA	539	78	0.6980%	0.7478%
1601	01-1	2BD/2BA	798	132	1.0520%	1.1272%
1602	02-1	2BD/2BA	798	132	1.0520%	1.1272%
1603	03-0	1BD/1BA	511	78	0.6663%	0.7139%
1604	04-0	1BD/1BA	511	78	0.6663%	0.7139%
1605	05-1	2BD/2BA	798	132	1.0520%	1.1272%
1606	06-1	2BD/2BA	798	132	1.0520%	1.1272%
1607	07-0	1BD/1BA	539	78	0.6980%	0.7478%
1701	01-1	2BD/2BA	798	132	1.0520%	1.1272%
1702	02-1	2BD/2BA	798	132	1.0520%	1.1272%
1703	03-0	1BD/1BA	511	78	0.6663%	0.7139%
1704	04-0	1BD/1BA	511	78	0.6663%	0.7139%
1705	05-1	2BD/2BA	798	132	1.0520%	1.1272%

EXHIBIT A

Unit No.	Unit Type	BD/BA	Net Living/Other Area (s.f.)	Net Lanai Area (s.f.)	Common Interest (%) in Project Common Elements	Class Common Interest (%) in Unit Class Limited Common Elements
1706	06-1	2BD/2BA	798	132	1.0520%	1.1272%
1707	07-0	1BD/1BA	539	78	0.6980%	0.7478%
1801	01-1	2BD/2BA	798	132	1.0520%	1.1272%
1802	02-2	2BD/2BA	798	132	1.0520%	1.1272%
1803	03-0	1BD/1BA	511	78	0.6663%	0.7139%
1804	04-0	1BD/1BA	511	78	0.6663%	0.7139%
1805	1805-5	1BD/1BA	539	78	0.6980%	0.7478%
1806	1806-3	2BD/2BA	1,039	174	1.3743%	1.4721%
1807	07-0	1BD/1BA	539	78	0.6980%	0.7478%
						100.0000%
114 UNITS					100.0000%	

DESCRIPTION OF PARKING PLAN

As set forth in the Declaration and in the House Rules, the parking stalls in the Project shall be subject to a parking plan for the benefit of the Association and the unit owners. The parking plan shall be governed by the Declaration, the Bylaws and the House Rules. Each Residential Unit shall be assigned at least one (1) parking stall (“the Residential Stalls”), and the Commercial Units shall be assigned a pool of nineteen (19) parking stalls, which includes two (2) handicap accessible stalls and a stall serving as a handicap access aisle (“the Commercial Stalls”). To accommodate the needs of the Commercial Unit owners, however, as a condition to purchasing certain Residential Units, sixteen (16) of the Residential Stalls assigned to such units shall be subject to a ten-year rental agreement by and between those Residential Unit owners, as lessor, and the Association of Unit Owners on behalf of the Commercial Unit owners, as lessee, effective as of the date of the Residential Unit conveyance (“Rented Stalls”). The Rented Stalls are indicated below with the letter “R”.

The Commercial Stalls together with four (4) Rented Stalls shall be placed in and used as a part of a parking pool system for all of the Commercial Units except Unit No. 203 (“Commercial Parking Pool”). With respect to Unit No. 203, twelve (12) Rented Stalls located on the 2nd Floor parking level shall be reserved for the exclusive use of the customers, invitees and guests of Unit No. 203 (“the Avance Stalls”), subject, however, to certain restrictions and hours of use set forth in the House Rules. The terms and conditions of usage and other requirements of the Parking Plan shall further be in accordance with the parking rules and regulations set forth in the House Rules. For more details on the Project’s parking plan, see Section IV of the House Rules.

Unit No.	Parking Stall(s)
101	Covered Stalls: 101HC, 102*, 103HC, 104, 105, 127C, 128, 129, 130, 135C, 136C, 137C, 138C, 139C, 140C
102	
201	
202	
203	
204	
206	Open Stalls: 153, 154, 155, 156C
207	
208	
301	317C
302	318C
303	313C
304	328C
305	316C
306	319C
307	315C
401	345
402	326
403	327C
404	330C
405	325C
406	324
407	331C
501	124C, 208R

Unit No.	Parking Stall(s)
502	321C
503	332C
504	333C
505	320
506	125C, 207R
507	334C
601	126C, 206R
602	152C, 205R
603	335C
604	336C
605	141, 204R
606	235
607	310C
701	240
702	241
703	311C
704	312C
705	242
706	226
707	143C
801	223
802	142, 203R
803	123C
804	122

Unit No.	Parking Stall(s)
805	144, 202CR
806	222
807	314C
901	221
902	145C, 201CR
903	329C
904	309
905	146C, 232R
906	147C, 231R
907	307
1001	148C, 230R
1002	149C, 228R
1003	304
1004	303
1005	109R, 134C
1006	108R, 133C
1007	302
1101	107R, 132C
1102	106R, 131C
1103	344
1104	343
1105	218
1106	217
1107	342
1201	227, 229C
1202	234, 233C
1203	341
1204	340
1205	224, 225C
1206	219
1207	339
1401	323, 322C
1402	306, 305C
1403	338

Unit No.	Parking Stall(s)
1404	337
1405	246CT, 247CT
1406	308C, 301CT
1407	220C
1501	216
1502	215
1503	243C
1504	236C
1505	214
1506	213
1507	237C
1601	212
1602	211
1603	238C
1604	239C
1605	210
1606	209
1607	244C
1701	121
1702	120
1703	245C
1704	118C
1705	116
1706	117
1707	119
1801	111
1802	110
1803	115
1804	114
1805	113
1806	150C, 151C
1807	112

Legend (Unless otherwise indicated, all stalls are regular covered stalls):

C = compact stall T = tandem stall HC = handicap accessible stall R = Rented Stall

* = handicap access aisle

Stall Nos. 301 to 345 on the Lower 3rd Floor and 3rd Floor parking levels are open or partially open (i.e., uncovered) stalls

PERMITTED ALTERATIONS TO THE UNITS

Section 19 of the Declaration regarding permitted alterations provides as follows:

19. ALTERATION OF THE PROJECT.

a. **General.** 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 and therefor approved in writing by the Board:

(1) repairing, replacing or rebuilding any unit, or any of 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, patio or parking stall.

Upon the completion of any such work, there shall be filed with the Board a final "as built" set of the plans and specifications for such work, and if any such work should constitute a material alteration to the Project as shown on the Condominium Map (as determined by the Board), the Association or unit owner, as the case may be, shall file an amendment to this Declaration describing such alteration and amending the Condominium Map to show such alteration, together with a certificate signed by a licensed architect or licensed 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 Developer, and no consent or joinder of any other unit owner or person shall be required. Except as otherwise provided in this Declaration, the Bylaws, and the House Rules, each unit owner shall be free to make such alterations and improvements within such unit owner's unit or within or on the limited common elements appurtenant thereto, without the consent or joinder of the Board, the Association, any unit owner, Developer or any other person.

b. **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, impair any easement or hereditament; (ii) shall make or allow any material addition or alteration, or excavate any basement or cellar to any unit, (iii) shall enclose any lanai, balcony or patio, or (iv) shall rebuild, repair or restore the Project in

EXHIBIT C

Page 1 of 4

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 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 units 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 that does not jeopardize the soundness or safety of the Project, or directly affect any nonconsenting unit owner.

c. **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 the consents required in Section 19.b. above and 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.

d. **Connection Between Units.**

(i) The owner of any two or more adjacent units that are separated by a common element which is a wall may alter any portion of the intervening wall if the structural integrity of the common elements or any other unit in the Project will not thereby be adversely affected and if the finish of the common element then remaining is placed in a condition substantially comparable to that of the common element prior to such alterations. In addition, the owner of any two or more adjacent Commercial Units separated by a common element which is a wall may remove all or any portion of the intervening wall (and, if the owner so desires, install a door within the opening created by such removal) if the structural integrity of the common elements or any other unit in the Project will not thereby be adversely affected and if the finish of the common element then remaining is placed in a condition substantially comparable to that of the common element prior to such alterations. As used above, “adjacent units” 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.

EXHIBIT C

(ii) If any intervening wall between adjacent units shall have been altered or removed pursuant to the foregoing provisions, then prior to the termination of the common ownership of such adjacent units, the owner of such units shall restore such intervening wall to substantially the same condition in which the same existed prior to such alteration or removal unless the purchaser of such units shall agree in writing to forego such restoration.

(iii) Notwithstanding any alteration or additions permitted under this Section 19.d., such shall not affect the Common Interest or Unit Class Common Interest allocable to any unit.

e. **Procedure for Commencing Permitted Improvements.** Except as otherwise provided in this Section 19, prior to commencing any alteration or removal described in this Section, the unit owner shall provide to the Board (i) a certification in form and consent reasonably satisfactory to the Board signed by an architect or engineer duly registered in the State of Hawaii, that such alteration or removal will not adversely affect the structural integrity of the common elements or any other unit in the Project, (ii) satisfactory evidence that all governmental approvals required for such alteration or removal have been duly obtained, and (iii) if the cost of such alteration or removal, as reasonably determined by the Board, shall exceed the sum of Thirty-Five Thousand Dollars (\$35,000.00), or such greater amount as may from time to time be reasonably deemed appropriate by the Board, 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 Developer, the Board and 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. Such alteration or removal may be undertaken without the necessity of an amendment to this Declaration or the Condominium Map and, except as otherwise provided in this Section 19, without the consent or joinder of the Association, the Board, Developer or any other person.

The Commercial Units shall have the right to install through, within and/or on the wall and/or roof immediately above or adjacent to such Commercial Unit, any vent, air conditioner or other equipment accessory or related to the use of such Commercial Unit, if the structural integrity of the wall, roof or other common elements or any other unit in the Project will not thereby be adversely affected. Prior to commencing any such installation, the Commercial Unit owner shall provide to the Board (X) a certification in form and consent reasonably satisfactory to the Board signed by an architect or engineer duly registered in the State of Hawaii, that such installation will not adversely affect the structural integrity of the common elements or any other unit in the Project, (Y) satisfactory evidence that all governmental approvals required for such installation have been duly obtained, and (Z) if the cost of such installation, as reasonably determined by the Board, shall exceed the sum of Thirty-Five Thousand Dollars (\$35,000.00), or such greater amount as may from time to time be reasonably deemed appropriate by the Board, the Board may require that the owner provide installation or, in lieu thereof, require that the owner obtain a performance and lien payment bond, naming as obligees Developer, the Board and the Association and collectively all unit

EXHIBIT C

Page 3 of 4

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 installation. Such installation may be undertaken without the necessity of an amendment to this Declaration or the Condominium Map and, except as otherwise provided in this Section 19, without the consent or joinder of the Association, the Board, Developer or any other person.

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

I. 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 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 yards, grounds, trees, planters, planting areas, landscaping, paths, walkways, walkway railings, trash enclosures, refuse containers and gates on the grounds of the Project not located within a unit.
- c. All driveways, driveway ramps, access lanes, paved areas, ramps, the loading area next to the planter fronting the building located at street level and designated on the Condominium Map as the "Loading Area" and the entryways and exitways to the Parking Area and the Project.
- d. All security gates, parking security gates and security enterphone(s).
- e. All parking stalls, parking areas, and bicycle parking areas in the Parking Area.
- f. Any restroom facilities not located within a unit, all mailboxes and public telephone facilities (if any).
- g. In the event the Association purchases a unit in the Project for use as a resident manager's unit, such resident manager's unit shall become a common element of the Project.
- h. The main elevator lobby located on the 1st Floor, the elevator foyer located on the 2nd Floor, the elevator shafts, and the two (2) elevators.
- i. All foundations, floor slabs, columns, girders, beams, supports, perimeter, party and load bearing walls and partitions (excluding the finishes thereon within a unit), roofs, lobby areas, stairways (excluding any private stairway located within and serving only one unit), vestibules, elevators, corridors, passages, ramps, loading areas, elevator lobby areas and foyers.
- j. All utility rooms, janitor storage rooms not located within a unit, maintenance rooms, pump rooms, elevator machine rooms, mechanical rooms, electrical transformer rooms, emergency generators, fire control rooms, fire hose cabinets, fire alarm system, switch rooms, emergency exits and stairways and refuse facilities.

EXHIBIT D

Page 1 of 4

k. All vents, shafts, sewer lines, water lines, pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations on, above, over, under and across the Project to the point of their respective connections to the units or the limited common element appurtenant thereto, which serve more than one unit, including, without limitation, those providing electricity, light, gas (if any), water, air conditioning, sewer, refuse, drainage, irrigation, telephone and radio and television signal distribution (if any).

l. Any and all apparatus and installations existing for common use by more than one unit, and any and all parts of the Project necessary or convenient to its existence, maintenance, safety and utility services, and normally for common use and not for the exclusive use of any unit and which are not part of any unit or the limited common elements below.

m. The limited common elements described below.

II. 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. Limited Common Elements Appurtenant to the Commercial Units. The following limited common elements (“the Commercial Limited Common Elements”) shall be appurtenant to and for the exclusive use of all the Commercial Units, unless such commercial element is specifically designated herein as being appurtenant to certain Commercial Units:

(1) The parking stalls located on the Ground Floor of the Parking Area numbered 101HC, 103HC, 104, 105, 127C, 128, 129, 130, 135C, 136C, 137C, 138C, 139C, 140C, 153, 154, 155 and 156C, and Stall No. 102 located between Stall Nos. 101HC and 103HC serving as a handicap access aisle.

(2) If any Commercial Unit shall install through, within and/or on the wall and/or roof immediately above or adjacent to such Commercial Unit, any vent, air conditioner, grease trap or other equipment accessory or related to the use of such Commercial Unit, then such equipment and portion of such wall and/or roof shall become appurtenant to and reserved for the exclusive use of such Commercial Unit.

(3) Commercial Unit No. 101 shall have appurtenant thereto and reserved for its exclusive use the grease trap located beneath Stall Nos. 129 and 130, the space immediately next to Stall No. 151C for such Unit’s chillers for air conditioning service, and any duct, wire, conduit or any other fixture which lies partially within and partially outside the designated boundaries of Commercial Unit No. 101 serving only that Unit.

EXHIBIT D

Page 2 of 4

(4) Commercial Unit No. 203 shall have appurtenant thereto and reserved for its exclusive use the area on the 2nd Floor Parking level located between the exterior wall of Commercial Unit No. 204 and Stall Nos. 201C and 202C, all as shown on the Condominium Map, for such Unit's chillers for air conditioning service, and any duct, wire, conduit or any other fixture which lies partially within and partially outside the designated boundaries of Commercial Unit No. 203 serving only that Unit.

(5) On the Lower 2nd Floor Parking level, the space designated "A/C" located next to Commercial Unit No. 209, the two (2) spaces designated "A/C" between Stall No. 236C and Stair #3, and the areas shaded and designated "A/C," shall be appurtenant to the Commercial Units that they directly serve, for such units' chillers for air conditioning service, and any duct, wire, conduit or any other fixture which lies partially within and partially outside the designated boundaries of such units serving only those units.

(6) The corridors located adjacent to the Commercial Units on the 2nd Floor shall constitute Commercial Limited Common Elements appurtenant to and for the exclusive use by the Commercial Units.

(7) Any and all other appurtenant installations of common use within the Commercial Units or located on the Project necessary and convenient to the existence, maintenance and safety of the Commercial Units or otherwise in common use by occupants of the Commercial Units.

b. Limited Common Elements Appurtenant to the Residential Units. The following limited common elements ("the Residential Limited Common Elements") shall be appurtenant to and for the exclusive use of all the Residential Units, unless such Residential Limited Common Element is specifically designated herein as being appurtenant to certain Residential Units:

(1) Each Residential Unit shall have appurtenant to it for its exclusive the parking stall(s) as designated in **Exhibit B**; subject, however, to the right of unit owners to redesignate such stalls pursuant to Section 514B-40 of the Act, as amended. Each unit shall always have at least one (1) parking stall appurtenant to it. The use of the parking stalls shall be governed by the provisions of Section 27 of this Declaration.

(2) The lanai(s) immediately adjacent to each Residential Unit as shown on the Condominium Map, from the exterior surface of all perimeter walls which separate the interior of the unit from the lanai(s) to the interior edge of the exterior railings or other boundaries of the lanai(s), shall be a limited common element appurtenant to such units.

(3) The swimming pool and its appurtenant deck, the launderette room and laundry facilities, and the common storage areas designated as Unit Nos. 205 and 209.

EXHIBIT D

Page 3 of 4

(4) The stairways (exclusive of any private stairway located within and serving only one unit), utility rooms, elevator foyers, vestibules and corridors located on each of the 3rd through 18th Floors shall constitute Residential Limited Common Elements appurtenant to and for the exclusive use by the Residential Units.

(5) Any and all other appurtenant installations of common use within the Residential Units or located on the Project necessary and convenient to the existence, maintenance and safety of the Residential Units or otherwise in common use by occupants of the Residential Units.

c. Other Limited Common Elements.

(1) 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.

(2) Any and all other apparatus and installations existing for common use, such as tanks, pumps, motors, air-conditioners, fans, compressors, water heaters and, in general, all other parts of the Project necessary or convenient to its existence, maintenance and safety, and normally in common use and which are not part of any unit and serve less than all of the units, shall be appurtenant to the unit or units they serve.

(3) Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, lanais, patios and all exterior doors and windows or other fixtures designed to serve a single unit, but that are located outside the unit's boundaries, are limited common elements appurtenant exclusively to that unit.

(4) The common elements of the Project which are rationally related to less than all of said units shall be deemed limited common elements, and such limited common elements shall be limited to use by only those units benefiting from the same.

ENCUMBRANCES AGAINST TITLE

The encumbrances against title appearing in the Preliminary Report dated October 5, 2007 ("Title Report") 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. The terms and provisions contained in the following:

INSTRUMENT	:	AGREEMENT
DATED	:	July 24, 1991
FILED	:	Land Court Document No. 1856307
PARTIES	:	KOON CHUCK WONG, INC., a Hawaii corporation, and KAPIOLANI PROPERTIES CORPORATION, a Hawaii corporation
RE	:	use of air space and concrete slab for drainage purposes

3. MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

LOAN/ACCOUNT NO. 458072

MORTGAGOR	:	KOON CHUCK WONG, INC., a Hawaii corporation
MORTGAGEE	:	COLUMN FINANCIAL, INC., a Delaware corporation
DATED	:	November 4, 2003, but effective as of November 10, 2003
FILED	:	Land Court Document No. 3024764
AMOUNT	:	\$5,500,000.00

4. ASSIGNMENT OF LEASES AND RENTS dated November 4, 2003, but to be effective as of November 10, 2003, recorded as Document No. 3024765, made by and between KOON CHUCK WONG, INC., a Hawaii corporation, "Assignor", and COLUMN FINANCIAL, INC., a Delaware corporation, "Assignee", assigning the entire lessor's interest in and to all Leases, rents, etc., to secure the full, timely and proper performance of and compliance with each and every one of the obligations as defined in that certain Guaranty dated as of November 4, 2003, but to be effective as of November 10, 2003.

Above ASSIGNMENT OF LEASES AND RENTS was assigned to WELLS FARGO BANK, N.A., as Trustee for the registered holders of Credit Suisse First Boston Mortgage Securities Corp., commercial mortgage pass-through certificates, series 2004-C1, by instrument dated and effective as of March 12, 2004, filed as Document No. 3648206.

EXHIBIT E

Page 1 of 2

5. FINANCING STATEMENT

DEBTOR : KOON CHUCK WONG, INC., a Hawaii corporation
SECURED PARTY : COLUMN FINANCIAL, INC., a Delaware corporation
RECORDED : Document No. 2003-246859
RECORDED ON : November 10, 2003

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

NOTE: Since the issuance of the Title Report, the following documents have been filed in the Land Court:

- A. Declaration of Condominium Property Regime of Ala Moana Tower; Joinder, dated August 29, 2007, filed as Land Court Document No. 3685666;
- B. Bylaws of the Association of Unit Owners of Ala Moana Tower; Joinder, dated August 29, 2007, filed as Land Court Document No. 3685667; and
- C. Condominium Map No. 1931.

EXHIBIT E

Page 2 of 2

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

I. Pursuant to Section 21 of the Declaration, Developer reserves the right to amend the Project documents as follows:

21. **AMENDMENT OF DECLARATION.** Except as otherwise provided herein or in the Act, this Declaration may be amended by a vote or written consent of the unit owners of sixty-seven percent (67%) of the interests in the common elements effective only upon the filing of an instrument in the Land Court, setting forth such amendment and vote, duly executed by such owners or by the proper officers of the Association; *provided, however*, no amendment of this Declaration, the Bylaws, the House Rules or Condominium Map shall, without Developer's or Fee Owner's prior written consent, limit, affect or impair the reserved rights of Developer or Fee Owner, as applicable, under this Declaration; *provided further, however*, that the written consent of eligible holders of first mortgages (as defined below) on units to which at least fifty-one percent (51%) of the common interests appurtenant to units subject to mortgages held by such eligible holders shall be required to materially amend any provision herein, or to add any material provisions hereto, which establish, provide for, govern or regulate any of the following in a manner materially different than provided herein: (a) voting; (b) assessments, assessment liens or subordination of such liens; (c) reserves for maintenance, repair and replacement of the common elements; (d) insurance or fidelity bonds; (e) reallocation of interests in or the right to use of the common elements and limited common elements; (f) responsibility for maintenance and repair of the several portions of the Project; (g) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project not otherwise provided for herein; (h) boundaries of any unit; (i) the interests in the common elements or limited common elements; (j) convertibility of units into common elements or of common elements into units; (k) leasing of units; (l) imposition of any right of first refusal or similar restriction on the right of a unit owner to sell, transfer, or otherwise convey such unit owner's unit not otherwise provided for herein; (m) a decision to end professional management and adopt self-management; (n) restoration or repair of the Project in a manner other than that specified herein; and (o) any provisions that expressly benefit mortgage holders, insurers, or guarantors. An "eligible holder of first mortgage" is defined in this Section 21 as a first mortgagee which has made a written request to the Association for timely written notice of proposed amendments to the condominium documents. Notwithstanding the foregoing and notwithstanding the sale and conveyance of any of the units, this Declaration (including the Bylaws, House Rules and, when applicable, the Condominium Map) may be amended in any manner by Developer where otherwise permitted in this Declaration, or 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. This Section 21 may not be amended except with the prior written consent of the Fee Owner.

II. 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 Article IV, Section C.3.(a) of Addendum "B" to 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 Article IV, Section C.3.(c) of Addendum "B" to the Sales Contract and to Section 514B-87 of the Condominium Act.

EXHIBIT G

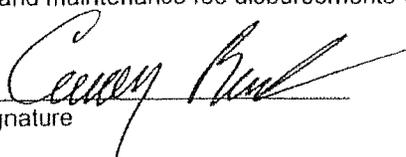
10-30-07

**Estimate of Maintenance
Fee Disbursement**

Ala Moana Tower
(114 units)

Utilities	Monthly	Annually
Electricity	\$12,000	\$144,000
TV Cable	\$3,800	\$45,600
Water	\$1,500	\$18,000
Sewer	\$3,500	\$42,000
Gas	\$3,500	\$42,000
Telephone	\$500	\$6,000
Contract Services		
Elevator	\$2,000	\$24,000
Pest Control	\$50	\$600
Refuse	\$1,500	\$18,000
Fire System	\$100	\$1,200
Maintenance		
Cleaning Supplies	\$250	\$3,000
Grounds	\$50	\$600
Electrical/Lighting	\$200	\$2,400
Plumbing	\$250	\$3,000
Pool	\$200	\$2,400
Building Repairs	\$500	\$6,000
Misc Repairs & Purchases	\$500	\$6,000
Professional Services		
M.A. Admin Supplies & Services	\$500	\$6,000
AOAO Admin Expenses	\$100	\$1,200
Management Services	\$1,520	\$18,240
Audit	\$100	\$1,200
Legal Fees	\$100	\$1,200
Payroll & Benefits		
P/R - Manager	\$3,000	\$36,000
P/R - Maintenance	\$2,080	\$24,960
Workers Comp	\$360	\$4,320
Health Care	\$600	\$7,200
Payroll Taxes	\$500	\$6,000
RM Apt. Mortgage	\$2,000	\$24,000
RM Apt. Maintenance Fee	\$500	\$6,000
RM Apt. Loan Fee	\$500	\$6,000
Other Expenses		
Insurance	\$4,000	\$48,000
Uninsured Exp	\$200	\$2,400
State General Excise Tax	\$50	\$600
Miscellaneous Income (laundry)	-\$1,000	-\$12,000
Reserves Contribution	\$5,000	\$60,000
TOTAL	\$50,510	\$606,120

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


Signature

10-31-07
Date

Pursuant to 514B-148.7b, Hawaii Revised Statutes, a new association need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount for Reserves is an estimate only.

Unit No.	Unit Type	Common Interest (%)	Monthly Fee	Annual Fee
101	Commercial	2.7127%	\$1,370.18	\$16,442.22
102	Commercial	0.5690%	\$287.40	\$3,448.82
201	Commercial	0.3971%	\$200.58	\$2,406.90
202	Commercial	0.3971%	\$200.58	\$2,406.90
203	Commercial	1.0566%	\$533.69	\$6,404.26
204	Commercial	0.2851%	\$144.00	\$1,728.05
206	Commercial	0.4446%	\$224.57	\$2,694.81
207	Commercial	0.5430%	\$274.27	\$3,291.23
208	Commercial	0.2636%	\$133.14	\$1,597.73
301	01-1	1.0520%	\$531.37	\$6,376.38
302	02-1	1.0520%	\$531.37	\$6,376.38
303	03-0	0.6663%	\$336.55	\$4,038.58
304	04-0	0.6663%	\$336.55	\$4,038.58
305	05-1	1.0520%	\$531.37	\$6,376.38
306	06-1	1.0520%	\$531.37	\$6,376.38
307	307-4	0.4819%	\$243.41	\$2,920.89
401	01-1	1.0520%	\$531.37	\$6,376.38
402	02-1	1.0520%	\$531.37	\$6,376.38
403	03-0	0.6663%	\$336.55	\$4,038.58
404	04-0	0.6663%	\$336.55	\$4,038.58
405	05-1	1.0520%	\$531.37	\$6,376.38
406	06-1	1.0520%	\$531.37	\$6,376.38
407	07-0	0.6980%	\$352.56	\$4,230.72
501	01-2	1.0520%	\$531.37	\$6,376.38
502	02-1	1.0520%	\$531.37	\$6,376.38
503	03-0	0.6663%	\$336.55	\$4,038.58
504	04-0	0.6663%	\$336.55	\$4,038.58
505	05-1	1.0520%	\$531.37	\$6,376.38
506	06-2	1.0520%	\$531.37	\$6,376.38
507	07-0	0.6980%	\$352.56	\$4,230.72
601	01-2	1.0520%	\$531.37	\$6,376.38
602	02-2	1.0520%	\$531.37	\$6,376.38
603	03-0	0.6663%	\$336.55	\$4,038.58
604	04-0	0.6663%	\$336.55	\$4,038.58
605	05-2	1.0520%	\$531.37	\$6,376.38
606	06-1	1.0520%	\$531.37	\$6,376.38
607	07-0	0.6980%	\$352.56	\$4,230.72
701	01-1	1.0520%	\$531.37	\$6,376.38
702	02-1	1.0520%	\$531.37	\$6,376.38
703	03-0	0.6663%	\$336.55	\$4,038.58
704	04-0	0.6663%	\$336.55	\$4,038.58

Unit No.	Unit Type	Common Interest (%)	Monthly Fee	Annual Fee
705	05-1	1.0520%	\$531.37	\$6,376.38
706	06-1	1.0520%	\$531.37	\$6,376.38
707	07-0	0.6980%	\$352.56	\$4,230.72
801	01-1	1.0520%	\$531.37	\$6,376.38
802	02-2	1.0520%	\$531.37	\$6,376.38
803	03-0	0.6663%	\$336.55	\$4,038.58
804	04-0	0.6663%	\$336.55	\$4,038.58
805	05-2	1.0520%	\$531.37	\$6,376.38
806	06-1	1.0520%	\$531.37	\$6,376.38
807	07-0	0.6980%	\$352.56	\$4,230.72
901	01-1	1.0520%	\$531.37	\$6,376.38
902	02-2	1.0520%	\$531.37	\$6,376.38
903	03-0	0.6663%	\$336.55	\$4,038.58
904	04-0	0.6663%	\$336.55	\$4,038.58
905	05-2	1.0520%	\$531.37	\$6,376.38
906	06-2	1.0520%	\$531.37	\$6,376.38
907	07-0	0.6980%	\$352.56	\$4,230.72
1001	01-2	1.0520%	\$531.37	\$6,376.38
1002	02-2	1.0520%	\$531.37	\$6,376.38
1003	03-0	0.6663%	\$336.55	\$4,038.58
1004	04-0	0.6663%	\$336.55	\$4,038.58
1005	05-2	1.0520%	\$531.37	\$6,376.38
1006	06-2	1.0520%	\$531.37	\$6,376.38
1007	07-0	0.6980%	\$352.56	\$4,230.72
1101	01-2	1.0520%	\$531.37	\$6,376.38
1102	02-2	1.0520%	\$531.37	\$6,376.38
1103	03-0	0.6663%	\$336.55	\$4,038.58
1104	04-0	0.6663%	\$336.55	\$4,038.58
1105	05-1	1.0520%	\$531.37	\$6,376.38
1106	06-1	1.0520%	\$531.37	\$6,376.38
1107	07-0	0.6980%	\$352.56	\$4,230.72
1201	01-2	1.0520%	\$531.37	\$6,376.38
1202	02-2	1.0520%	\$531.37	\$6,376.38
1203	03-0	0.6663%	\$336.55	\$4,038.58
1204	04-0	0.6663%	\$336.55	\$4,038.58
1205	05-2	1.0520%	\$531.37	\$6,376.38
1206	06-1	1.0520%	\$531.37	\$6,376.38
1207	07-0	0.6980%	\$352.56	\$4,230.72
1401	01-2	1.0520%	\$531.37	\$6,376.38
1402	02-2	1.0520%	\$531.37	\$6,376.38
1403	03-0	0.6663%	\$336.55	\$4,038.58

Unit No.	Unit Type	Common Interest (%)	Monthly Fee	Annual Fee
1404	04-0	0.6663%	\$336.55	\$4,038.58
1405	05-2	1.0520%	\$531.37	\$6,376.38
1406	06-2	1.0520%	\$531.37	\$6,376.38
1407	07-0	0.6980%	\$352.56	\$4,230.72
1501	01-1	1.0520%	\$531.37	\$6,376.38
1502	02-1	1.0520%	\$531.37	\$6,376.38
1503	03-0	0.6663%	\$336.55	\$4,038.58
1504	04-0	0.6663%	\$336.55	\$4,038.58
1505	05-1	1.0520%	\$531.37	\$6,376.38
1506	06-1	1.0520%	\$531.37	\$6,376.38
1507	07-0	0.6980%	\$352.56	\$4,230.72
1601	01-1	1.0520%	\$531.37	\$6,376.38
1602	02-1	1.0520%	\$531.37	\$6,376.38
1603	03-0	0.6663%	\$336.55	\$4,038.58
1604	04-0	0.6663%	\$336.55	\$4,038.58
1605	05-1	1.0520%	\$531.37	\$6,376.38
1606	06-1	1.0520%	\$531.37	\$6,376.38
1607	07-0	0.6980%	\$352.56	\$4,230.72
1701	01-1	1.0520%	\$531.37	\$6,376.38
1702	02-1	1.0520%	\$531.37	\$6,376.38
1703	03-0	0.6663%	\$336.55	\$4,038.58
1704	04-0	0.6663%	\$336.55	\$4,038.58
1705	05-1	1.0520%	\$531.37	\$6,376.38
1706	06-1	1.0520%	\$531.37	\$6,376.38
1707	07-0	0.6980%	\$352.56	\$4,230.72
1801	01-1	1.0520%	\$531.37	\$6,376.38
1802	02-1	1.0520%	\$531.37	\$6,376.38
1803	03-0	0.6663%	\$336.55	\$4,038.58
1804	04-0	0.6663%	\$336.55	\$4,038.58
1805	1805-5	0.6980%	\$352.56	\$4,230.72
1806	1806-3	1.3743%	\$694.16	\$8,329.91
1807	07-0	0.6980%	\$352.56	\$4,230.72
114 UNITS		100.00%	\$50,510.00	\$606,120.00

CERTIFICATE

I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. I am the President for Hawaiiana Management Company, Ltd., a Hawaii corporation, designated by the Developer of the Ala Moana Tower condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each unit in the Project, as set forth in Exhibit "1" attached hereto and hereby incorporated herein by reference, were determined [pursuant to a reserve study conducted] in accordance with Section 514B-148 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, and are reasonable estimates for the one-year period commencing [budget date], based on generally accepted accounting principles.

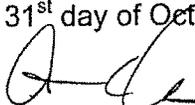
3. As permitted pursuant to Section 514B-148(b), new associations need not collect estimated reserves until the fiscal year which begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount for Reserves is an estimate only.

DATED: Honolulu, Hawaii, this 31st day of October 2007.

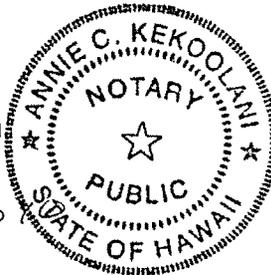


Name: EMORY BUSH
Title: PRESIDENT

Subscribed and sworn to before me
this 31st day of October, 2007.


Typed or Printed Name: Annie C. Kekoolani
Notary Public, State of Hawaii

My commission expires: 02-16-2011



Monthly Estimated Maintenance Fees for Each Unit:

1. Residential Unit Types 01-1, 01-2, 02-1, 02-2, 05-1, 05-2, 06-1, and 06-2 shall have an estimated monthly maintenance fee of \$531.37.
2. Residential Unit Types 03-0 and 04-0 shall have an estimated monthly maintenance fee of \$336.55.
3. Residential Unit Type 07-0 shall have an estimated monthly maintenance fee of \$352.56.
4. The 307-4 Studio Type unit shall have an estimated monthly maintenance fee of \$243.41.
5. The 1805-5 Type unit shall have an estimated monthly maintenance fee of \$352.56.
6. The 1806-3 Penthouse Type unit shall have an estimated monthly maintenance fee of \$694.16.
7. The Commercial Units shall have the following estimated monthly maintenance fees:

<u>Unit No.</u>	<u>Monthly Maintenance Fee</u>
101	\$1,370.18
102	\$287.40
201	\$200.58
202	\$200.58
203	\$533.69
204	\$144.00
206	\$224.57
207	\$274.27
208	\$133.14

Unit Owner's Obligation to Start Paying Maintenance Fees

Unit owners, including Developer, shall become obligated for the payment of their share of common expenses allocated to the owner's unit from and when a Unit Deed is recorded in favor of the unit owner, conveying fee simple title of the unit to such owner.

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

SUMMARY OF SALES CONTRACT

A specimen Sales Contract and Deposit Receipt ("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 Contract will not become binding upon Seller and Buyer unless and until: (a) Buyer has received for or is deemed to have received 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 Public Report"), 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 Contract as more particularly provided in Section 514B-86 of the Act. Buyer may cancel the Contract at any time up to midnight of the thirtieth (30th) day after the Public Report is 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 certified financial statements, a completed loan application to one or more lending institutions, evidence of Buyer's ability to pay the 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 Contract, Seller may impose a late charge as specified in the Contract.

5. Buyer shall, prior to or within five (5) days from the date the Contract is accepted by Seller, apply for mortgage financing.

6. Seller, in its sole discretion, may elect to cancel the Contract if (a) Buyer's application or eligibility for a mortgage loan is rejected 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.

7. Buyer shall pay for all closing costs, including, without limitation, the cost of drafting the Unit Deed and the cost of the acknowledgments thereof; recording fees; the State of Hawaii conveyance tax; the escrow fees; the cost of obtaining financing or a financing commitment for any portion of the purchase price and all expenses incident thereto; the expense

EXHIBIT H

Page 1 of 3

of credit reports; preparation of all of Buyer's mortgage documents (which costs shall be paid directly to Buyer's mortgagee and shall in no event be reimbursed by Seller); any costs incurred for Buyer's title insurance; any costs and fees otherwise required to be paid by Buyer in the Contract, including maintenance fees and start-up fees; and any cost incurred by Buyer or Seller as a result of Buyer's requesting changes in a document after Buyer has been given notice by the Escrow Agent that such document will be prepared. Buyer shall also pay for any attorneys' fees and costs incurred by Seller in connection with any failure by Buyer to timely pre-close and close as set forth herein and otherwise perform all obligations of Buyer as set forth herein.

8. The final closing date is as described in the Contract.

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

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

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

12. After the Effective Date of the Contract, Buyer shall have the right to rescind the Contract only if there is a material change in the Project which directly, substantially and adversely affects the use or value of (a) Buyer's 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 Contract, the Declaration or the Bylaws. Waiver of such right is governed more specifically by the terms of the Contract.

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

14. 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 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

EXHIBIT H

CONSTRUCTION WITH RESPECT TO THE UNIT, THE PROPERTY, ANY COMMON ELEMENT, LIMITED COMMON ELEMENT, OR ANYTHING INSTALLED THEREIN.

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

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

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

EXHIBIT H

Page 3 of 3

SUMMARY OF ESCROW AGREEMENT

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

1. As and when Seller shall enter into a sales contract ("Sales Contract") for the conveyance of a unit or other interest in the Project, it shall require the payments of deposits due thereunder to be promptly made to Escrow. Seller shall deliver an executed copy of the Sales Contract to Escrow together with the name(s) and address(es) of the Buyer as noted on the Sales Contract or otherwise as updated by the Buyer with Seller as being Buyer's last known address.

2. Escrow shall receive, deposit and hold in separate escrow accounts and disburse as set forth in the Escrow Agreement: (a) all payments received by it under the Sales Contracts, (b) such sums received by it under the Escrow Agreement from or for the account of Seller, and (c) all sums received by it from any other source with respect to the Project. Escrow shall not at any time commingle or permit the commingling of any buyer's funds belonging to or held for the benefit of Seller. All funds and instruments received from buyers or prospective buyers shall be held by Escrow in accordance with the provisions contained in Chapter 514B of the Hawaii Revised Statutes. All monies received by Escrow hereunder shall be deposited, within a reasonable time of the receipt by Escrow in reasonably convenient and practical sums, in a trust fund with a bank, savings and loan or trust company authorized to do business in the State of Hawaii under an escrow arrangement, and shall be held in immediately available funds in accordance with the terms of the Escrow Agreement.

3. Notwithstanding anything in the Escrow Agreement to the contrary, Escrow shall make no disbursements of buyers' funds or proceeds from the reservation of or sale of units in the Project (including any payments made on loan commitments from lending institutions), except by way of refunds thereof as provided in the Escrow Agreement, or for payment of project costs as provided in the Escrow Agreement, until (a) Seller has obtained an effective date for the Public Report for the Project, (b) buyer has waived any right to cancel or rescind the Sales Contract, (c) Seller shall have given Escrow a written waiver of any option reserved by Seller to cancel any Sales Contract, and (d) Seller shall have delivered to Escrow a certification that (i) all conditions contained in the Escrow Agreement that must be met prior to disbursement of purchaser funds have been satisfied, (ii) all sales contracts delivered to Escrow are binding upon buyers, and (iii) no circumstances exist (at the time of the certification) that would permit a buyer to cancel or rescind the sales contract.

4. Each buyer shall be entitled to a return of his or her funds, without interest, unless otherwise provided in the Escrow Agreement, and Escrow shall pay such funds to such buyer, promptly after request for return by the buyer, if one of the following has occurred: (a) Seller and Buyer shall have requested Escrow in writing to return to Buyer the funds of Buyer held hereunder by Escrow, (b) Seller shall have notified Escrow of Buyer's exercise of Buyer's right to cancel the Sales Contract pursuant to Section 514B-86, HRS, (c) 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 (d) Seller shall have notified Escrow of Buyer's right to cancel the Sales Contract pursuant to Section

EXHIBIT I

Page 1 of 2

514B-87, HRS, by a valid rescission signed by all buyers of the affected unit and postmarked no later than midnight of the 30th calendar day after the date that buyers received the notice of rescission from Seller. Upon the cancellation of any Sales Contract as specified above, Escrow shall be entitled to a cancellation fee up to a maximum of \$250, plus all costs incurred by Escrow, which shall be paid by the Buyer unless otherwise provided in the Escrow Agreement.

5. Except as otherwise provided by law, Escrow shall give each buyer entitled to a return of his or her funds notice thereof by certified or registered mail, addressed to such buyer at his address shown on the Sales Contract or any address later made known to Escrow by such buyer. If such buyer shall not have claimed such refund within sixty (60) days from the date said notice is mailed, Escrow shall deposit such funds into a special account in a bank or other depository selected by Escrow in the name of Seller, as trustee for the benefit of such buyer. After having sent Seller written notice of the foregoing acts, Escrow shall thereupon be released from further liability hereunder with respect to such funds and such buyer.

6. If the Buyer fails to make any payment on or before the due date thereof or if the Buyer does or fails to do any act that would constitute an event of default under the Sales Contract Escrow shall promptly give to such buyer and to Seller, written notice of default. If the Buyer has failed to cure the default after the delivery of notice by Escrow and such default continues after the expiration of any grace period, Escrow shall so advise Seller. If Seller shall thereafter certify in writing to Escrow that (a) Seller has elected to terminate the Sales Contract and has notified the Buyer, or (b) that Buyer is otherwise in default, then, and in either event, Escrow, subject to the provisions relating to dispute and conflicting demands set forth in the Escrow Agreement, shall thereafter treat all funds of the Buyer paid under such Sales Contract, less Escrow's cancellation fee, as funds of Seller and not of the Buyer. Thereafter, such funds shall be held free of the escrow established by the Escrow Agreement and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such funds (less Escrow's cancellation fee).

ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS AND ANY SUPPLEMENTS 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.

DEVELOPER'S STATEMENTS REGARDING CONVERTED UNITS

HIDC Ala Moana Development, LLC, a Hawaii limited liability company ("the Developer"), as the developer of the Ala Moana Tower condominium project ("the Project"), makes the following disclosure statements regarding the converted units in the Project.

The Developer's statements contained herein describe the legal status of the Project, including the common elements, limited common elements and all units therein, as of the date of the filing of the Declaration and the physical condition of the Project as of the date hereof.

1. **Project:** Ala Moana Tower
 1617 Kapiolani Boulevard
 Honolulu, Hawaii 96814

2. **Developer:** HIDC Ala Moana Development, LLC
 931 University Avenue, Suite 105
 Honolulu, Hawaii 96826
 (808) 946-3224

3. **Managing Agent:** Hawaiiana Management Company, Ltd.
 711 Kapiolani Boulevard, 7th Floor
 Honolulu, HI 96813
 (808) 593-6896

4. **Maintenance Fees:** The breakdown of the estimated annual maintenance fees and the estimated monthly fees for each unit, which represents the common expenses of the Project allocated to each unit, are set forth in Exhibit G 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 Ala Moana Tower dated June 27, 2007, prepared by Armstrong Consulting, Inc., attached hereto as **Exhibit 1** ("Reserve Study"). The Developer advises that the maintenance fees of a condominium project are difficult to estimate prior to actual operation of the Project. 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 G to see what services are included.

5. **Project Description.**

a. Generally. The Project consists of a seventeen (17) story building containing one hundred five (105) residential units ("the Residential Units") and nine (9) commercial units ("the Commercial Units") (the Residential Units and the Commercial Units are sometimes collectively referred to herein as "the units"), together with an attached parking garage of three (3) floors split into six (6) levels, all in the locations shown on the Condominium Map. The building was constructed in 1968 and is constructed primarily of concrete masonry and appropriate trim. The Commercial Units are located on the 1st and 2nd Floors. The Residential Units are located on the 3rd through 18th Floors (the 13th Floor being omitted).

The units are more particularly described below and in Exhibit B attached to the Declaration, and their permitted uses are more particularly described in Section 10 of the Declaration. Each Residential Unit and Commercial Unit is identified by either a three-digit or four-digit number. If the unit number has three digits, then the first digit represents the floor on which the unit is located. If the unit number has four digits, then the first two digits represent the floor on which the unit is located.

b. Parking. The Project has a total of one hundred forty-seven (147) all weather surface parking stalls (which includes two (2) handicap accessible stalls), and a bicycle parking area as shown on the Condominium Map (“the Parking Area”). Each unit shall have the parking stall(s) appurtenant thereto as a limited common element as set forth in Exhibit B of the Declaration. All parking stalls in the Parking Area shall be reserved for use by the unit owners pursuant to such parking stall assignments and rules governing use as provided herein, as shall be determined from time to time by the Board of Directors of the Association of Unit Owners of Ala Moana Tower (“the Board”), and as further described in Section 27 of the Declaration (“the Parking Plan”). Each parking stall is identified on the Condominium Map by either a one-digit or two-digit number and on Exhibit B of the Declaration by a three-digit number. The first digit of the parking stall number shown on Exhibit B of the Declaration represents the Parking Area floor on which the parking stall is located, i.e., 1st, 2nd or 3rd Floor.

6. Compliance with Building Code. According to a letter from the Department of Planning and Permitting of the City and County of Honolulu (“DPP”) dated February 13, 2007 (“the DPP Letter”), investigation revealed that the 17-story 135-unit commercial/apartment building with 147 all-weather-surface off-street parking spaces met all applicable code requirements when it was constructed in 1968 on the underlying 25,000 square foot BMX-3 Community Business District zoned lot.

Investigation also revealed that (a) on December 23, 1969, Building Permit No. 79781 was issued to decrease the number of units from 135 units to 105 units; and (b) on January 17, 1989, Building Permit No. 264342 was issued for the alteration of 23 two-bedroom apartment units into 23 one-bedroom apartment units and 23 lodging units. An inspection on June 29, 2006 revealed there were 29 lodging units and only 127 all-weather-surface off-street parking spaces. An inspection on January 31, 2007 revealed that the above-mentioned deficiencies were corrected, with the 29 lodging units being converted back to 23 lodging units and 147 all-weather-surface off-street parking stalls being provided. No variances or other permits were granted to allow deviations from any applicable codes. A copy of the DPP Letter is attached hereto as Exhibit 2.

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)

EXHIBIT J

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.

7. **Parking Plan.** Sections IV.A through IV.F of the House Rules set forth the Project's parking plan and are summarized below.

- A. **General.** Due to the mixed-use nature of the Project, and to facilitate the most efficient use of the Parking Area, Developer has established a parking plan for the use and administration of certain parking stalls for the benefit of the Association and the unit owners, which parking plan shall be governed by the provisions of the Declaration, the Bylaws and these House Rules ("the Parking Plan"). Certain unit owners, by purchasing a unit in the Project, shall submit their parking stall to the Parking Plan described below. The affected parking stalls shall be governed as common elements subject to the right of the Board or its Managing Agent to assign, re-assign and manage such stalls. The Board or its Managing Agent shall have the authority and be responsible for coordinating the assignment of any and all parking stalls, and shall maintain appropriate records of such assignment.
- B. **Parking Stall Assignments.** Each Residential Unit shall be assigned at least one (1) parking stall ("the Residential Stalls"), and the Commercial Units shall collectively be assigned a pool of nineteen (19) parking stalls, which includes a stall serving as a handicap access aisle, ("the Commercial Stalls"), all as shown on **Exhibit 1** attached hereto. To accommodate the parking needs of the Commercial Unit owners, as a condition to purchasing certain Residential Units, sixteen (16) of the Residential Stalls assigned to such units shall be subject to a ten-year rental agreement by and between those Residential Unit owners, as lessor, and the Association on behalf of the Commercial Unit owners, as lessee, effective as of the date of the respective Residential Unit conveyance for a period of ten (10) years ("the Rented Stalls"). The Rented Stalls are designated on **Exhibit 1**. The Commercial Stalls appurtenant to the Commercial Units, together with the four (4) Rented Stalls located on the Ground Floor parking level, shall be placed in and used as part of a parking pool system for all of the Commercial Units except Unit No. 203 ("the Commercial Parking Pool"). With respect to Unit No. 203, and except as otherwise provided herein, the twelve (12) Rented Stalls located on the 2nd Floor parking level shall be reserved for the exclusive use of the customers, invitees and guests of Unit No. 203 ("the Avance Stalls"), subject, however, to use restrictions and hours of use set forth hereinbelow.
- C. **Rented Stalls.**
- (1) **General.** During the ten-year rental period, the Commercial Unit owners shall have the right to use and maintain the four (4) Rented Stalls in the same manner and to the same extent as the Commercial Stalls, excepting the right to assign, lease or otherwise transfer or sell such Rented Stalls, and subject to Section D.(6) below. At the end of the ten-year term or the earlier termination of each respective rental agreement for a Rented Stall, the Rented Stall shall revert back to the Residential Unit owner and

shall thereafter be used and governed as a Residential Stall pursuant to the Declaration, the Bylaws and these House Rules. Following expiration of the ten-year term and the termination of all rental agreements for the Rented Stalls and the Avance Stalls, the Commercial Unit owners shall have the use of the nineteen (19) stalls, which includes the stall serving as an access aisle, assigned to them in the Commercial Parking Pool. The rental fee for the Rented Stalls and Avance Stalls shall be paid collectively by the Commercial Unit owners into a parking fund to be established and maintained by the Association on behalf of the Commercial Unit owners as described in Section C.(3) below. Nothing contained herein shall prevent the Commercial Unit owners from negotiating new rental agreements for Rented Stalls with the Residential Unit owners following the expiration of the ten-year rental agreements.

- (2) Avance Stalls. As of the date of recordation of the Declaration, Unit No. 203 is subject to a space lease for a beauty salon which expires September 30, 2008 with a five-year option to extend such term to September 30, 2013 (“the Salon Lease”). The purchaser of Unit No. 203 (“the Owner”) shall have the right to sub-lease the twelve (12) Avance Stalls from the Association; *provided, however*, that in the event the lessee under the Salon Lease (“the Salon Lessee”) does not purchase Unit No. 203 but continues its occupancy of the premises under the Salon Lease, (A) the Owner shall sub-sub-lease the Avance Stalls to the Salon Lessee at the same rental rate and on the same terms and conditions as the Owner’s sub-lease from the Association, until the expiration of the Salon Lease term; (B) the Avance Stalls shall be for commercial use only by the Salon Lessee’s customers, invitees and guests; (C) upon the expiration or earlier termination of the Salon Lease, the sub-lease for the Avance Stalls shall automatically terminate and the Avance Stalls shall be submitted to the Commercial Parking Pool for the non-exclusive use of the Commercial Unit owners in the same manner as the Rented Stalls; and (D) the Commercial Unit Class shall have the right, by an affirmative vote of sixty-seven percent (67%) of the Commercial Unit Class Common Interests, to sub-lease the Avance Stalls to other unit owners and occupants of the Project at rental rates that may differ from the rental rates set forth in Section C.(3) and may instead reflect fair market rental rates as determined by the Commercial Unit Class for the remainder of the Avance Stalls’ ten-year rental period.

In the event that the Salon Lessee purchases Unit No. 203, after the Salon Lease term expires, the Salon Lessee shall have the right to sub-lease the twelve (12) Avance Stalls from the Association for commercial use until the end of the Association’s ten-year rental period at the monthly rental rates set forth in Section C.(3).

In consideration for the exclusive use of the Avance Stalls, in addition to a Monthly Rental Fee, the Owner shall make a monthly Parking Fund Payment as set forth below.

- (3) Monthly Rental Fees. The monthly rental fee per Rented Stall is stated below. The Owner shall be responsible for the payment of the Monthly

Rental Fee for the Avance Stalls, in addition to the Parking Fund Payment described in Section C.(4). All other Commercial Unit owners shall be responsible for the payment of the rental fees for the four (4) Rented Stalls, which shall be part of their monthly parking fees described in Section C.(4). All payments shall be made to the Association for deposit into the Parking Fund.

<u>Lease Term</u>	<u>Monthly Rental Fee per Rented Stall</u>	<u>Unit No. 203 Monthly Rental Fee (12 Avance Stalls)</u>	<u>Commercial Unit Owners' Monthly Rental Fee (4 Rented Stalls)</u>
1 st Lease Year	\$75.00	\$900.00 (12 x \$75)	\$300.00 (4 x \$75)
2 nd Lease Year	\$80.00	\$960.00 (12 x \$80)	\$320.00 (4 x \$80)
3 rd Lease Year	\$85.00	\$1,020.00 (12 x \$85)	\$340.00 (4 x \$85)
4 th Lease Year	\$90.00	\$1,080.00 (12 x \$90)	\$360.00 (4 x \$90)
5 th Lease Year	\$95.00	\$1,140.00 (12 x \$95)	\$380.00 (4 x \$95)
6 th Lease Year	\$100.00	\$1,200.00 (12 x \$100)	\$400.00 (4 x \$100)
7 th Lease Year	\$105.00	\$1,260.00 (12 x \$105)	\$420.00 (4 x \$105)
8 th Lease Year	\$110.00	\$1,320.00 (12 x \$110)	\$440.00 (4 x \$110)
9 th Lease Year	\$115.00	\$1,380.00 (12 x \$115)	\$460.00 (4 x \$115)
10 th Lease Year	\$120.00	\$1,440.00 (12 x \$120)	\$480.00 (4 x \$120)

- (4) Parking Fund; Parking Fund Payments. The Association shall establish and maintain a parking fund to provide for the Commercial Unit owners' payment of (a) the Monthly Rental Fees described above, and (b) parking expenditures with respect to the Commercial Stalls including services or equipment required for the same ("the Parking Fund"). The Owner of Unit No. 203 shall pay its monthly Parking Fund Payment in addition to the Monthly Rental Fee for the Avance Stalls described above. The Commercial Unit owners shall have control over all decisions and matters related to the Parking Fund, including termination of the same, by affirmative vote of sixty-seven percent (67%) of the Commercial Unit Class Common Interests.

Except as otherwise provided herein, the Commercial Unit owners may, at their sole cost and expense, use the Parking Fund as they determine in their discretion for purposes of, including, but not limited to, creating, implementing and operating a valet, attendant and/or validation parking system for the Project, developing additional parking within or in the vicinity of the Project for their benefit, and/or renting additional stalls within the Project or in the vicinity of the Project; *provided, however*, that for so long as any of the rental agreements for the Rented Stalls and/or Avance Stalls are in effect, the monthly rental amounts due for the Rented Stalls and/or Avance Stalls shall first be set aside before any surplus funds in the Parking Fund are used for any other purpose.

On the first (1st) day of each month, all of the Commercial Unit owners, including the Owner of Unit No. 203, shall make the following monthly Parking Fund Payments, inclusive of the Monthly Rental Fee for the four (4) Rented Stalls, to the Association for deposit into the Parking Fund:

<u>Unit No.</u>	<u>Parking Fund Payment – 1st Lease Year</u>	<u>Parking Fund Payment – 2nd Lease Year</u>	<u>Parking Fund Payment – 3rd Lease Year</u>	<u>Parking Fund Payment – 4th Lease Year</u>	<u>Parking Fund Payment – 5th Lease Year</u>
101	\$1,300.00	\$1,375.00	\$1,450.00	\$1,525.00	\$1,600.00
102	\$100.00	\$105.00	\$110.00	\$115.00	\$120.00
201	\$100.00	\$105.00	\$110.00	\$115.00	\$120.00
202	\$100.00	\$105.00	\$110.00	\$115.00	\$120.00
203	\$100.00	\$105.00	\$110.00	\$115.00	\$120.00
204	\$100.00	\$105.00	\$110.00	\$115.00	\$120.00
206	\$100.00	\$105.00	\$110.00	\$115.00	\$120.00
207	\$100.00	\$105.00	\$110.00	\$115.00	\$120.00
208	\$100.00	\$105.00	\$110.00	\$115.00	\$120.00
TOTAL:	\$2,100.00	\$2,215.00	\$2,330.00	\$2,445.00	\$2,560.00

<u>Unit No.</u>	<u>Parking Fund Payment – 6th Lease Year</u>	<u>Parking Fund Payment – 7th Lease Year</u>	<u>Parking Fund Payment – 8th Lease Year</u>	<u>Parking Fund Payment – 9th Lease Year</u>	<u>Parking Fund Payment – 10th Lease Year</u>
101	\$1,675.00	\$1,750.00	\$1,825.00	\$1,900.00	\$1,975.00
102	\$125.00	\$130.00	\$135.00	\$140.00	\$145.00
201	\$125.00	\$130.00	\$135.00	\$140.00	\$145.00
202	\$125.00	\$130.00	\$135.00	\$140.00	\$145.00
203	\$125.00	\$130.00	\$135.00	\$140.00	\$145.00
204	\$125.00	\$130.00	\$135.00	\$140.00	\$145.00
206	\$125.00	\$130.00	\$135.00	\$140.00	\$145.00
207	\$125.00	\$130.00	\$135.00	\$140.00	\$145.00
208	\$125.00	\$130.00	\$135.00	\$140.00	\$145.00
TOTAL:	\$2,675.00	\$2,790.00	\$2,905.00	\$3,020.00	\$3,135.00

D. Residential Stalls. The use of the Residential Stalls in the Project shall be in accordance with the following rules:

- (1) The Residential Unit owners shall have the right to use their assigned parking stall in accordance with these House Rules.
- (2) An access card or similar device for access into the Parking Area shall be issued by the Association to each Residential Unit owner per Residential Stall appurtenant to such owners' units. The Board and/or Managing Agent shall adopt procedures governing the issuance and use of such access devices including, without limitation, charges for the issuance or reissuance of such devices.
- (3) The Association, through the Board and the Managing Agent, reserves the right to require that motor vehicles that are not parked in their assigned stalls to be moved to other stalls in the Parking Area.
- (4) Unless their vehicle is otherwise parked in their assigned stalls, all motor vehicle owners with a Residential Stall who will not use or move their motor vehicles for a period of one week or more must have the permission of the Board or the Managing Agent to do so. The Board or

EXHIBIT J

the Managing Agent may elect, at its sole discretion, to have the vehicle moved to another stall in the Parking Area.

- (5) Subject to these House Rules, the Bylaws and the Declaration, and the prior written consent of the Board, a unit owner, or such owner's designated agent, may assign such owner's right to use a Residential Stall, on the condition that the person or persons assigned such right shall abide by these House Rules, and the owner or designated agent as applicable shall assume the responsibility for the user's conduct. A unit owner or such owner's designated agent must notify the Managing Agent of the identity of the assignee together with such assignee's vehicle description, and length of anticipated use and such other information as the Managing Agent shall reasonably request. Only occupants of the Project shall be permitted to use the parking stalls in the Parking Area and the parking access devices. As used herein "occupants" shall mean persons who reside or work in the Project on a regular basis.
- (6) Overnight Use of Rented Stalls and Avance Stalls by Stall Owners Only:
 - (a) Rented Stalls. During the hours of 10:00 p.m. and 7:00 a.m., seven (7) days a week, the owners of the four (4) Rented Stalls on the ground floor of the Parking Area, and their occupants, tenants and guests, shall be permitted to park their vehicles in their respective stalls overnight during the above hours; *provided, however,* that such vehicles are moved therefrom by 7:00 a.m. every day. Failure to move the vehicle in accordance with these rules shall subject the vehicle to towing and impounding at the discretion of the Association or Managing Agent and at the expense of the vehicle owner. As used in this Section D(6), the term "owners" shall mean the individual Residential Unit owners who own the Rented or Avance Stalls and are leasing such stalls to the Association.
 - (b) Avance Stalls. During the hours of 8:00 p.m. and 7:00 a.m., seven (7) days a week, the owners of the twelve (12) Avance Stalls on the second floor of the Parking Area, and their occupants, tenants and guests, shall be permitted to park their vehicles in their respective stalls overnight during the above hours; *provided, however,* that such vehicles are moved therefrom by 7:00 a.m. every day. Failure to move the vehicle in accordance with these rules shall subject the vehicle to towing and impounding at the discretion of the Association or Managing Agent and at the expense of the vehicle owner.
- (7) The Residential Stalls shall be used as a limited common element appurtenant to the designated Residential Unit, reserved for its exclusive use in a manner not inconsistent with and except as provided in these House Rules, the Bylaws, the Declaration, or any other rules established by the Association from time to time.

E. Commercial Parking Pool.

- (1) The Rented Stalls and the Commercial Stalls appurtenant to the Commercial Units shall be placed in and used as a part of a parking pool system for the Commercial Units (“the Commercial Parking Pool”). Each Commercial Unit owner shall have the non-exclusive use of the parking stalls in the Commercial Parking Pool. An access card or similar device for entry to the Parking Area shall be issued by the Association to each Commercial Unit owner.
- (2) Parking in the Commercial Parking Pool shall be on an unassigned basis. Customers, invitees and guests of Commercial Parking Pool participants shall be allowed to park in any parking stall that is part of the Commercial Parking Pool.
- (3) The Commercial Stalls shall be reserved for the customers, invitees and guests of the Commercial Unit owners twenty-four (24) hours a day, seven (7) days a week. Commercial Unit owners and their employees shall not be permitted to park their vehicles in the Commercial Stalls, subject, however, to a vote of sixty-seven percent (67%) of the Commercial Unit Class Common Interest to permit the same.
- (4) The vehicles of any customers, invitees or guests shall be removed from the four (4) Rented Stalls no later than 10:00 p.m. every night, and the vehicles of any customers, invitees or guests shall be removed from the twelve (12) Avance Stalls no later than 8:00 p.m. every night to permit the owners of such stalls, and such owners’ occupants, tenants and guests, to park their vehicles in accordance with Section D(6) above. Failure to cause any customer, invitee or guest to move their vehicle in accordance with the above shall subject the vehicle to towing and impounding at the discretion of the Association or Managing Agent and at the expense of the vehicle owner.

F. Restricted Access. The ground level of the Parking Area shall have restricted access from Kapiolani Boulevard and Kona Street by way of security gates on either side of the parking garage accessible by card or other security device between the hours of 10:00 p.m. and 7:00 a.m. every day. To permit ingress and egress by customers, clients and invitees of occupants in the Ala Moana Tower building, the security gate will be kept open from 7:00 a.m. to 10:00 p.m.

8. **No 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 whether 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. Article IV, Section D.1 of Addendum “B” to the Deposit Receipt and Sales Contract used in connection with the Project provides, in part, as follows:

1. Seller Makes No Warranties or Promises. Buyer acknowledges that Seller is not the original developer of the project and was not involved in (and is not responsible for) the planning or construction of the project. Buyer further

acknowledges that the building was substantially completed in 1968, and that the building has been used over the years primarily for residential and commercial purposes. Buyer understands and agrees that the Buyer's 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 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 their 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 apartment, 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 Section D.1 to the Deposit Receipt and Sales Contract is an essential element in the determination of the low 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.

EXHIBIT J

9. **Use.** Section 10 of the Declaration regarding “Use” provides as follows:

a. **Residential Units.** Subject to the provisions of this Declaration, the Residential Units (except for the resident manager’s unit, if any) shall at all times be occupied and used only for residential purposes by the respective owners thereof, their tenants, licensees, families, domestic servants and social guests, and for no other purpose, and no unit shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The Residential 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 Residential Unit are provided customary hotel services such as room service for food and beverages, daily maid service, daily laundry and linen services, or bellboy service. The Residential 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 “timesharing” 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 Residential 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. **Commercial Units.** Subject to the provisions of Sections 10.f. and 10.g. below, and this Declaration, the Commercial Units shall at all times be occupied and used only for the carrying on of any business, trade, profession, or other commercial purpose permitted by law.

c. **Owners’ Right to Sell, Lease and Transfer; Limitation on Leasing.** Subject to Section 10.a., the unit owners shall have the absolute right to sell, lease, rent or otherwise transfer their respective units subject to all provisions of the Act, this Declaration, the unit owner’s deed, the Bylaws and the House Rules promulgated thereunder, and applicable law. No unit may be leased or rented for an initial term of less than one hundred eighty (180) days (or such longer period as may be required by ordinance of the City and County of Honolulu to avoid classification of the unit as a “transient vacation unit”). Any lease or rental agreement of a unit shall provide that it shall be subject in all respects to the provisions of the Act, this Declaration, the Bylaws, the House Rules and the unit owner’s deed, and that the failure of either the lessor or the lessee to comply with the terms of such documents shall be a default under the lease or rental agreement. All leases shall be in writing and a copy of each lease shall be filed with the Association or its Managing Agent.

d. **General Restrictions.** No unit owner shall do or suffer or permit to be done anything on any unit or elsewhere on the Project which will: (i) injure the reputation of the Project, (ii) jeopardize the safety or soundness of the Project, (iii) create a nuisance or interfere with or unreasonably disturb the rights of other owners and occupants, (iv) reduce the value of the Project, (v) result in the cancellation of insurance applicable to the Project or adversely affect the right of recovery thereunder or result in reputable companies refusing to provide insurance as required or permitted by the Bylaws, or (vi) increase the rate of insurance applicable to the units or the contents thereof, or to the Project.

e. **Prohibited Alterations.** Except as otherwise specifically provided in this Declaration or in the Bylaws, a unit owner shall not, without the prior written consent of the

Board, make any structural alterations in or additions to the unit, make any interior alterations in or additions to the unit visible from the exterior of the unit, or make any alterations or additions to the exterior of the unit or to any other portion or portions of the common elements.

f. **Special Restrictions Applicable to All Units.** Without limiting the application of any other provision of this Declaration, no use or operation shall be made, conducted or permitted on or with respect to all or any part of the Project, which use or operation violates applicable laws or the provisions of this Declaration. No Unit shall be used for any of the following activities or purposes:

(i) any distillation or refinery facility (excepting therefrom any microbrewery or similar business that may be operated in the Commercial Units);

(ii) any dumping of garbage or refuse, except in places designated for disposal by the Board;

(iii) any meeting place or place of public assembly, any pool hall, game arcade, betting facility (including off-track betting) or video or games arcade;

(iv) any indecent or pornographic uses, massage parlor (which for purposes of this prohibition shall not be defined to include the operation of a beauty parlor or day spa in which massage therapies are offered as an ancillary services to customers), for the sale of nude, erotic or pornographic adult entertainment, books, magazines, videos and other similar products, peepshow store, or any other similar store or club; and any business devoted to sale of articles and merchandise normally used or associated with illegal or unlawful activities, including, without limitation, the sale of paraphernalia used in connection with marijuana, cocaine, or other controlled drugs or substances;

(v) any gymnasium or martial arts studio;

(vi) any tattoo parlors or body piercing establishments;

(vii) any laundromat (provided, however that nothing herein shall prohibit the operation of a dry cleaning business which does not include a self-service laundromat provided such store is a “drop off” for dry cleaning and actual dry cleaning is conducted at a site outside the Project); or

(viii) any discount or thrift stores.

g. **Special Use Restrictions Applicable to Residential Units [Unit Types 01-2, 02-2, 05-2 and 06-2].**

(i) **2-Door Residential Units.** As described in the DPP Letter in Section 26 below, a building permit was issued in January 1989 under the then-applicable zoning code to convert twenty-three (23) two-bedroom units into twenty-three (23) one-bedroom units (i.e., Residential Units) with twenty-three (23) lodging units attached thereto (“the lodging units”). As part of this conversion, separate doors were installed in each lodging unit providing access to the common hallway independent of each adjacent Residential Unit. Because the doors for the lodging units were installed pursuant to building permit and have been “grandfathered” under the current zoning code, Residential Unit owners may not install any additional doors leading to the common hallway area. The “lodging units” under the Land Use Ordinance of the

City and County of Honolulu are, by definition, a room or rooms connected together constituting an independent living unit for a family which does not contain any kitchen. Lodging units shall not be sold, transferred or conveyed as a separate unit apart from the owner's Residential Unit.

h. **Special Use Restrictions Applicable to Commercial Units.** Without limiting the application of any other provision of this Declaration, the following restrictions shall be applicable to the Commercial Units:

(i) **Advertising.** No owner or lessee shall employ an advertising medium which can be heard or experienced outside of the Commercial Unit, including, without limiting the generality of the foregoing, flashing lights, searchlights, loudspeakers, phonographs, compact disc players, radios, or television. Identification and other signage shall be governed by Section 10.g.(iii) below. No owner or lessee shall distribute, or cause to be distributed, any handbills or other advertising device in the common elements or Property or on the public sidewalks or streets adjacent to the Project.

(ii) **Commercial Invitees and Lessees; Insurance.** An owner of a Commercial Unit shall be responsible for compliance by such owner's commercial invitees and lessees, and such owner's lessees' invitees, with the provisions of this Declaration, the Bylaws and any rules made by the Board. The owner of a Commercial Unit and such owner's lessee shall maintain a policy or policies of public liability insurance in an amount which is reasonable for the use of such Commercial Unit, naming the Association as an additional insured, and shall demonstrate proof of such insurance to the Board upon request.

(iii) **Sign Control.** Identification and other signs may be placed or displayed by owners or tenants of Commercial Units only as approved by Developer, and in conformance with all applicable federal, state and local laws and regulations. If elected by the owner(s) of the Commercial Units, such owners may label the parking stalls, which are limited common elements appurtenant to the Commercial Unit(s), to identify their availability for use by Commercial Unit users. So long as Developer owns any interest in the Project, all identification and other signs for the Commercial Units (and any changes thereto) are subject to the prior written approval of Developer.

i. **Assignment and Transfer of Parking Stalls.**

(i) **Limitation on Transfer of Parking Stalls.** Any provision of this Declaration to the contrary notwithstanding, and except for the sixteen (16) parking stalls which are subject to a ten-year rental agreement in favor of the Association designated on **Exhibit B** of the Declaration, unit owners may lease the right to use parking stalls that are appurtenant to their respective units to other occupants of the Project, subject to the Parking Plan or other provisions of the House Rules, the Bylaws of the Association and this Declaration, and on the further condition that such unit owners must notify the Managing Agent of the identity of the lessee together with such lessee's vehicle description, and length of anticipated use and such other information as the Managing Agent shall reasonably request. As used herein "occupants" shall mean persons who reside or work in the Project on a regular basis.

(ii) **Transfer of Parking Stalls.** As long as there is at all times at least one (1) parking stall appurtenant to each unit, unit owners (including Developer) shall have, in accordance with Section 514B-40 of the Act, the right to change the parking stalls appurtenant to their respective units by a written document providing: (a) that the document is an amendment to this Declaration; and (b) the identification of the parking stall(s) being transferred or exchanged,

the unit to which each parking stall was appurtenant prior to the transfer and the unit to which each parking stall is being transferred and to which it will be appurtenant as a limited common element. Any such document must be executed by the owner or owners (and their respective mortgagees, if any) of the units whose stalls are being changed, and shall be effective upon filing such document in the Land Court. A copy of the filed document shall be promptly delivered to the Association.

j. **Non-Applicability to Developer.** The foregoing provisions of this Section 10 shall not apply to units owned by Developer in connection with its development, promotion, marketing, and sale or leasing of any unit or any other portion of the Project.

10. **Condition of Project and Building.** 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 from an electrical engineer, a mechanical engineer, a structural engineer, and an architect, all of which are attached hereto as **Exhibits 3, 4, 5 and 6.**

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 and 6** are not intended, nor should be construed by its incorporation herein, to be any representation or warranty of the Developer or the Fee Owner. 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 and 6** 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.

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

2007
RESERVE STUDY
FOR

Ala Moana Tower

June 27, 2007

Prepared by

Armstrong Consulting, Inc.

HAWAII 850 W. Hind Dr., Suite 208 • Honolulu, HI 96821 • Phone: (808) 377-8500 • Fax: (808) 377-8511
FLORIDA 1333 Gateway Dr., Suite 1014 • Melbourne, FL 32901 • Phone: (321) 674-0196 • Fax: (321) 674-0197
Toll Free Phone: (800) 561-7732 • E-mail: sales@armstrongassoc.net • Toll Free Fax: (888) 332-4610

2007
RESERVE STUDY
FOR
Ala Moana Tower
June 27, 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 March 20, 2006 by Dale Armstrong and Finn Armstrong.

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.



Florida Office
1333 Gateway Drive, Suite 1014
Melbourne, Florida 32901
Toll Free (888) 819-2300
Phone (321) 674-0196
Fax (888) 332-4610



Hawaii Office
850 W. Hind Drive, Suite 208
Honolulu, Hawaii 96821
Toll Free (800) 561-7732
Phone (808) 377-8500
Fax (808) 377-8511



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.



Armstrong Consulting, Inc.



850 W. Hind Drive, Suite 208
Honolulu, Hawaii 96821
Phone (808) 377-8500
Toll Free (800) 561-7732 • Toll Free Fax (888) 332-4610 • E-mail: sales@armstrongassoc.net

1333 Gateway Drive, Suite 1014
Melbourne, Florida 32901
Phone (321) 674-0196

June 27, 2007

VIA E-MAIL

Ala Moana Tower
c/o Peter Savio
Hawaiian Island Homes Ltd.
931 University Avenue
Honolulu, HI 96826

Re: **Ala Moana Tower Reserve Study Summary**

Dear Peter,

Attached is the reserve study for the Ala Moana Tower project. This report considers the replacement, repairs and/or refurbishment of the short-lived building and site improvements for the common elements. The total current cost of the components included in this study is \$1,252,972 and the total future cost is \$2,133,357.

Analysis 1 provides you with our recommended future reserve funding-plan to meet the needs of future projected reserve expenditures. The projected 2007 beginning balance was calculated from the information provided by the property owner(s).

Analysis 1 indicates a 2007 beginning reserve balance of \$561,670 that will be provided by the developer. A 3.25% average rate of return on reserve fund investments is used and a 3.6% inflation rate is used for future expenditures. Utilizing these parameters, a 2007 reserve contribution of \$59,000 is recommended with no planned special assessments or loans. Under this analysis the Association meets Hawaii State reserve requirements under the cash flow method of calculations.

Concrete spall damage was observed during the site visit and a general estimate for repairs to be performed in 2007 is included in the study. The actual cost of the repairs may vary from this estimate.

The following additional information is provided for your use. The developer will contribute \$833,670 to the AOA. The developer's contribution is \$561,670 and will cover 2007 thru 2013 planned expenditures. The developer's contribution also includes \$125,000 for a down payment and closing costs to purchase the resident manager's apartment and \$147,000 to the AOA to cover some of the cost for the recommendations made by the architect. These recommendations include sub-metering of water and electricity for the commercial units; installation of a

Ala Moana Tower Reserve Study
June 27, 2007
Page 2

motorized security gate; other miscellaneous upgrades, and expenditures for ADA improvements that were approved by the Board of Directors.

Please feel free to call us if you have any concerns or questions. We appreciate the opportunity to be of service.

Sincerely,

Dale Armstrong, President
Reserve Specialist

TABLE OF CONTENTS

Section	Page	Report
1	1	Project Definition
2	1	Analysis Definition
3	1	Cash Flow Projections
4	1	Cash Flow Projections Graph
5	1	Projected Expenditures
6	1	Accountant's Report
7	1	Component Summary
8	1	Aluminum Railings
8	2	Asphalt Overlay
8	3	Asphalt Slurry Seal
8	4	Back Flow Preventer-4" Clear Access
8	5	Bathroom Renovations
8	6	Booster Pumps
8	7	Built Up Roofing-High Rise Replace
8	8	Carpet Hallways
8	9	Elevator (Cab Upgrades)
8	10	Elevator (Modernization)
8	11	Entry Gate
8	12	Entry Gate Mechanicals
8	13	Entry Phone (Upgrade)
8	14	Exhaust Fan-Large Mushroom Type
8	15	Exhaust Fan-Small Mushroom Type
8	16	Expansion Tank
8	17	Exterior Painting
8	18	Fire Alarm System Upgrade
8	19	Fire Doors
8	20	Generator Back-Up
8	21	Hot Water Heater

TABLE OF CONTENTS

Section	Page	Report
8	22	Hot Water Heater
8	23	Lobby Renovations
8	24	Mailboxes
8	25	Parking Garage Lighting
8	26	Pool Deck Tile
8	27	Pool Interior Re-Plaster
8	28	Security Doors (Roll Down)
8	29	Security Doors/Wire Mesh
8	30	Security System
8	31	Spalling Repairs
8	32	Waterproofing Parking Deck

Ala Moana Tower

PROJECT DEFINITION REPORT

6/27/2007

Project Information

Project: Ala Moana Tower
Address: 1617 Kapiolani Blvd.
City: Honolulu
State: HI
Zip: 96814-0000

Project Date: 1/01/1971
Number of Phases: 0
Number of Units: 135
Number of Models: 0

Property Description

The subject property is defined as the Ala Moana Tower and is located at 1617 Kapiolani Blvd. in Honolulu, Hawaii. The property consist of a high-rise multi-use tower including commercial retail spaces and restaurant. The project contains a total of 135 units; consisting of 128 residential and 9 commercial units.

The first two floors include the lobby, retail and restaurant spaces. Floors three through 15 include apartment units, common area internal hallway corridors, elevator lobbies, pool deck.

Amenities include a recreation deck at the building's 3rd floor. The recreation deck includes a swimming pool and open deck area, building security and community laundry. The property was completed in approximately 1971 and was considered to be in average condition upon the site visit conducted on March 20, 2006.

Ala Moana Tower

ANALYSIS DEFINITION REPORT

Analysis 1

Project Information

Project: Ala Moana Tower
Address: 1617 Kapiolani Blvd.
City: Honolulu
State: HI
Zip: 96814-0000

Project Date: 1/01/1971
Analysis Date: 1/01/2007
Number of Phases: 0
Number of Units: 135
Number of Models: 0

Analysis Parameters

Rate of Inflation: 3.6%
Rate of Return on Investment: 3.25%
Beginning Funds: \$561,670.00
Loan/Special Assessment: No

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

Annual Contribution Factors

		2017:	0%
2008:	0%	2018:	0%
2009:	0%	2019:	0%
2010:	0%	2020:	0%
2011:	0%	2021:	0%
2012:	0%	2022:	0%
2013:	0%	2023:	0%
2014:	0%	2024:	0%
2015:	0%	2025:	0%
2016:	0%	2026:	0%

Additional Analysis Information

Analysis 1 indicates a 2007 beginning reserve balance of \$561,670 provided by the developer. A 3.25% average rate of return on reserve fund investments is used and a 3.6% inflation rate is used for future expenditures. Utilizing these parameters, a 2007 reserve contribution of \$59,000 is recommended with no planned special assessments or loans. This funding plan meets Hawaii State reserve requirements under the cash flow method of calculation.

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

Note: Concrete spalling is noted and a general estimate for repairs to be performed in 2007 is included in the study. The actual cost of the repairs may vary from this estimate.

Ala Moana Tower

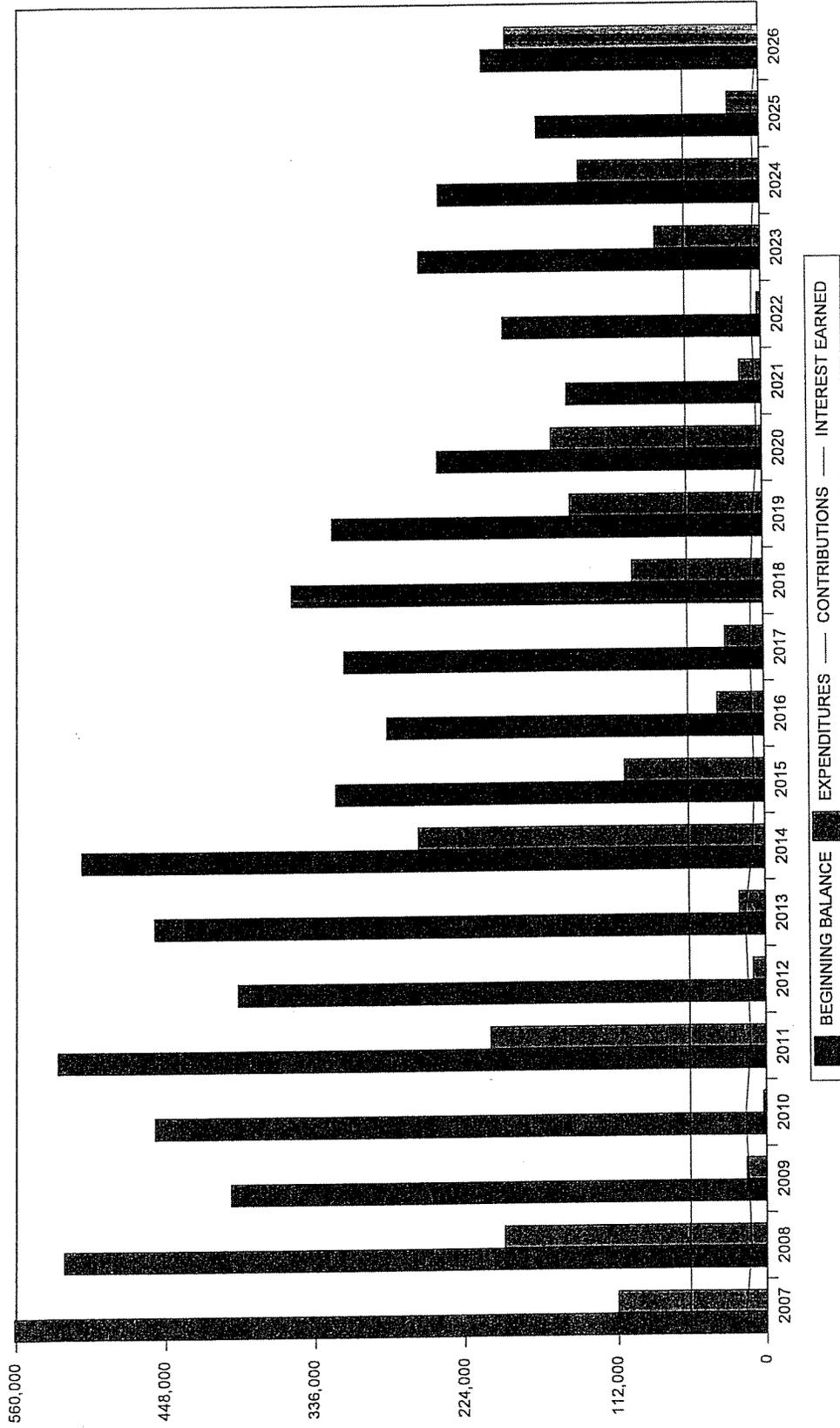
CASHFLOW PERCENT FUNDED SUMMARY PROJECTIONS

Analysis 1

Year	Beginning Balance	Contribution	Average/ Unit/Mo	Interest Earned	Expenditures	Ending Balance
2007	561,670.00	59,000.00	36.42	15,867.61	112,406.00	524,131.61
2008	524,131.61	59,000.00	36.42	11,888.23	195,512.00	399,507.84
2009	399,507.84	59,000.00	36.42	13,712.96	15,567.00	456,653.80
2010	456,653.80	59,000.00	36.42	16,027.76	2,534.00	529,147.56
2011	529,147.56	59,000.00	36.42	11,729.04	205,354.00	394,522.60
2012	394,522.60	59,000.00	36.42	13,735.74	9,891.00	457,367.34
2013	457,367.34	59,000.00	36.42	15,492.22	20,406.00	511,453.56
2014	511,453.56	59,000.00	36.42	9,380.51	258,861.00	320,973.07
2015	320,973.07	59,000.00	36.42	8,140.33	105,980.00	282,133.40
2016	282,133.40	59,000.00	36.42	9,170.58	35,905.00	314,398.98
2017	314,398.98	59,000.00	36.42	10,445.39	29,522.00	354,322.37
2018	354,322.37	59,000.00	36.42	9,457.41	99,399.00	323,380.78
2019	323,380.78	59,000.00	36.42	7,322.73	145,711.00	243,992.51
2020	243,992.51	59,000.00	36.42	3,840.08	159,371.00	147,461.59
2021	147,461.59	59,000.00	36.42	5,342.42	17,293.00	194,511.01
2022	194,511.01	59,000.00	36.42	7,350.83	3,453.00	257,408.84
2023	257,408.84	59,000.00	36.42	6,875.62	80,758.00	242,526.46
2024	242,526.46	59,000.00	36.42	4,508.85	137,630.00	168,405.31
2025	168,405.31	59,000.00	36.42	5,847.38	24,337.00	208,915.69
2026	208,915.69	59,000.00	36.42	1,621.14	191,567.00	77,969.83
Totals:		1,180,000.00		187,756.83	1,851,457.00	

Ala Moana Tower
CASHFLOW PROJECTIONS GRAPH

Analysis 1



PROJECTED EXPENDITURES

Analysis 1

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Aluminum Railings					187,966					
Asphalt Slurry Seal		2,104			5,370				2,696	
Back Flow Preventer-4" Clear Access			15,567					139,387		
Bathroom Renovations										35,905
Built Up Roofing-High Rise Replace		27,047								
Carpet Hallways						1,570				
Entry Gate Mechanicals										
Entry Phone (Upgrade)									7,564	
Exhaust Fan-Large Mushroom Type									19,254	
Exhaust Fan-Small Mushroom Type									33,007	
Exterior Painting		96,597						119,474		
Fire Alarm System Upgrade	31,080									
Fire Doors				2,534					3,026	
Hot Water Heater					5,251					
Hot Water Heater									6,051	
Lobby Renovations						9,891				
Mailboxes							14,351			
Parking Garage Lighting	3,626						4,485			
Pool Interior Re-Plaster	25,900				6,767					
Security System	51,800								34,382	
Spalling Repairs										
Waterproofing Parking Deck		69,764								
Totals	112,406	195,512	15,567	2,534	205,354	9,891	20,406	258,861	105,980	35,905

PROJECTED EXPENDITURES

Analysis 1

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Asphalt Overlay				8,042						
Asphalt Slurry Seal					7,652	3,453				
Back Flow Preventer-4" Clear Access										
Booster Pumps			95,056					47,646		
Carpet Hallways										
Elevator (Cab Upgrades)	29,522									
Entry Gate			19,405							
Entry Gate Mechanicals			1,941						2,399	
Entry Phone (Upgrade)									10,773	
Expansion Tank			23,764							
Exterior Painting				147,718						182,638
Fire Doors				3,611					4,309	
Hot Water Heater										8,929
Lobby Renovations								15,126		
Parking Garage Lighting			5,545							
Pool Deck Tile							35,132			
Pool Interior Re-Plaster					9,641					
Security Doors (Roll Down)								45,983		
Security Doors/Wire Mesh								28,875		
Security System							45,626			
Waterproofing Parking Deck		99,399								
Totals	29,522	99,399	145,711	159,371	17,293	3,453	80,758	137,630	24,337	191,567

Ala Moana Tower
ACCOUNTANT'S REPORT

Analysis 1
1/01/2007 - 12/31/2007

Component	Remaining Life (yr/mo)	Future Cost	Assigned Reserves	2007 Contribution Requirement	2007 Assigned Interest Earned	2007 Funding Requirement
Aluminum Railings	04/00	187,966	135,868	17,843	4,799	22,642
Asphalt Overlay	13/00	8,042	2,261	297	80	377
Asphalt Slurry Seal	01/00	2,104	1,590	209	56	265
Back Flow Preventer-4" Clear Access	04/00	5,370	2,588	340	91	431
Bathroom Renovations	02/00	15,567	11,844	1,555	418	1,973
Booster Pumps	12/00	95,056	15,272	2,006	539	2,545
Built Up Roofing-High Rise Replace	07/00	139,387	72,762	9,556	2,570	12,126
Carpet Hallways	01/00	27,047	19,009	2,496	671	3,167
Elevator (Cab Upgrades)	10/00	29,522	7,902	1,038	279	1,317
Entry Phone (Upgrade)	08/00	7,564	1,214	159	43	202
Exhaust Fan-Large Mushroom Type	08/00	19,254	7,217	948	255	1,203
Exhaust Fan-Small Mushroom Type	08/00	33,007	12,372	1,625	437	2,062
Expansion Tank	12/00	23,764	3,818	501	135	636
Exterior Painting	01/00	96,597	66,503	8,734	2,349	11,083
Fire Alarm System Upgrade	00/00	31,080	31,080	0	0	0
Fire Doors	03/00	2,534	814	107	29	136
Hot Water Heater	04/00	5,251	3,093	406	109	515
Hot Water Heater	08/00	6,051	2,268	298	80	378
Lobby Renovations	05/00	9,891	4,635	609	164	773
Mailboxes	06/00	14,351	9,879	1,297	349	1,646
Parking Garage Lighting	00/00	3,626	3,626	0	0	0

Ala Moana Tower
ACCOUNTANT'S REPORT

Analysis 1

1/01/2007 - 12/31/2007

Component	Remaining Life (yr/mo)	Future Cost	Assigned Reserves	2007 Contribution Requirement	2007 Assigned Interest Earned	2007 Funding Requirement
Pool Deck Tile	16/00	35,132	5,643	741	199	940
Pool Interior Re-Plaster	04/00	6,767	3,261	428	115	543
Security Doors (Roll Down)	17/00	45,983	5,541	728	196	924
Security Doors/Wire Mesh	17/00	28,875	3,479	457	123	580
Security System	00/00	25,900	25,900	0	0	0
Spalling Repairs	00/00	51,800	51,800	0	0	0
Waterproofing Parking Deck	01/00	69,764	50,431	6,623	1,781	8,404
Totals:		1,027,252	561,670	59,001	15,867	74,868

Ala Moana Tower
COMPONENT SUMMARY REPORT

Analysis 1

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
<u>Asphalt</u>							
Asphalt Overlay	1/01/2000	20/00	00/00	01/20	Y	4,900	8,042
Asphalt Slurry Seal	1/01/1991	07/00	+10/00	01/08	Y	1,960	2,104
Sub Total:						6,860	10,146
<u>Bathrooms</u>							
Bathroom Renovations	1/01/1971	30/00	+08/00	01/09	Y	14,000	15,567
Sub Total:						14,000	15,567
<u>Concrete Repairs</u>							
Spalling Repairs	1/01/2007	20/00	00/00	01/07	Y	50,000	51,800
Sub Total:						50,000	51,800
<u>Fire/Life Safety</u>							
Fire Alarm System Upgrade	1/01/1971	30/00	+06/00	01/07	Y	30,000	31,080
Fire Doors	1/01/2005	05/00	00/00	01/10	Y	2,200	2,534
Sub Total:						32,200	33,614
<u>Flooring</u>							
Carpet Hallways	1/01/2000	08/00	00/00	01/08	Y	25,200	27,047
Pool Deck Tile	1/01/2003	20/00	00/00	01/23	Y	19,250	35,132
Sub Total:						44,450	62,179

Ala Moana Tower

COMPONENT SUMMARY REPORT

Analysis 1

<u>Description</u>	<u>Starting Date</u>	<u>Useful Life (yr/mo)</u>	<u>Adj. Life (yr/mo)</u>	<u>Sched. Rpl. (m/yr)</u>	<u>Recur</u>	<u>Current Cost</u>	<u>Future Cost</u>
<u>Lighting</u>							
Parking Garage Lighting	1/01/2001	06/00	00/00	01/07	Y	3,500	3,626
Sub Total:						3,500	3,626
<u>Lobby Renovations</u>							
Lobby Renovations	1/01/2000	12/00	00/00	01/12	Y	8,000	9,891
Sub Total:						8,000	9,891
<u>Mailboxes</u>							
Mailboxes	1/01/1971	30/00	+12/00	01/13	Y	11,200	14,351
Sub Total:						11,200	14,351
<u>Mechanical</u>							
Booster Pumps	1/01/2004	15/00	00/00	01/19	Y	60,000	95,056
Elevator (Cab Upgrades)	1/01/2002	15/00	00/00	01/17	Y	20,000	29,522
Elevator (Modernization)	1/01/2002	30/00	00/00	01/32	Y	360,000	903,573
Exhaust Fan-Large Mushroom Type	1/01/2000	15/00	00/00	01/15	Y	14,000	19,254
Exhaust Fan-Small Mushroom Type	1/01/2000	15/00	00/00	01/15	Y	24,000	33,007
Expansion Tank	1/01/2004	15/00	00/00	01/19	N	15,000	23,764
Generator Back-Up	1/01/2004	30/00	00/00	01/34	Y	70,000	188,573
Hot Water Heater	1/01/1996	15/00	00/00	01/11	Y	4,400	5,251
Hot Water Heater	1/01/2000	15/00	00/00	01/15	Y	4,400	6,051

Ala Moana Tower
COMPONENT SUMMARY REPORT

Analysis 1

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
Security Doors (Roll Down)	1/01/2004	20/00	00/00	01/24	Y	24,320	45,983
Sub Total:						596,120	1,350,034
Painting							
Exterior Painting	1/01/2001	06/00	+01/00	01/08	Y	90,000	96,597
Sub Total:						90,000	96,597
Plumbing							
Back Flow Preventer-4" Clear Access	1/01/2001	10/00	00/00	01/11	Y	4,500	5,370
Sub Total:						4,500	5,370
Railings							
Aluminum Railings	1/01/1971	30/00	+10/00	01/11	Y	157,500	187,966
Sub Total:						157,500	187,966
Roofing							
Built Up Roofing-High Rise Replace	1/01/1994	20/00	00/00	01/14	Y	105,000	139,387
Sub Total:						105,000	139,387
Security							
Entry Gate	8/01/2007	12/00	00/00	08/07	Y	12,000	12,690
Entry Gate Mechanicals	8/01/2007	06/00	00/00	08/07	Y	1,200	1,269
Entry Phone (Upgrade)	1/01/2005	10/00	00/00	01/15	Y	5,500	7,564
Security Doors/Wire Mesh	1/01/2004	20/00	00/00	01/24	Y	15,272	28,875

Ala Moana Tower

COMPONENT SUMMARY REPORT

Analysis 1

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
Security System	1/01/1995	08/00	+04/00	01/07	Y	25,000	25,900
Sub Total:						58,972	76,298
<u>Swimming Pool</u>							
Pool Interior Re-Plaster	1/01/2001	10/00	00/00	01/11	Y	5,670	6,767
Sub Total:						5,670	6,767
<u>Waterproofing</u>							
Waterproofing Parking Deck	1/01/2008	10/00	00/00	01/08	Y	65,000	69,764
Sub Total:						65,000	69,764
Grand Total:						1,252,972	2,133,357

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Aluminum Railings

Category:	Railings	Unit Cost:	\$150.00
Began Use:	1/01/1971	Cost Type:	Contractor
Lifespan:	30 years	Percent Replacement:	50.00%
Lifespan Adjustment:	+ 10 years	Current Cost:	\$157,500.00
Next Replacement:	1/01/2011	Future Cost:	\$187,966.02
Remaining Life:	4 YRS	Salvage Value:	\$0.00
Quantity:	2,100.00 LINFT		

Remarks

There are approximately 20 linear feet of railings per lanai there are 105 lanais total. The railings appear to be in good condition. Repairs and or replacement will be on an as needed basis.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Aia Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Asphalt Overlay

Category:	Asphalt	Unit Cost:	\$2.00
Began Use:	1/01/2000	Cost Type:	Contractor
Lifespan:	20 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$4,900.00
Next Replacement:	1/01/2020	Future Cost:	\$8,042.41
Remaining Life:	13 YRS	Salvage Value:	\$0.00
Quantity:	2,450.00 SQFT		

Remarks

The front asphalt turn around/parking area appears to be in good condition.

Most asphalt areas can be expected to last approximately 20 years before it will become necessary for an overlay to be applied. This can double the life of the surface upon application. It will be necessary to adjust manhole and valve covers at the time the overlay is applied.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Aia Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Asphalt Slurry Seal

Category:	Asphalt	Unit Cost:	\$0.80
Began Use:	1/01/1991	Cost Type:	Contractor
Lifespan:	7 years	Percent Replacement:	100.00%
Lifespan Adjustment:	+ 10 years	Current Cost:	\$1,960.00
Next Replacement:	1/01/2008	Future Cost:	\$2,103.66
Remaining Life:	12 MOS	Salvage Value:	\$0.00
Quantity:	2,450.00 SQFT		

Remarks

The asphalt appears to be in good condition a slurry seal is recommended within the next few years.

Asphalt surfaces should be slurry sealed within 6 years of their initial installation. Thereafter, a 5 to 6 year cycle should be observed and adjusted according to the client's particular needs.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Back Flow Preventer-4" Clear Access

Category:	Plumbing	Unit Cost:	\$4,500.00
Began Use:	1/01/2001	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$4,500.00
Next Replacement:	1/01/2011	Future Cost:	\$5,370.46
Remaining Life:	4 YRS	Salvage Value:	\$0.00
Quantity:	1.00 EACH		

Remarks

The placed in service date is not known and is estimated. The backflow preventer appears to be in good condition, replacement will be on an as needed basis.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Bathroom Renovations

Category:	Bathrooms	Unit Cost:	\$3,500.00
Began Use:	1/01/1971	Cost Type:	Contractor
Lifespan:	30 years	Percent Replacement:	100.00%
Lifespan Adjustment:	+ 8 years	Current Cost:	\$14,000.00
Next Replacement:	1/01/2009	Future Cost:	\$15,567.09
Remaining Life:	24 MOS	Salvage Value:	\$0.00
Quantity:	4.00 EACH		

Remarks

There are bathrooms on the lobby floor and on the second floor both appear to be in fair condition. The building owner is determining weather or not to change the second floor bathroom into a unisex ADA compliant type restroom.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Booster Pumps

Category:	Mechanical	Unit Cost:	\$30,000.00
Began Use:	1/01/2004	Cost Type:	Contractor
Lifespan:	15 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$60,000.00
Next Replacement:	1/01/2019	Future Cost:	\$95,056.47
Remaining Life:	12 YRS	Salvage Value:	\$0.00
Quantity:	2.00 EACH		

Remarks

The booster pumps were recently replaced and appear to be in good condition.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Built Up Roofing-High Rise Replace

Category: Roofing
Began Use: 1/01/1994
Lifespan: 20 years
Lifespan Adjustment: None
Next Replacement: 1/01/2014
Remaining Life: 7 YRS
Quantity: 70.00 SQUARE

Unit Cost: \$1,500.00
Cost Type: Contractor
Percent Replacement: 100.00%
Current Cost: \$105,000.00
Future Cost: \$139,386.57
Salvage Value: \$0.00

Remarks

The roof appear to be in good condition. Replacement will be on an as needed basis.

The useful life used in based on the assumption that the roof will be inspected annually and maintained as needed.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Carpet Hallways

Category:	Flooring	Unit Cost:	\$30.00
Began Use:	1/01/2000	Cost Type:	Contractor
Lifespan:	8 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$25,200.00
Next Replacement:	1/01/2008	Future Cost:	\$27,047.06
Remaining Life:	12 MOS	Salvage Value:	\$0.00
Quantity:	840.00 SQYD		

Remarks

The hallway carpeting appears to be in good-fair condition. Replacement will be on an as needed basis.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Elevator (Cab Upgrades)

Category:	Mechanical	Unit Cost:	\$10,000.00
Began Use:	1/01/2002	Cost Type:	Contractor
Lifespan:	15 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$20,000.00
Next Replacement:	1/01/2017	Future Cost:	\$29,521.67
Remaining Life:	10 YRS	Salvage Value:	\$0.00
Quantity:	2.00 TOTAL		

Remarks

The elevator company is Theissen- Corp. the interior cab renovation cost is an estimate from Theissen elevator Corp.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Elevator (Modernization)

Category:	Mechanical	Unit Cost:	\$180,000.00
Began Use:	1/01/2002	Cost Type:	Contractor
Lifespan:	30 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$360,000.00
Next Replacement:	1/01/2032	Future Cost:	\$903,573.19
Remaining Life:	25 YRS	Salvage Value:	\$0.00
Quantity:	2.00 TOTAL		

Remarks

The elevator company is Theissen- Corp. the modernization cost is an estimate with a five year projection derived from Theissen-Corp. The elevators appear to be in good condition.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Entry Gate

Category: Security
Began Use: 8/01/2007
Lifespan: 12 years
Lifespan Adjustment: None
Next Replacement: 8/01/2019
Remaining Life: 7 MOS
Quantity: 1.00 TOTAL

Unit Cost: \$12,000.00
Cost Type: Contractor
Percent Replacement: 100.00%
Current Cost: \$12,000.00
Future Cost: \$12,689.65
Salvage Value: \$0.00

Remarks

The developer plans to install a entry gate in 2007.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Entry Gate Mechanicals

Category:	Security	Unit Cost:	\$1,200.00
Began Use:	8/01/2007	Cost Type:	Contractor
Lifespan:	6 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$1,200.00
Next Replacement:	8/01/2013	Future Cost:	\$1,268.97
Remaining Life:	7 MOS	Salvage Value:	\$0.00
Quantity:	1.00 TOTAL		

Remarks

The developer plans to install a entry gate in 2007. This component is for replacement of the motor.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Entry Phone (Upgrade)

Category:	Security	Unit Cost:	\$5,500.00
Began Use:	1/01/2005	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$5,500.00
Next Replacement:	1/01/2015	Future Cost:	\$7,564.04
Remaining Life:	8 YRS	Salvage Value:	\$0.00
Quantity:	1.00 EACH		

Remarks

The entry-phone appears to be in good condition, replacement will be on an as needed basis.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Exhaust Fan-Large Mushroom Type

Category:	Mechanical	Unit Cost:	\$3,500.00
Began Use:	1/01/2000	Cost Type:	Contractor
Lifespan:	15 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$14,000.00
Next Replacement:	1/01/2015	Future Cost:	\$19,253.93
Remaining Life:	8 YRS	Salvage Value:	\$0.00
Quantity:	4.00 EACH		

Remarks

The contractor which maintains these fans is western pacific. The exhaust fans appear to be in good condition. Replacement will be on an as needed basis.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Exhaust Fan-Small Mushroom Type

Category:	Mechanical	Unit Cost:	\$2,000.00
Began Use:	1/01/2000	Cost Type:	Contractor
Lifespan:	15 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$24,000.00
Next Replacement:	1/01/2015	Future Cost:	\$33,006.74
Remaining Life:	8 YRS	Salvage Value:	\$0.00
Quantity:	12.00 EACH		

Remarks

The contractor which maintains these fans is western pacific. The exhaust fans appear to be in good condition. Replacement will be on an as needed basis.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Expansion Tank

Category:	Mechanical	Unit Cost:	\$15,000.00
Began Use:	1/01/2004	Cost Type:	Contractor
Lifespan:	15 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$15,000.00
Next Replacement:	1/01/2019	Future Cost:	\$23,764.12
Remaining Life:	12 YRS	Salvage Value:	\$0.00
Quantity:	1.00 TOTAL		

Remarks

The Tirgerflow system is maintained by the Gellard company. The replacement cost is an estimate provided from said company. The system appears to be in good condition.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Exterior Painting

Category:	Painting	Unit Cost:	\$90,000.00
Began Use:	1/01/2001	Cost Type:	Contractor
Lifespan:	6 years	Percent Replacement:	100.00%
Lifespan Adjustment:	+ 1 years	Current Cost:	\$90,000.00
Next Replacement:	1/01/2008	Future Cost:	\$96,596.64
Remaining Life:	12 MOS	Salvage Value:	\$0.00
Quantity:	1.00 TOTAL		

Remarks

The building exterior painting appears to be in good-fair condition. Repainting will most likely be on an as needed basis.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Fire Alarm System Upgrade

Category:	Fire/Life Safety	Unit Cost:	\$30,000.00
Began Use:	1/01/1971	Cost Type:	Contractor
Lifespan:	30 years	Percent Replacement:	100.00%
Lifespan Adjustment:	+ 6 years	Current Cost:	\$30,000.00
Next Replacement:	1/01/2007	Future Cost:	\$31,080.00
Remaining Life:	0 DAYS	Salvage Value:	\$0.00
Quantity:	1.00 SYSTEM		

Remarks

The fire alarm system is scheduled for an upgrade in 2007. The estimated cost is a ballpark figure which is to be used for budgeting purposes only. The fire alarm panel appears to be original.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Fire Doors

Category:	Fire/Life Safety	Unit Cost:	\$2,200.00
Began Use:	1/01/2005	Cost Type:	Contractor
Lifespan:	5 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$2,200.00
Next Replacement:	1/01/2010	Future Cost:	\$2,534.32
Remaining Life:	3 YRS	Salvage Value:	\$0.00
Quantity:	1.00 EACH		

Remarks

There is one fire door per floor and several others throughout the lobby and garage areas. The fire doors appear to be in good condition.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Generator Back-Up

Category:	Mechanical	Unit Cost:	\$70,000.00
Began Use:	1/01/2004	Cost Type:	Contractor
Lifespan:	30 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$70,000.00
Next Replacement:	1/01/2034	Future Cost:	\$188,572.51
Remaining Life:	27 YRS	Salvage Value:	\$0.00
Quantity:	1.00 TOTAL		

Remarks

The replacement cost is an estimate based upon the product current condition and similar type product knowledge. The placed in service date is not known and is an estimate.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Hot Water Heater

Category:	Mechanical	Unit Cost:	\$2,200.00
Began Use:	1/01/1996	Cost Type:	Contractor
Lifespan:	15 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$4,400.00
Next Replacement:	1/01/2011	Future Cost:	\$5,251.11
Remaining Life:	4 YRS	Salvage Value:	\$0.00
Quantity:	2.00 EACH		

Remarks

There are four hot water heaters for the property 2 were placed in service in 1996 and another two in 2000 , the units all appear to be in good condition replacement will be on an as needed basis.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Hot Water Heater

Category:	Mechanical	Unit Cost:	\$2,200.00
Began Use:	1/01/2000	Cost Type:	Contractor
Lifespan:	15 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$4,400.00
Next Replacement:	1/01/2015	Future Cost:	\$6,051.24
Remaining Life:	8 YRS	Salvage Value:	\$0.00
Quantity:	2.00 EACH		

Remarks

There are four hot water heaters for the property 2 were placed in service in 1996 and another two in 2000 the units all appear to be in good condition replacement will be on an as needed basis.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Lobby Renovations

Category:	Lobby Renovations	Unit Cost:	\$8,000.00
Began Use:	1/01/2000	Cost Type:	Contractor
Lifespan:	12 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$8,000.00
Next Replacement:	1/01/2012	Future Cost:	\$9,891.19
Remaining Life:	5 YRS	Salvage Value:	\$0.00
Quantity:	1.00 TOTAL		

Remarks

The lobby renovation cost is a ball park figure which should be used for budgeting purposes only.
The lobby appears to be in good condition. Replacement/Repairs will be on an as needed basis.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Mailboxes

Category:	Mailboxes	Unit Cost:	\$80.00
Began Use:	1/01/1971	Cost Type:	Contractor
Lifespan:	30 years	Percent Replacement:	100.00%
Lifespan Adjustment:	+ 12 years	Current Cost:	\$11,200.00
Next Replacement:	1/01/2013	Future Cost:	\$14,351.26
Remaining Life:	6 YRS	Salvage Value:	\$0.00
Quantity:	140.00 EACH		

Remarks

There are approximately 140 mailboxes for the property which appear to be in good condition. Replacement will be on an as needed basis.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Parking Garage Lighting

Category:	Lighting	Unit Cost:	\$3,500.00
Began Use:	1/01/2001	Cost Type:	Contractor
Lifespan:	6 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$3,500.00
Next Replacement:	1/01/2007	Future Cost:	\$3,626.00
Remaining Life:	0 DAYS	Salvage Value:	\$0.00
Quantity:	1.00 TOTAL		

Remarks

The parking lot lighting appear to be in good condition, replacement will be on an as needed basis.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Pool Deck Tile

Category:	Flooring	Unit Cost:	\$35.00
Began Use:	1/01/2003	Cost Type:	Contractor
Lifespan:	20 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$19,250.00
Next Replacement:	1/01/2023	Future Cost:	\$35,131.78
Remaining Life:	16 YRS	Salvage Value:	\$0.00
Quantity:	550.00 SQFT		

Remarks

The pool deck tile appears to be in good condition. replacement will be on an as needed basis.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Pool Interior Re-Plaster

Category:	Swimming Pool	Unit Cost:	\$18.00
Began Use:	1/01/2001	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$5,670.00
Next Replacement:	1/01/2011	Future Cost:	\$6,766.78
Remaining Life:	4 YRS	Salvage Value:	\$0.00
Quantity:	315.00 SQFT		

Remarks

The interior pool plaster replacement is an estimate based upon similar type product knowledge. The plaster appears to be in good to fair condition.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Security Doors (Roll Down)

Category:	Mechanical	Unit Cost:	\$24,320.00
Began Use:	1/01/2004	Cost Type:	Contractor
Lifespan:	20 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$24,320.00
Next Replacement:	1/01/2024	Future Cost:	\$45,982.52
Remaining Life:	17 YRS	Salvage Value:	\$0.00
Quantity:	1.00 TOTAL		

Remarks

The roll down security doors appear to be in good condition, and are to be replaced on an as needed basis. The installation cost was provided by the installation contractor.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Security Doors/Wire Mesh

Category:	Security	Unit Cost:	\$15,272.00
Began Use:	1/01/2004	Cost Type:	Contractor
Lifespan:	20 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$15,272.00
Next Replacement:	1/01/2024	Future Cost:	\$28,875.21
Remaining Life:	17 YRS	Salvage Value:	\$0.00
Quantity:	1.00 TOTAL		

Remarks

There are several security doors on the property mostly in the parking garage areas, also Raynor the contractor whom installed the roll down gates installed the security doors and the diamond mesh throughout the parking structure.

The installation cost was provided by the installation contractor. The security doors and diamond mesh both appear to be in good condition.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Security System

Category:	Security	Unit Cost:	\$25,000.00
Began Use:	1/01/1995	Cost Type:	Contractor
Lifespan:	8 years	Percent Replacement:	100.00%
Lifespan Adjustment:	+ 4 years	Current Cost:	\$25,000.00
Next Replacement:	1/01/2007	Future Cost:	\$25,900.00
Remaining Life:	0 DAYS	Salvage Value:	\$0.00
Quantity:	1.00 TOTAL		

Remarks

The security system includes cameras in the parking garage, open parking deck, entrances to building lobby area and office entry way. There is an office which holds the monitoring equipment. Per the client the security system components are in good condition.
This item includes security cameras/monitors and entry card readers.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Spalling Repairs

Category: Concrete Repairs
Began Use: 1/01/2007
Lifespan: 20 years
Lifespan Adjustment: None
Next Replacement: 1/01/2027
Remaining Life: 0 DAYS
Quantity: 1.00 TOTAL

Unit Cost: \$50,000.00
Cost Type: Contractor
Percent Replacement: 100.00%
Current Cost: \$50,000.00
Future Cost: \$51,800.00
Salvage Value: \$0.00

Remarks

This is an estimated "Ballpark" figure used for budgeting purposes only.

The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

Ala Moana Tower

COMPONENT DETAIL REPORT

Analysis 1

Waterproofing Parking Deck

Category: Waterproofing
Began Use: 1/01/2008
Lifespan: 10 years
Lifespan Adjustment: None
Next Replacement: 1/01/2018
Remaining Life: 12 MOS
Quantity: 1.00 TOTAL

Unit Cost: \$65,000.00
Cost Type: Contractor
Percent Replacement: 100.00%
Current Cost: \$65,000.00
Future Cost: \$69,764.24
Salvage Value: \$0.00

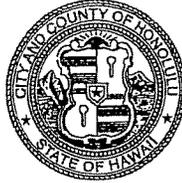
Remarks

The open parking deck waterproofing appears to be in fair-poor condition. Replacement is recommended.
The cost estimate for this asset is provided by Armstrong Consulting Inc., which may rely upon information, furnished to us by the client and/or their vendor. This estimate is to be used for budgeting purposes only.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4432 • FAX: (808) 527-6743
DEPT. INTERNET: www.honolulu.dpp.org • INTERNET: www.honolulu.gov

MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUÉ
DEPUTY DIRECTOR

2006/ELOG-617(LT)

February 13, 2007

Andrew R. Bunn, Esq.
Chun, Kerr, Dodd, Beaman & Wong
A Limited Liability Law Partnership
Fort Street Tower, Topa Financial Center
745 Fort Street, 9th Floor
Honolulu, Hawaii 96813-3815

Dear Mr. Bunn:

Subject: Condominium Conversion Project
1617 Kapiolani Boulevard
Tax Map Key: 2-3-041: 011

This is in response to your letter dated March 17, 2006, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the 17-story 135-unit commercial/apartment building with 147 all-weather-surface off-street parking spaces met all applicable code requirements when it was constructed in 1968 on this 25,000-square-foot BMX-3 Community Business District zoned lot.

Investigation also revealed the following:

- 1) On December 23, 1969, Building Permit No. 79781 was issued to decrease the number of units from 135 units to 105 units.
- 2) On January 17, 1989, Building Permit No. 264342 was issued for the alteration of 23 two-bedroom apartment units into 23 one-bedroom apartment units and 23 lodging units.

However, an inspection on June 7, 2006 revealed there were 29 lodging units and only 127 all-weather-surface off-street parking spaces.

EXHIBIT 2

Andrew R. Bunn, Esq.
Chun, Kerr, Dodd, Beaman & Wong
February 13, 2007
Page 2

On January 31, 2007, an inspection revealed the above-mentioned deficiencies have been corrected. The 29 lodging units have been converted back to 23 lodging units and 147 all-weather-surface off-street parking spaces have been provided.

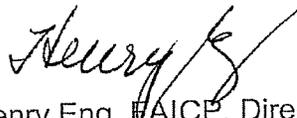
For your information, the Department of Planning and Permitting cannot determine all legal nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

No variances or other 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 Enforcement Branch at 527-6341.

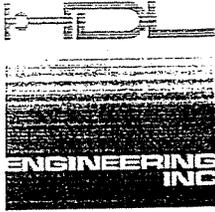
Very truly yours,



Henry Eng, WAICP, Director
Department of Planning and Permitting

HE:ft

doc516081



1136 Union Mall, Suite 700
Honolulu, HI 96813
Tel: (808) 521-3314
Fax: (808) 533-3314
email: hdl@hawaii.rr.com

Date: March 30, 2006
Project: Ala Moana Tower - 1617 Kapiolani Boulevard
HDL #: 06-041
Subject: Due Diligence Report - Electrical System

The project site was visited on March 23, 2006 for the purpose of conducting a survey of selected units and common areas, including the parking structure and the roof. The building has seventeen floors with commercial spaces on the ground level and the second floor with residential units on the remaining floors. The parking structure is an attached six-level structure located on the makai side of the commercial/ residential tower.

The electrical service equipment is located on the ground level within a dedicated Electrical Room. There is a Hawaiian Electric Company (HECO) transformer vault located on the makai side of the HECO vault. The secondary service voltage from HECO is 208Y/120 volts, three phase, four wire. There is a main distribution switchboard located in the electrical room. The HECO meter assigned to this switchboard is #473532. There are two additional HECO meters #413679 labeled "AC" and #481526 labeled "Retail Space".

There is a standby emergency engine generator located on the makai end of the fifth floor parking level. The KW rating of the generator could not be determined. The fuel storage tank is located below the generator enclosure. According to the building manager, the generator provides power for the elevator, basement level sump pumps, domestic water pump, fire pump and emergency lighting.

There is a dedicated Electrical Room on each floor which provides power, telephone service and cable TV/data service to the individual apartment rooms. The TV/data cables are routed surface mounted within a raceway system along the ceiling and walls of the corridor and the apartment unit. The apartment units do not have separate panels within the units, all apartment electrical circuits originate from a common electrical panelboard located in the Electrical Rooms located on each floor. The telephone, CATV and data service equipment are located within the ground floor Electrical Room.

There is a Fire Alarm System for the building. The Edwards fire alarm control panel is located in the Main Electrical Room on the ground floor. At each floor, there are two manual pull stations (one each located adjacent to the exit doors), a single-alarm bell and a smoke detector located in the elevator lobby. The elevator lobby smoke detector is not connected into the building's fire alarm control panel. This detector is provided for the recall control of the elevators. Each apartment unit has smoke detectors located in the bedrooms. There are no ADA compliant fire alarm devices within the building.

Some of the deficiencies noted for this project are as follows:

- a. There is a drain line routed through the Main Electrical Room. It appears that it was installed after the construction of the building.
- b. There are signs of water leaking into the Main Electrical Room.
- c. The Main Electrical Room should not be utilized for storage of equipment and other materials.
- d. The Main Electrical Room should be identified with a permanent nameplate on the door.
- e. Access to the motor control center on the second parking level is blocked by boxes and miscellaneous equipment. There should be a clear path available to access the motor control center.
- f. There are two A/C condensing units located in front of the Hawaiian Electric Company transformer vault. The hot air from these units is creating a pocket of hot air fronting the HECO vault. Recommend that mechanical ventilation be provided to vent out the hot air as this hot air collecting in front of the HECO vault does not help with cooling of the vault.
- g. The standby emergency generator unit does not have a barrier to prevent fuel from spreading throughout the parking area. Recommend a fuel tight barrier be provided to contain any leakage of fuel.
- h. Several of the Electrical Rooms located on each floor are being used as storage rooms. The National Electrical Code (NEC) does not allow for storage of miscellaneous equipment or materials in these Electrical Rooms.
- i. The manual fire alarm pull stations located at each floor are mounted too high to meet ADA compliance requirements. The approved mounting height is 48".
- j. There are no ADA compliant visual fire alarm devices throughout the building.
- k. The fire alarm system should be reviewed to determine whether it meets the latest Uniform Fire Code, National Fire Code, ADA and all amendments to these codes.
- l. Several apartment units do not have GFI protected receptacles in the kitchen as required by the NEC.
- m. There are several apartment units with brown devices such as light switches and receptacles with non-matching ivory cover plates.
- n. Some apartment bathrooms do not have GFI protected receptacles located at the lavatory.
- p. There are several apartment units with surface-mounted raceways between the light switches and the ceiling-mounted fluorescent fixtures.
- q. The CATV cables are installed within surface-mounted raceways within the apartment units and also between the Electrical Rooms and the apartment units.

- r. Based on the current NEC, there are an insufficient number of receptacles within the kitchen and other areas of the apartment units. Also the current NEC requires arc-fault circuit breakers for all circuits entering the bedrooms.
- s. There are several areas where access to electrical panelboards, circuit breakers, disconnect switches, motor starters and other electrical equipment are restricted due to storage of miscellaneous equipment and materials. This also occurs in tenant spaces in the commercial areas as well as in the common areas.
- t. All unused or disconnected electrical circuits or equipment should be removed. This includes unused wiring.
- u. An updated laminated copy of the building One-Line diagram should be prominently posted in the Main Electrical Room.

The overall condition of the electrical system, considering the age of the building, is good with the exception of the deficiencies listed above that need to be addressed.

Sanford Haseyama Inc.
996 Hoomoana Street
Pearl City, HI 96782
Phone/Fax: (808)455-4904

March 30, 2006

Project: Ala Moana Tower
1617 Kapiolani Boulevard
Honolulu, HI 96814

Mechanical Engineering Observation Report:

Spaces inspected: Restaurant, Parking garage, Avance' Salon, Unit 307, 1001, 1602, 1603, 1806

This building was constructed in 1971 which has 17 stories. The building is not equipped with a fire sprinkler system. There is a dry stand pipe in one stair well and wet stand pipe on each floor. The floors are numbered from 1 to 18 with the number 13 omitted. There is no central air conditioning in this building.

RESTAURANT

There is a grease interceptor which was installed a few years ago which I believe meets the City & County of Honolulu requirements. The restrooms (men and women) are ADA compliant. The piping under the lavatories need to be insulated to comply with the ADA requirements. Also the hallway leading to the restrooms had boxes stacked on the side which makes it hard for a wheel chair to get around. The entry to the men's room had boxes stacked by the entry which made it difficult to fully open the door.

There was no fire extinguishers in the kitchen. The heads of the fire suppression system were located on the front of the hood. Usually the heads are located over the cooking surface. There is a storage area in the parking garage for the restaurant with a roll up gate which is locked. The wet stand pipe for the parking garage is located within the locked space. In case of a fire in the garage, one cannot get to the stand pipe until someone opens the gate. The wet stand pipe cabinet should be placed outside of the gated space.

The air conditioning condensing units are located in the garage in a corner which makes the corner very hot. The condensing units should be relocated or some ventilation provided to move out the hot air. The temperature in the corner must be at least 105 degrees or higher. The efficiency of the units when the air entering the condenser is too high decreases and will use more electricity to provide the cooling required for the space.

AVANCE' SALON

The shampoo sinks did not have hair interceptors, however there are screens placed in the drain to catch the hair. The plumbing code usually require a hair interceptor be installed at each shampoo sink.

UNIT 307, 1001, 1001A, 1602, 1603, 1806

Unit 307 and 1001A are studio units except for 1001A which has no kitchen. The other units are either a 1 bedroom or two bedrooms units. The plumbing from what can be observed seems to be in accordance with the plumbing code.

The bathroom and kitchen air is exhausted to the roof in separate ducts. There are several stacks of duct going up to the roof connecting each bathroom and kitchen and terminating with a power roof fan. The fans are on 24 hours a day.

All of the units have the window type air conditioners. Surprisingly there weren't any air conditioning units dripping water on the lanai. Usually, on humid days the condensate from the A/C units will drip water. I understand the building maintenance office issues a plastic pan to the occupants to place under the A/C units. It is the occupants responsibility to monitor the condensate from running down the balcony and on to the floor below. There were some stain marks on the balcony floor from past drippings but no wet spots were observed.

DOMESTIC WATER PUMP

I have noticed that a new water booster pumping system with a variable frequency drive was recently installed. Many of the high rise buildings are installing the variable frequency drives and new pumps which reduces the electricity use by a significant amount.

HOT WATER SYSTEM

Hot water is supplied to the units by a hot water heating system located in the ground floor utility room. There are several gas water heaters which produce hot water and supplied to the units. Some energy savings could be obtained by converting to a hot water heat pump system. You can request HECO to do a study of producing hot water with a heat pump system versus gas water heaters.

This report only addresses portions of the building that was observed and does not provide any warranty either expressed or implied for any mechanical system that is concealed or hidden within the walls, ceiling or below grade.

If you have any questions or comments, please call me.

Submitted by: *Sanford Haseyama*
Sanford Haseyama, P.E.
Mechanical Engineer



**HAWAII
ENGINEERING
GROUP, INC.**

Consulting Civil & Structural Engineers

March 31, 2006

Attn: Mr. Peter Savio, President
Hawaiian Island Development

Re: Ala Moana Tower
1617 Kapiolani Blvd
Honolulu, HI 96814

Structural Engineering Observation Report

A site visit was held to note cursory observations of the Ala Moana Tower building structure on March 23, 2006. The inspection involved a walk-through observation of the building structure. The observations were limited to the following areas only:

1. Parking Structure
2. Building Exterior
3. Units 307, 1001, 1001A, 1602, 1603, 1806
4. Roof

No calculations or testing of any kind was performed. Architectural, Mechanical, Electrical, and other nonstructural aspects were not addressed. Compliance of design with the current building codes or the building code it was designed under was not checked.

No drawings for the building were made available for review.

The building comprises of a seventeen storied tower and a six storied low rise parking structure attached to it. The parking structure has a basement level.

Both the main tower of the complex and the parking structure are built of reinforced concrete. According to the building manager the complex was built in late 1969. The construction was completed in 1971.

Observations:

1. No structural damage was observed in any of the units that were walked thru.
2. The building exterior did not show any significant spalling at the time of the site visit.



3. Some minor cracks were observed on the inside of the walls of the stair well between the 16th and the 17th floor levels.
4. No damage was observed on the roof of the main tower at the time of the site visit.
5. The connections of the balcony railing to the concrete structure were different in different places. At some locations there are two aluminum clip angles and at others there is only one. The number of bolts per connection is also not consistent. (see photo 1 & 2)
6. The parking garage floor slabs have numerous cracks. These cracks are visible in both the slab on grade as well as the suspended slabs at all parking levels. The cracks in the suspended slabs appear to be running along the location of the rebars. (see photos 3 & 4)
7. Spalling of concrete was observed in the ceiling of parking slab. Some areas under the top parking level floor had significant spall and corrosion damage in the ceiling. (see photos 5, 6 & 7)
8. Peeling of paint was observed in the areas adjacent to the emergency generator on the roof level of the parking structure. (See photo 8)
9. Extensive spalling of concrete and corrosion damage was observed in the slab ceiling fronting the pump room. Spalling of plaster was also observed in walls in the same area. (See photos 9 & 10)
10. Flooding was observed in the parking structure basement area. Because of the high ground water table conditions, ground water seeps in thru the slab of the basement floor (see photo 11).
11. Some of the columns in the basement of the parking structure are showing extensive spall and corrosion damage (see photo 12).

Conclusions and Recommendations:

The building tower structure is in good condition, as no significant observations related to the structural integrity of the building were made in the tower structure. The cracks observed in the stair well structure are minor in nature and do not require any remedial measures at this time.

The railing connections of the tower are not consistent and therefore need to be reviewed for conformance with the code requirements. The connections must be checked and designed to meet the minimum code prescribed forces as this is a life safety issue.



The parking structure floors are showing significant deterioration of the concrete and reinforcement throughout the structure. In our opinion this condition can be addressed and remedial measures implemented to arrest further deterioration of the structure. These remedial measures should be implemented as soon as possible as this type of damage can worsen and spread to other parts of the building and start impacting the structural integrity of the effected members. The extent of damage caused by corrosion of reinforcement is difficult to estimate by visual observations alone. The full extent of the damage can only be discovered once the repairs are undertaken. We recommend that these repairs be done under the supervision of a licensed structural engineer by a licensed contractor with experience in spall repairs

Ponding of water in the basement from ground water is impacting some of the columns in the basement area. There is no way of keeping the ground water from seeping into the building. Preventive measures such as creating a sump in the areas that get ponding and continuously pumping the water will help keep the basement dry and protect the members from getting damaged.

Maintenance is important for the upkeep of the buildings. In general, the building appears to be in good condition. The buildings should continue to perform well with regular maintenance.

This report does not address portions of the building other than those areas mentioned, nor does it provide any warranty either expressed or implied for any portion of the existing building. If there are any comments or questions on any item above, please do not hesitate in calling.

Submitted by: _____

Ather R. Dar, P.E., President
Hawaii Engineering Group, Inc.

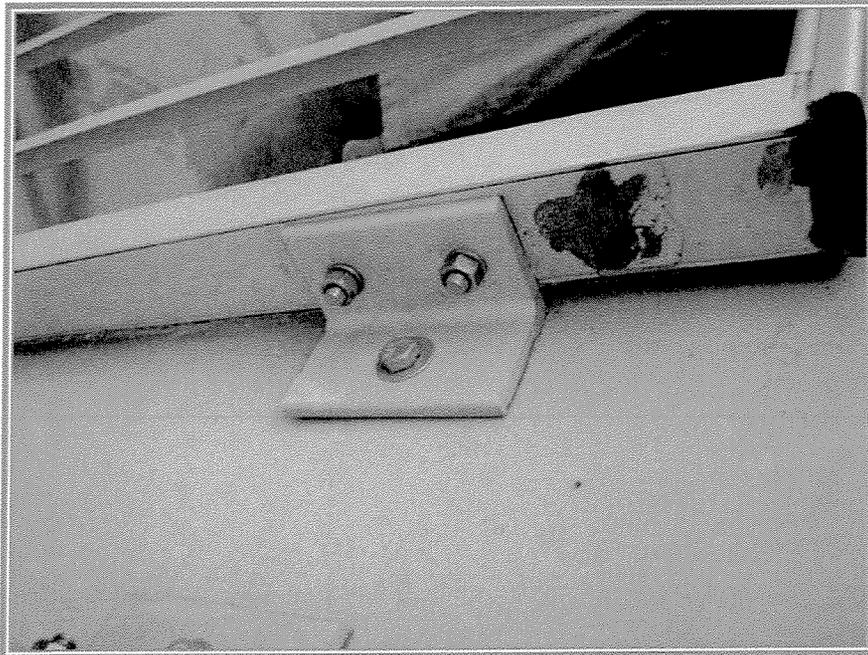


Photo #1: Tower railing connection with one clip.

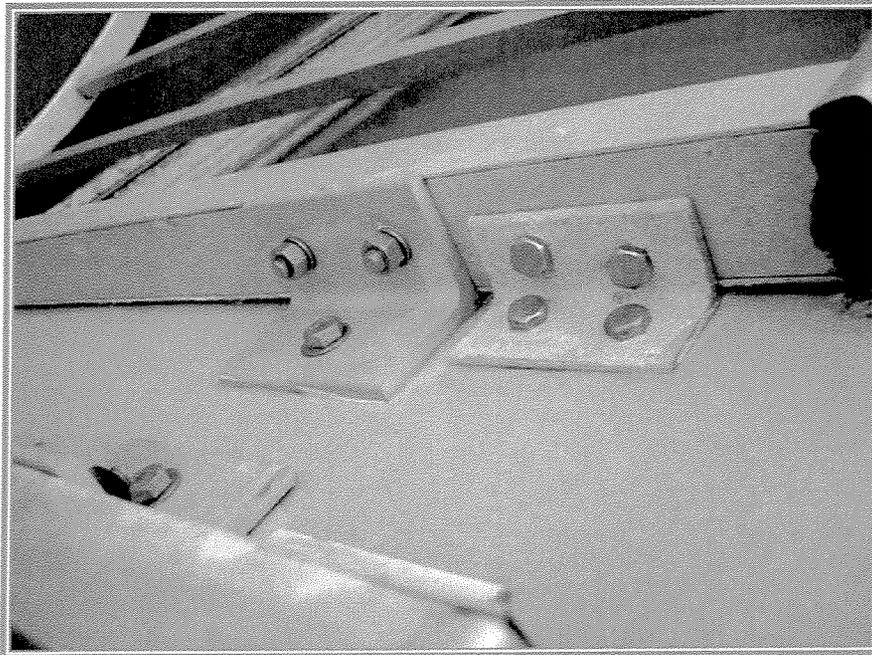


Photo #2: Tower railing connection with two clips.

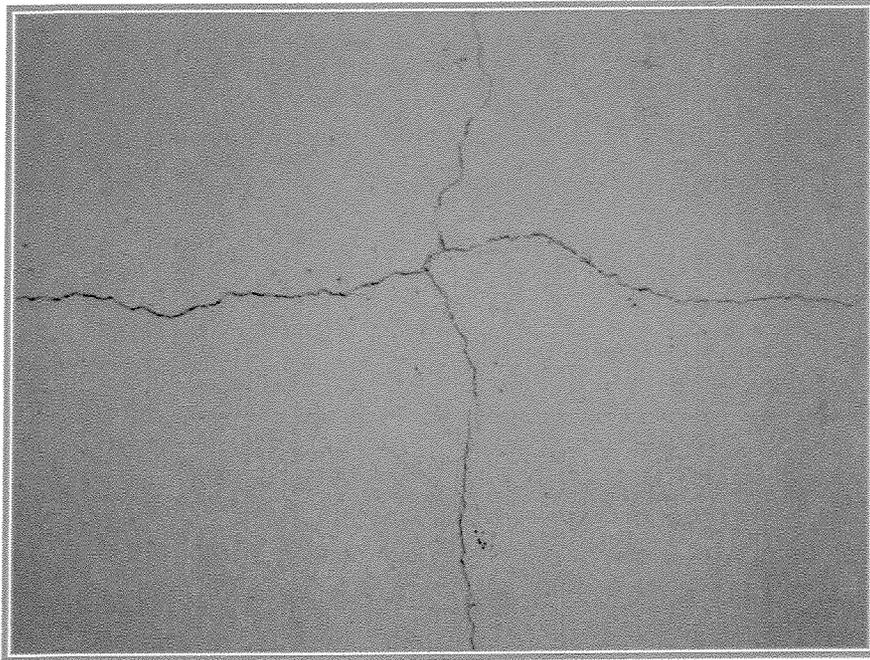


Photo #3: Cracks in parking structure slab.

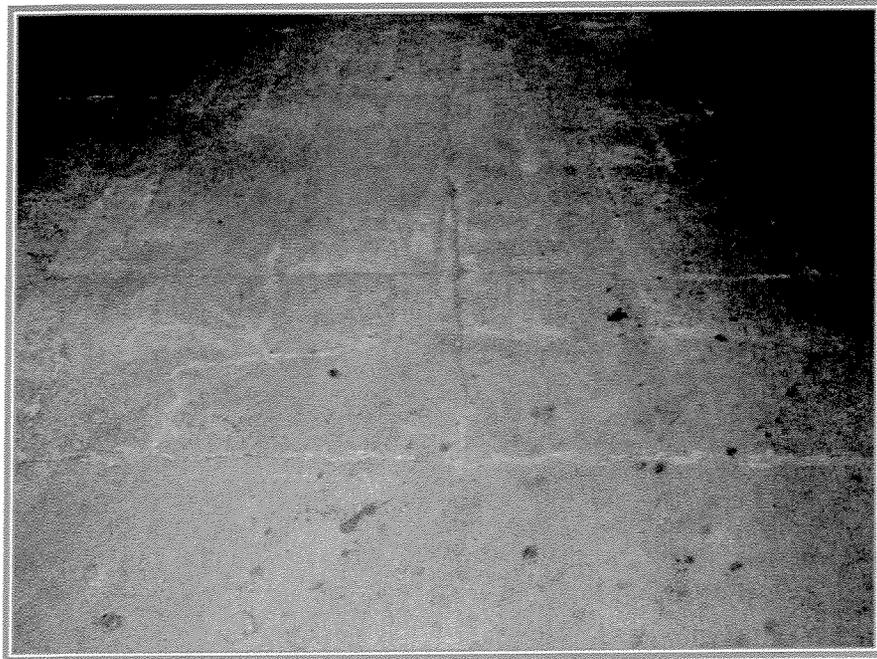


Photo #4: Cracks in parking structure slab.



Photo #5: Spalling of parking structure slab.

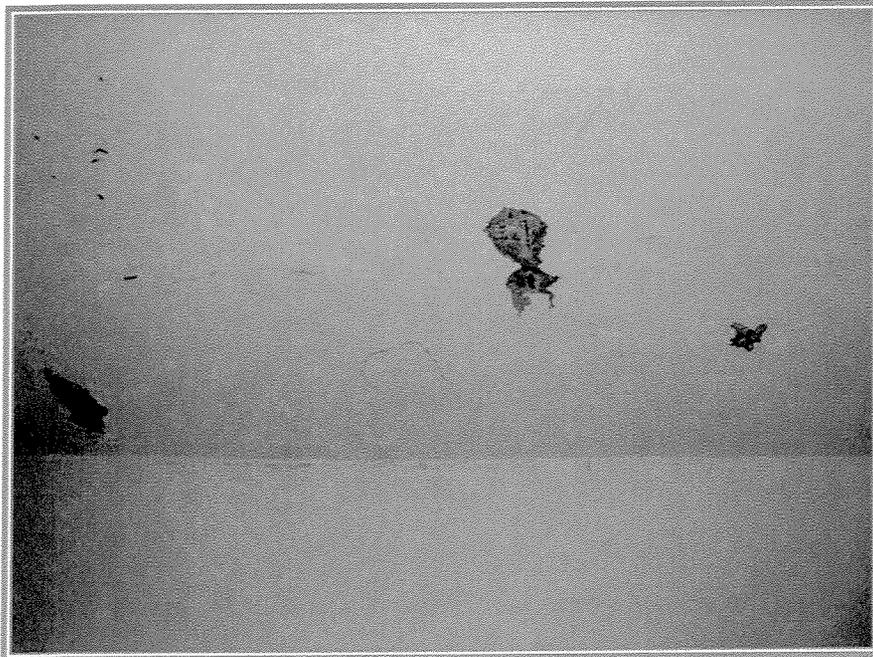


Photo #6: Spalling of parking structure slab.

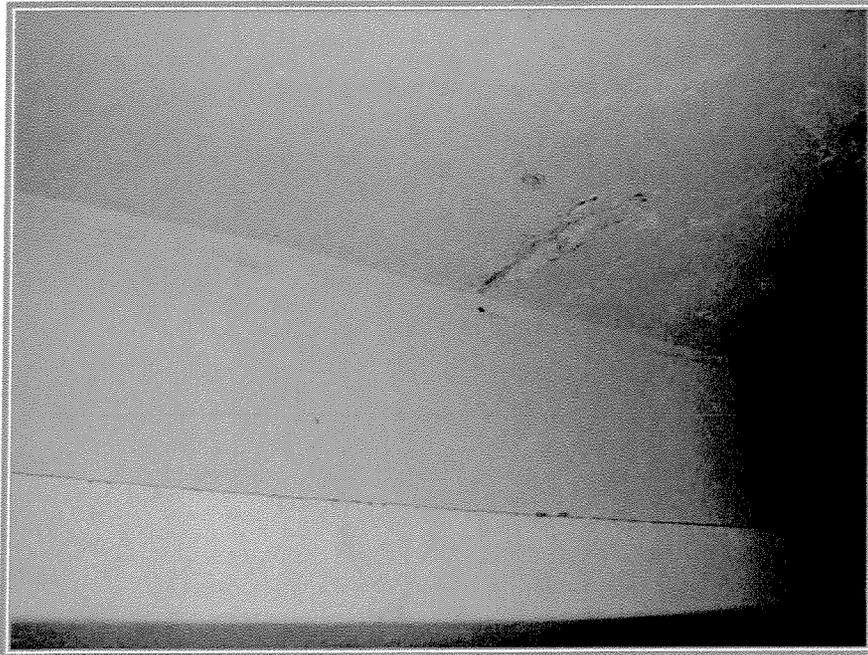


Photo #7: Spalling of parking structure slab.

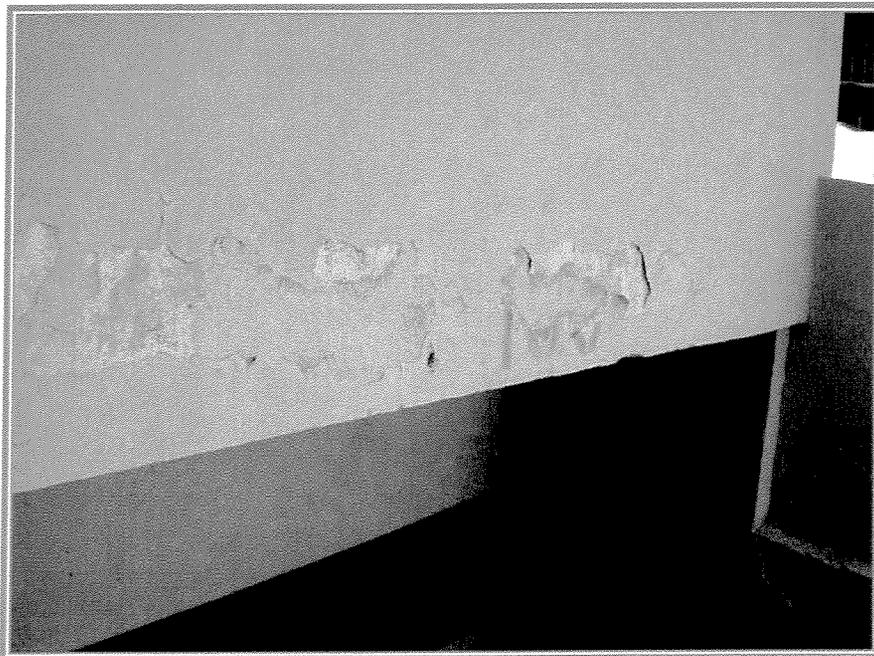


Photo #8: Peeling of paint in the parking structure.



Photo #9: Extensive spalling in ceiling in front of pump room.



Photo #10: Extensive spalling in ceiling in front of pump room.

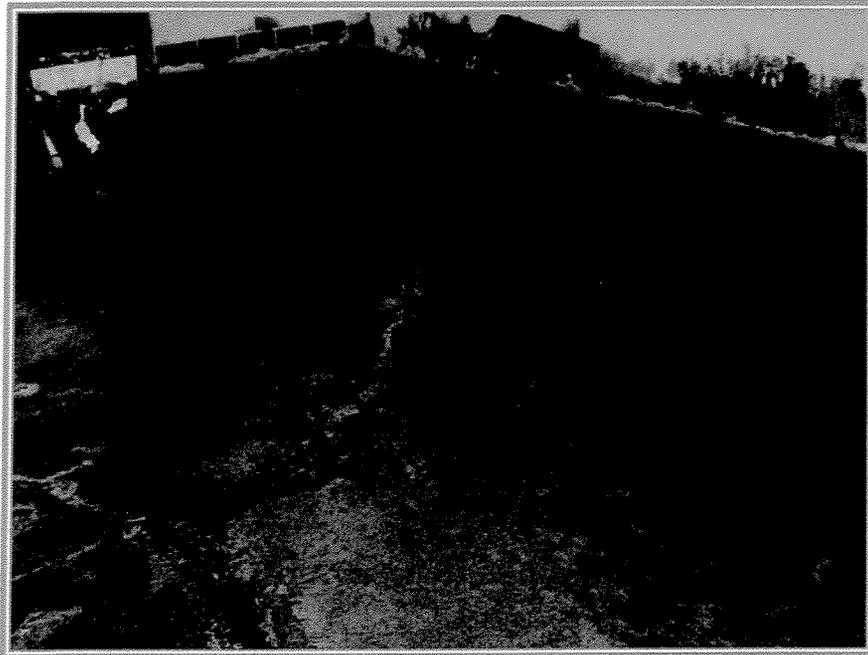


Photo #11: Ponding of water in basement area.



Photo #12: Deteriorated concrete column in parking basement.



ERNEST M. UMEMOTO AIA
Architect, Inc.

6/22/07

Peter Savio , President
Hawaiian Island Development Company

Subject: Ala Moana Tower CPR

Dear Peter:

A cursory visual only observation visit was conducted of the Ala Moana Tower, 1617 Kapiolani Boulevard, Honolulu, Hawaii. The property managers furnished the team with a copy of the design documents. There were no approved-stamped Building Department File copy, as-built Construction documents, change orders, soils report, engineering calcs, specification and basis of design. No permitted plans for alteration or renovation of either apartment areas, tenant areas or common areas were reviewed. This report covers that which was observed in a sampling of typical apartments, and assumes that the general observations made are pertinent to the building as a whole. No record of alterations, additions, or renovations was provided, but all should have been approved by Building Permits.

Reportedly built in 1971, the building has two floors of commercial, 15 floors of residential apartments (3rd to 18th) with the 18th floor designated as Penthouse. There is no 13th floor. The typical floor has seven residential units with 2 bedroom / 2 bath, but 23 of these are split into one bedroom / one bath and studio / one bath units so that the 105 typical module is listed as 128 total units with one parking stall each. There are three floors (Counting one split level basement) of parking split into six levels.

The design and construction seen are similar to that found in apartment buildings in Honolulu's urban fringes. There are design elements that are "grand-fathered" and do not meet the requirements of the current Building code. In some cases, building owners should consider up-grading to the current standard immediately if health, safety, or welfare is compromised. An example would be the opening in guardrails (currently 4" maximum) and the height of the top rail (currently 3'-6" high). In other cases, the size of alteration and renovation projects will require that the current standard be instituted.

Since the building was constructed, the building codes have been amended and other governmental regulations have been added or changed. The fire sensor and alarm system is one area where even when not mandatory, the latest requirements should be presented to the AOA by the property management for their decision to upgrade the safety provision or not. Recurring Fire Department inspection should be requested and fire evacuation drills held periodically.



ERNEST M. UMEMOTO AIA
Architect, Inc.

The visual only observation visit did not include invasive or destructive testing, so the extent of damage or deterioration if any was not able to be substantiated. The existence of lead paint, asbestos, environmental toxic material, dirty air quality and other problems was not observable. To address these items would require the retainage of specialty inspectors, and this is rarely done without damage or injury being obvious to the residents and the property managers. The decision to increase the level of inspections and testing is a management decision of the building owners.

There are a few inspections that are readily available and commonly retained by management. Preventative maintenance is generally accepted to be cost effective to running to failure and undertaking repair at higher cost. These areas are roofing, weatherstripping, caulking, flashing, protective coating, termite protection, gasketing, a/c maintenance, concrete spalling, corrosion control and clean-up of algae growth on walkways, servicing roof drains and keeping storm drains clean and clear.

The Ala Moana Tower Building has shared parking driveways and utility systems between the commercial units and the residential units. It is important to maintain easements that facilitate the proper operation and service clearance to the shared items.

The second floor have exits two exit stairways that depend on the parking driveways and ramps for paths of exit. This is a grand-fathered design that no longer is permitted by the Building Code. It necessitates exit through another occupancy and is not equal to a fire-resistive protected enclosure. Management effort must enforce the clear lighted exit path and visibility of exit signs from all directions. These exit ramps must maintain the required ramp slope, exit width and handrails that were approved on the Building Permit.

The Owners have an ALTA survey which should show any encroachments. This report does not investigate any zoning or use issues.

Storage of flammables was seen in a store room in a UL- listed cabinet. Ensure that flammables and used rags are not stored outside the cabinets and that the room is adequately ventilated to prevent spontaneous combustion. Storage of chemicals must have management attention to protect occupants and staff personnel. Painting should not be done in the building interior as was seen in the maintenance room.

Observations in apartments found the following concerns:

- Apartment entry door at corridor must have 20 minutes fire resistance and label visible. None seen.
- Electrical convenience outlets in the kitchen and bathroom that are within 6' of a water source must be GFIC. None seen.



ERNEST M. UMEMOTO AIA

Architect, Inc.

- Range must have fire resistant finish on the surrounding wall, such as ceramic tile, plastic laminate, and sheet metal. Only partially provided, none on side wall.
- If a wall cabinet exists above the range, minimum 24" clear height must be provided between the burner top and a metal range hood above. None seen.
- Bedroom windows must be sized for fire escape. Minimum clear height = 24". Minimum clear width = 20". Minimum net clear 5.7 SF. The finished sill height is 44" maximum. Glass jalousies are acceptable if the above sizes are met. Window a/c units must not reduce the minimum clearances.
- Any water infiltration damage must be repaired immediately.
- Electrical outlet in light fixtures is not GFIC and should not be allowed.
- Portable dishwasher may be draining into system that was not designed for every apartment to possess a unit.
- Toilet water closet must be in a space with 30" clear with minimum 24" clear in front of the water closet.
- Shower surround must be hard impervious surface to height of 6'.
- Ceiling height must be 7'-6" minimum with projections not lower than 6'-6" high. Bathrooms and halls may be 7'-0" high.
- All rooms (except toilet with toilet exhaust) must have minimum 10% light and 5% ventilation area in exterior wall based on floor area of the room. The installation of window a/c should not reduce the minimum provided.
- Lanai guardrail must be 42" high. Current opening in the guardrail is 4" maximum. At the time of construction the opening maximum may have been larger, but without the approved Building Permit set, it is not possible to determine what was acceptable at that time.
- Fire extinguisher not seen in proximity of range.
- Electrical panels must have 3' clear in front, not storage.
- UL-approved hard wire smoke detector required just inside each bedroom door and one outside in the hallway outside the bedroom doors.
- Glass sliding door on lanai and for shower must have safety glass.
- Any alteration of shower with glass enclosures and doors must use safety glass.
- Windows with sill lower than 3'-6" must have a guardrail at 3'-6" high.
- An attractive legal nuisance is the ability to climb between units between lanais.
- Additional appliances, such as washer and dryer, cannot be added without a utility capacity check by an engineer.
- There are no loading or guest stalls.

In the four units observed, in addition to the above, the following concerns were noted:

- The separation of the 2BR / 2BT units into two units may not have provided a 1-hour fire resistive partition between the two units. No doors are permitted between the two separate units unless they are fire rated.
- The window a/c do not have condensate drains, relying on evaporation and the excess falling off the lanai to below.



ERNEST M. UMEMOTO AIA
Architect, Inc.

- The current requirements on guardrail height, guardrail maximum openings, GFIC protected outlets, range hoods, range wall splash, smoke detectors in hall outside the bedroom, fire-extinguisher and fire resistive label on corridor door and frame are not met on most of the units.

There are no ADA and FHA compliant apartments in the building. There is no accessible route identified from the sidewalk. The elevator is not ADA compliant.

In the common areas and parking areas the following concerns were observed:

- Parking stalls may not have the 22' clear in front as required by the zoning code.
- There are no loading stalls. No loading was shown on the approved DPP apartment and parking layout plan.
- There are two ADA compliant or van-accessible parking stall. No tactile strip or striped cross-walk was provided.
- Exit signs are not lighted and are lacking in many areas.
- Exit lighting on emergency battery or generator power lacking.
- Ventilation of basement parking may not be adequate for the wet floor slab that is flooded by high-tide water infiltration. The perpetual dampness must be treated to prevent algae growth and the resulting slippery surface.
- No drawings were seen for ventilation, distance from exterior openings without mechanical ventilation and fire department access to the parking as the commercial spaces were built. No drawings were seen for fire resistive construction for occupancy separation between the parking and commercial and residential units. The parking ramps require handrails and maximum slopes if they part of the exit components. Dead-end distances must not exceed 20 feet. A DPP approved apartment and parking layout plan was seen, but they may not have addressed all the above issues.
- The door between the lobby and basement parking is locked. A gate without emergency exit provisions renders the area lacking a second exit and creates a dead-end problem. The lobby door to the parking should be unlocked, and a new security door built to restrict access to the elevators, providing a second exit from the basement to the street.
- If gates block exit from the parking to the two streets, they must have emergency pedestrian exit gates or doors added.
- Stair did not have required 44" clear width.
- Exit vestibule doors must be 20 minute fire resistive and both door and frame labeled, provided with smoke gasket and draft protection, be self-closing and properly identified with exit sign.
- Stair enclosure door must be 90 minute fire resistive and both door and frame labeled, be self-closing, gasketed, and properly labeled with exit sign.
- Handrail height was okay at 36" high but did not extend past the last riser 12" and exceeded the spacing or projection from the wall.



ERNEST M. UMEMOTO AIA
Architect, Inc.

- The guardrail at the top parking level must be 42" high with maximum 4" openings.
- The roof has scuppers and with only two roof drains could pond if a big storm hits.
- The roofing requires a better design. There are no coping, no cant flashing, low slope to drain and inadequate roof drain capacity.
- Pipe insulation may have asbestos.
- No roof insulation.
- Corridor ceiling space may have asbestos.
- The corridors and lobby do not have ventilation.
- Roof access is locked to public access. Only authorized maintenance workers must have access to the keys.
- Sub-basement and street level parking does not have exit sign. Upper floor exit signs should be made readily visible.
- Guardrail over entry ramp next to electric panel room is only 3' high. Rebuild to 3'-6" height.
- Trench drain at bottom of last driveway ramp to roof-top parking deck may be overwhelmed by a big storm.
- The makai street level parking is locked with a gate at night and does not have an exit gate with sign. These gates block exits that must be maintained.
- The electrical room on the street level has a broken transom over the door which should be a fire-resistive partition.
- The smoke tower vestibule guardrail is not 42" high.
- Stair railing must be 34" to 38" high above the stair, 1-1/4" to 2" cross-sectional dimension and project a not less than 1-1/2" between the wall and the handrail. The handrail shall return to the wall 12" past the last riser.
- The guardrail at the top landing and between flights of stair on the inside shall be 42" high and have maximum 4" openings. The triangular openings formed by the riser, tread and bottom element of a guardrail shall not allow a sphere larger than 6" diameter to pass through.
- The first floor is near street level and could flood in a severe prolonged storm if the storm drain system backs-up.
- The basement utility rooms and second floor maintenance and store rooms on the makai side do not have ventilation.
- The swimming pool enclosure and gate are over 4'-6" high as required. The pool gate is locked but does not have a required closer.
- The swimming pool is covered, but there are no safety equipment or signs posted.
- A kitchen exhaust duct runs from the ground floor restaurant up to the third floor where there is a horizontal lateral to the makai exterior. This duct must be in a fire-rated chase with fire-rated access door for cleaning. At the lateral, it does not appear to comply.



ERNEST M. UMEMOTO AIA
Architect, Inc.

- A roof drain that was plugged on the third parking level was opened by the property manager.
- Laundry on the 2nd floor had electrical outlets for the laundry equipment that were not required to be GFI, should be because they were easily accessible to the front.
- In one tenant area, a convenience outlet within 6' of a water source was not GFI.
- Penetration in use separations, such as between parking and commercial or residential areas must have fire separation protection.
- Doors between parking and exit components or other uses must have fire rated assemblies and be self-closing.
- Kitchen exhaust must extend up to the highest roof in a fire resistive constructed shaft and chase. There must be means to remove grease from the duct thru fire rated access panels. The roof-top exhaust also requires continual maintenance.

The DPP approved apartment and parking layout plan did not address the percentage of compacts (25% maximum) which is exceeded and the parking requirement of restaurants with over 50 guests (no limiting signs seen) and additional parking required for apartment units over 600 sf and those over 800 sf. If these are counted, additional parking may be required. This may impact future permit applications.

The building will require an extensive design study if all apartments are allowed to have their own window type or split system a/c. If a/c is added, the roof will have to be insulated, and all glass windows and lanai doors must have insulating properties. The power would have to be increased to each apartment and sub-metered to allow proper charging for electrical usage. Condensate drain must be provided.

The above cursory visual only site observation report covers Architectural concerns only. Separate reports for Structural Engineering, Mechanical Engineering, and Electrical Engineering were made, but none have been cross coordinated or evaluated. Destructive testing, laboratory testing, checks of approved permits, un-permitted work, zoning and special design district requirements, design review, cost studies, civil engineering, site drainage and flooding, foundation and soils engineering, underground utilities and systems, property line encroachments, environmental quality, indoor air quality, water infiltration, mold, asbestos, lead paint, other toxic material, shoreline requirements, setback measurements, height requirements, street frontage and sidewalk improvements, pool and water safety, landscape features, roofing, termite, and traffic safety are not included. Any certifications required by governmental agencies are authored by other and shall not raise the level of visual observation on the site visit. Observations are to the best of our knowledge. Compliance to latest codes and grandfathered status must be ruled on by the Building Department. ADA and FHA are



ERNEST M. UMEMOTO AIA

Architect, Inc.

Owner's decisions beyond our control and should be investigated by experts in the respective fields.

The building has been well maintained and suits the intended use very well. As the building ages, increased maintenance and replacement costs should be expected.

Yours truly,

Ernest M. Umemoto, AIA

7 pages total