AMENDED
DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	THE VANGUARD LOFTS
Project Address	720 Kapiolani Boulevard Honolulu, Hawaii 96813
Registration Number	6472 (Partial Conversion)
Effective Date of Report	August 8, 2008
Developer(s)	Cooke Clayton LLC

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

1. Mixed-Use Condominium Project. The Vanguard Lofts is a mixed-use condominium project, which includes 32 residential units, one commercial unit, and one unit (the Parcel 35 Unit) that is currently being used as a parking lot. The commercial unit can be divided so that there could be two or three commercial units. It is important that unit buyers carefully read this public report and the various project documents (e.g., the Project Declaration, Association Bylaws and Project Rules) to understand how the mixed-use nature of the project will or may affect them.

2. Limitations on Use. Subject to certain allowances for "Home-Based Small Businesses" (as described in the Project Declaration), the residential units shall only be used for residential purposes. The commercial unit can only be used for specific uses permitted under the Project Declaration, provided such use does not conflict with the uses prohibited under the Project Declaration or with other uses prohibited under applicable laws, rules and regulations. See Exhibit D of the Project Declaration, which lists the permitted uses for the commercial unit, and Exhibit E, which lists the prohibited uses for the commercial unit. Provided such use is not prohibited under applicable laws, rules and regulations, the limited common element parking and garage area adjoining parking stalls numbered 34 through 48 that is appurtenant to the commercial unit can be used for a use that is ancillary to the use being made of the commercial unit. No improvements can be made to the Parcel 35 Unit that will create "floor area" or affect the "floor area ratio" of the Project.

3. Possible Sale of Commercial Unit to JN Group. As of the date of this Amended Developer's Public Report, the Developer has entered into a contract to sell the commercial unit to JN Group, Inc. JN Group is a Hawaii business that sells various lines of new and used automobiles. JN Group has represented to the Developer that, if JN Group closes on the purchase of the commercial unit, then, for at least three years, it will use the commercial unit to sell and display collectible, luxury, exotic and/or highline passenger automobiles. The purpose of this paragraph is merely to disclose the possible sale of the commercial unit to JN Group and the possible use that JN Group will make of the commercial unit. The Developer makes NO representation or promise, whatsoever, that the commercial unit will, in fact, be conveyed to JN Group. Further, even if the commercial unit is conveyed to JN Group, the Developer makes NO representation or promise, whatsoever, regarding how JN Group will use the commercial unit. See Exhibit D of the Project Declaration, which lists the permitted uses for the commercial unit, and Exhibit E, which lists the prohibited uses for the commercial unit.

4. Access to/from the Project. Access between the building and Kapiolani Boulevard for owners and occupants of the residential units shall only be via the driveway located on Clayton Street. Use of the Cooke Street driveway shall be limited to owners, occupants and invitees of the commercial unit, although owners, occupants and invitees of the commercial unit can also use the Clayton Street driveway.

5. Spatial Unit. The Parcel 35 Unit is a spatial unit. Section 514B-3 of the Hawaii Revised Statutes permits a unit to be described by spatial coordinates rather than constructing or erecting a physical unit. Developer does not contemplate building a structure for the Parcel 35 Unit. The Parcel 35 Unit is currently being used as a parking lot. The owner of the Parcel 35 Unit shall have the right to use the Parcel 35 Unit (and the limited common element appurtenant to the Parcel 35 Unit) in connection with the Project and/or in connection with a property (including a commercial establishment) that is not associated with the Project.

6. Subdivide/Remove Land. The Developer has reserved certain rights, including the right to subdivide Parcel 36 and then remove a small portion; and the right to remove Parcel 35 from the Project.

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General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	☒ Fee Simple	☐ Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	☒ Yes	☐ No
Fee Owner's Name if Developer is not the Fee Owner	Not Applicable	
Fee Owner's Address	1003 Bishop Street, Suite 1280 Honolulu, Hawaii 96813	
Address of Project	720 Kapiolani Boulevard Honolulu, Hawaii 96813	
Address of Project is expected to change because	Not Applicable	
Tax Map Key (TMK)	(1) 2-1-44: Parcel 35 and Parcel 36	
Tax Map Key is expected to change because	When the condominium project is created, the TMK numbers may change to reflect the individual units.	
Land Area	36,811 sq. feet for Parcel 36*; 4,222 sq. feet for Parcel 35# *The Developer has reserved the right to subdivide Parcel 36 and then remove a small (approx. 94 s.f.) portion of the Project land (shown as "Removable Property" on the Condominium Map). # The right to remove Parcel 35 from the Project has been reserved in the Declaration. See Sections E.19, P and Q of the Declaration of Condominium Property Regime and Exhibit K of this Public Report.	
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	Not Applicable	

1.2 Buildings and Other Improvements

Number of Buildings	One
Floors Per Building	Part of building is two stories, part is five stories and part is six stories
Number of New Building(s)	One (there will be an addition to an existing building)
Number of Converted Building(s)	One (there will be an addition to an existing building)
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	concrete, wood, steel, glass, and related building materials

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Area
See **Exhibit A**						

	Total Number of Units 34

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:	91
Number of Guest Stalls in the Project:	2
Number of Parking Stalls Assigned to Each Unit:	Residential Units have at least one stall each; Commercial Unit has 20 stalls; Parcel 35 Unit has no stalls within the building
Attach **Exhibit B** 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. The Developer shall have the right: (i) to sell and convey or otherwise designate any parking stall not designated as a Limited Common Element to be appurtenant to and/or for the exclusive use of any Unit in the Project as a Limited Common Element for that Unit; (ii) to designate any parking stall not designated as a Limited Common Element for use as a guest parking stall for the Project; (iii) to use, or allow others to use, any parking stall not designated as a Limited Common Element; and (iv) to assign or change the assignments of individual parking stalls to individual Units that have not been conveyed by the Developer. Further, in connection with the possible creation of new units in the Project, the Developer shall have the right to assign and re-assign parking stalls, except for parking stalls that may have already been conveyed by the Developer to a Unit Owner.	

1.5 Boundaries of the Units

Boundaries of the units: **See Exhibit C.**

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 D** of this Public Report.

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". Except as otherwise provided in the Declaration or Bylaws, 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 E.**
As follows:

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

☒	Swimming pool
☐	Laundry Area
☒	Storage Area (only some units will have garage storage areas for their use)
☐	Tennis Court
☐	Recreation Area
☒	Trash Chute/Enclosure(s)
☐	Exercise Room
☒	Security Gate (there will be two rolldown gates in the parking garage benefiting the residential unit owners)
☐	Playground
☒	Other (describe): barbecue area; pool deck area, which includes an outdoor whirlpool

1.9 Common Elements

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

Common Element	**Number**
Elevators	Two (only to be used for Residential Units)
Stairways	Three (only to be used for Residential Units)
Trash Chutes	One (only to be used for Residential Units)

1.10 Limited Common Elements

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

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.	
☒	Pets: Subject to certain limitations (for example on numbers and weight), domesticated dogs, cats, parakeets, canaries or fish are allowed at the Project. See the Bylaws and Project Rules for more details.
☒	Number of Occupants: Except as otherwise required by law, occupancy is limited to no more than two persons per bedroom in each Residential Unit (excluding children under five years), but in no event shall the number of occupants per bedroom exceed three (including children under five years). See the Declaration for more details.
☒	Other: See **Exhibit H**
☐	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).
Exhibit I describes the encumbrances against title contained in the title report described below.
Date of the title report: July 2, 2008
Company that issued the title report: Island Title Corporation

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
☒	Residential	32	☒ Yes ☐ No	MUZ-C (mixed-use commercial)
☒	Commercial	1	☒ Yes ☐ No	MUZ-C (mixed-use commercial)
☐	Mix Residential/Commercial		☐ Yes ☐ No	
☐	Hotel		☐ Yes ☐ No	
☐	Timeshare		☐ Yes ☐ No	
☐	Ohana		☐ Yes ☐ No	
☐	Industrial		☐ Yes ☐ No	
☐	Agricultural		☐ Yes ☐ No	
☐	Recreational		☐ Yes ☐ No	
☒	Other(specify) - parking lot or other use (no improvements that will create "floor area")	1	☒ Yes ☐ No	MUZ-C (mixed-use commercial)
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			☒ Yes ☐ No	
Variances to zoning code have been granted.			☒ Yes* ☐ No	
Describe any variances that have been granted to zoning code.			*While technically not "variances" to the City's zoning code, the property is subject to the following HCDA-approved "modifications": the rear-yard setback has been reduced; and the height limit for the building is 60 ft. rather than 45 ft. Also, portions of the original structure are non-conforming.	

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots
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. 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. 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.

	Conforming	Non-Conforming	Illegal
Uses	☒	☐	☐
Structures	☐	☒	☐
Lot	☒	☐	☐
The height and setback of the existing structure are nonconforming. If the building is destroyed, then the rebuilt structure may have to meet the HCDA's setback and height requirements at that time.			

1.15 Conversions

Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.	☒ **Applicable*** ☐ **Not Applicable**
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: Based on a report prepared by Glenn M. Murata of Richard Matsunaga & Associates Architects Inc., an independent Hawaii-licensed professional architect, the developer believes that the present condition of the structural components and mechanical and electrical installations material to the use and enjoyment of the Project is that they are, or will be on completion of work being performed, in good condition. * Although the shell of the building that is being converted to condominium status will remain, the interiors of all of the units will be newly constructed.	
Developer's statement of the expected useful life of each item reported above: The developer makes no representations or warranties of any kind as to the expected useful life of the structural components or of the mechanical and electrical installations material to the use and enjoyment of the Project.	
List of any outstanding notices of uncured violations of any building code or other county regulations: None	
Estimated cost of curing any violations described above: Not applicable	

Verified Statement from a County Official
Regarding any converted structures in the project, attached as **Exhibit J** is a verified statement signed by an appropriate county official which states that either: (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: (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; or (B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.
Other disclosures and information:

1.16 Project In Agricultural District

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.**	☐ **Yes** ☒ **No**
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? ☐ Yes ☐ No If the answer is "No", provide explanation.	
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? ☐ Yes ☐ No If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.	
Other disclosures and information:	

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: Cooke Clayton LLC Project Address: 1003 Bishop Street, Suite 1280 Honolulu, Hawaii 96813 Business Phone Number: 808-791-0075 E-mail Address: cdeuchar@uspacdev.com
Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).	1. U. S. Pacific Investments LLC ("USPIL"), Manager of Developer (William R. Deuchar is Manager of USPIL) 2. Larhan Hawaii Corp. ("LHC"), Member of Developer (Larry Hansen is President of LHC) 3. U.S. Pacific Holdings LLC ("USPH"), Member of Developer (Chris Deuchar is Manager of USPH) 4. HHB LLC, Member of Developer (Hugh Brown is Manager of HHB) 5. ESMD LLC, Member of Developer (Ed Deuchar is Manager of ESMD)
2.2 Real Estate Broker	Name: Heyer & Associates LLC Business Address: 1288 Ala Moana Blvd., Suite 206 Honolulu, HI 96814 Business Phone Number: 808-692-0060 E-mail Address: karl@heyer-associates.com
2.3 Escrow Depository	Name: Island Title Corporation Business Address: 1132 Bishop Street, 4th Floor Honolulu, HI 96813 Business Phone Number: 808-531-0261
2.4 General Contractor	Name: U.S. Pacific, Inc. Business Address: 1003 Bishop Street, Suite 1280 Honolulu, HI 96813 Business Phone Number: 808-791-0075
2.5 Condominium Managing Agent	Name: Hawaiiana Management Company, Ltd. Business Address: 711 Kapiolani Blvd., Suite 700 Honolulu, HI 96813 Business Phone Number: 808-593-9100
2.6 Attorney for Developer	Name: Schneider Tanaka Radovich Andrew & Tanaka, LLLC Attn.: David F. Andrew Business Address: 1100 Alakea Street, Suite 2100 Honolulu, Hawaii 96813 Business Phone Number: 808-792-4200

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	December 28, 2007	3697086

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	May 30, 2008	3754119
Land Court	June 16, 2008	3759645
Land Court	July 11, 2008	3769108

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	December 28, 2007	3697087

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	May 30, 2008	3754120
Land Court	July 11, 2008	3769109

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	1938
Bureau of Conveyances Map Number	

Dates of Recordation of Amendments to the Condominium Map: May 30, 2008; June 17, 2008, July 11, 2008

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	☒
Have Been Adopted and Date of Adoption	☐
Developer does not plan to adopt House Rules	☐

3.5 Changes to the Condominium Documents

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

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

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

☐	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
☒	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 K**

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

Management of the Common Elements: The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.	
The Initial Condominium Managing Agent for this project is (check one):	
☒	Not affiliated with the Developer
☐	None (self-managed by the Association)
☐	The Developer or an affiliate of the Developer
☐	Other (explain)

NOTE: The Developer, on behalf of the Association, has entered into a Management Agreement with Hawaiiana Management Company, Ltd. for the management of the Project. As set forth in the Bylaws, the Association shall be required to accept the Association's obligations under the Management Agreement.

4.2 Estimate of the Initial Maintenance Fees

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.
Exhibit L 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; 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 is as follows: Pursuant to HRS Section 514B-41(b), unit owners shall not be obligated for the payment of their share of the Project's common expenses until such time as the Developer sends the unit owners written notice that, after a specified date, the unit owners shall be obligated to pay for the portion of common expenses that is allocated to their respective units. The Developer shall mail the written notice to the owners, the Association, and the Managing Agent at least thirty days before the specified date.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
☒	Electricity for certain residential limited common elements
☒	Gas for the residential units and for certain residential limited common elements
☒	Water for the residential units, for common area irrigation, for the swimming pool and for certain other residential limited common elements
☒	Sewer for the residential units and for residential common area restrooms
☒	TV cable (only for certain residential limited common elements; see Exhibit "L" for additional information)
☒	Other (specify) (refuse collection)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:	
☒	Electricity for each residential unit only*
☐	Gas for the Unit only
☐	Water
☐	Sewer
☒	TV cable (every residential unit owner will be billed for the basic service package (covering a portion of cable TV, internet and telephone), regardless of use, and for their balance over what is covered by the basic service package; see pages 5 and 6 of Exhibit "L" for additional information))
☒	Other (specify) – Telephone (each residential unit owner to pay balance over what is covered by basic service package)

* Electricity for the residential units will be separately measured for each unit by one or more private "check meters". Such measurement will be made and analyzed by an outside vendor. By such measurement and analysis, the vendor shall, for a fee, determine the amount of electricity use for each residential unit and, based on such use, prepare individual invoices for each residential unit, on behalf of the Association. The Association shall then charge the units for electricity use accordingly. The vendor's fee for performing that service shall be included in each unit's individual invoice.

Note: All utilities for the commercial unit (Unit 101) will be separately metered and the costs for such utilities will be billed either directly to the owner or occupant of the commercial unit or to the managing agent, which will forward the bill to the owner or occupant of the commercial unit.

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:	
☒	Specimen Sales Contract **Exhibit M** contains a summary of the pertinent provisions of the sales contract, including, but not limited to, any rights reserved by the Developer.
☒	Escrow Agreement dated: April 20, 2007 Name of Escrow Company: Island Title Corporation **Exhibit N** contains a summary of the pertinent provisions of the escrow agreement.
☐	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.

☒	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
☐	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ___.
☒	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 type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

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

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage and related financing statements, securing loan(s) to the Developer.	Any loan is or would be secured by mortgage(s), which will be released as to the unit being conveyed at the time of conveyance. If there is a default and foreclosure of the mortgage(s) prior to conveyance, the buyer's contract will be subject to cancellation and the buyer may lose the right to buy the unit, but will receive his/her deposit back, less a cancellation fee.

The buyer intentionally waives, relinquishes, and subordinates the priority or superiority of any lien or other legal or equitable interest arising under the buyer's Sales Contract in favor of the liens or charges on the Project granted by the Developer to the Developer's construction lender.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:
Building and Other Improvements: None, but note the following: The Developer makes no warranties itself with respect to the building or other improvements. However, the Developer will attempt to assign to each unit owner any and all warranties given the Developer by the general contractor for the project and by any subcontractors or materialmen. The general contractor's warranty to the Developer is expected to be one year from the date of substantial completion of the project. Developer disclaims any implied warranty of habitability, any implied warranty of merchantability, any implied warranty of fitness for a particular purpose or use, any implied warranty of workmanship, and any other express or implied warranties, with respect to the units, the Project, or the common elements thereof.
Appliances: None, but note the following: The Developer makes no warranties itself with respect to appliances or other consumer products installed in any unit or in the common elements. However, the Developer will attempt to assign to each unit owner the benefit of any manufacturer's or dealer's warranties covering the appliances or other consumer products or goods in his or her unit. Each unit owner shall have the direct benefit of any such warranties, if the Developer's attempted assignment is successful and binding. These warranties, if available, will expire at different times, depending on the date of manufacture, sale or installation of the appliances. Developer disclaims any implied warranty of habitability, any implied warranty of merchantability, any implied warranty of fitness for a particular purpose or use, any implied warranty of workmanship, and any other express or implied warranties, with respect to any appliances and furnishings contained within the units or the Project.

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

Status of Construction: Demolition and site preparation for the Project commenced in October 2007. Construction of the units will commence some time thereafter.
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: Subject to the occurrence of force majeure (defined in the sales contract), the developer agrees that construction of the Unit will be completed on or before two years after the sales contract "becomes binding" (as described in Section 514B-89 of the Act).
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: Although this project may be considered a conversion because part of the building's structure already exists, all of the units will be newly constructed. As such, the completion deadline set forth above applies.

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

☐	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 project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
☒	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
☒	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):

Box A ☐	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. If Box A is checked, you should read and carefully consider the following notice, which is required by law: **Important Notice Regarding Your Deposits: 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.**
Box B ☒	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. 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 **Important Notice Regarding Your Deposits** 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, **you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment**. (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. You should understand that, although the **Important Notice Regarding Your Deposits** 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.

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

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.	
1.	**Developer's Public Report**
2.	**Declaration of Condominium Property Regime (and any amendments)**
3.	**Bylaws of the Association of Unit Owners (and any amendments)**
4.	**Condominium Map (and any amendments)**
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other:

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

	Website to access official copy of laws: www.capitol.hawaii.gov
	Website to access rules: www.hawaii.gov/dcca/har

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

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

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

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

(1) The purchaser has signed the sales contract.

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

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

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

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

(b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or

(c) Closes the purchase of the unit before the 30-day cancellation period expires.

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

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

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

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

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

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

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

(1) Checking the waiver box on the rescission form; or

(2) Letting the 30-day rescission period expire, without taking any action to rescind; or

(3) Closing the purchase of the unit before the 30-day rescission period expires.

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. HCDA and its Assessments. The Project is part of and within the Kakaako Community, which is subject to the jurisdiction of the Hawaii Community Development Authority ("HCDA"). In certain instances, the rules and regulations of the HCDA shall take precedence over the rules, regulations and ordinances of the City and County of Honolulu. The Project is subject to assessment for the Project's and/or each unit's (undefined) "pro rata share" of the cost of improvements that may, in the future, be undertaken in the vicinity of the Project under the HCDA or other government agency improvements programs. The HCDA states that units and/or the Project will be assessed under the same methods and in the same manner as other properties in the area. If assessments are made directly against a unit, then the owner of that unit shall pay such assessments to the HCDA. If assessments are made against the Project as a whole, without regard to unit type or use, then such assessments would be treated as common expenses of the Project and the Association would assess such assessments against the Project's units based on the respective common interests of the units. If assessments made against the Project are based on unit types or uses (e.g., higher assessments against the commercial unit), then the Association would assess such assessments against the Project's units based on the formula or method used by the HCDA to assess the units. If assessments made against the Project are based on the number of units in the Project, with equal assessments for each unit, regardless of unit type, use or size, then the Association would assess each unit equally for such assessments.

2. Sound/Noise/Vibration. In any multi-family dwelling/structure, sound may be audible between units. Due to the proximity of one unit to another and of units to common elements, various noises and vibrations inherent in the occupancy of a unit within a mixed-use condominium project (including plumbing, impact, automobiles in the parking garage and driveways (including the squeaking of rubber tires), elevator operation, commercial activities, adjacent neighbors, and other types of noises) may result. Further, the Project is located in a commercial area where noise and vibration levels may exceed ordinary noise and vibration level standards for residential-zoned areas.

3. Mold. Mold and mold spores are present throughout the environment and the process of constructing dwellings is not, and cannot be, designed to exclude mold spores. If the growing conditions are favorable, mold can grow in the Unit. The buyer agrees to assume responsibility for taking appropriate steps to reduce or eliminate mold growth in the Unit.

4. Commercial Uses. The Project is a mixed-use condominium project that includes one commercial unit on the ground floor of the building. (The commercial unit can be divided into a total of two or three commercial units.) The Project also includes a unit called the "Parcel 35 Unit", which is comprised of a portion of the parcel between Clayton Street and Kapiolani Boulevard, and is likely (but not guaranteed) to be used as a parking lot, including a parking lot for a commercial establishment in the area. As a result, the Project and the Unit may be affected by various annoyances and nuisances, including traffic, noise, and odors.

5. HECO's Ward Avenue Facility. Directly adjacent to the Project is the Ward Avenue facility of Hawaiian Electric Company ("HECO"). HECO's Ward Avenue facility is a multi-purpose operation that is critical to HECO's island-wide utility service and includes a 138kV electrical substation. Activities and operations at the facility are likely to produce noises, odors, traffic congestion and visual nuisances.

Those activities and operations include, but are not limited to (a) office and work space for approximately 700 employees, (b) demonstration and training activities, (c) major equipment storage and repair, (d) vehicle parking, dispatch, repair and maintenance, and (e) fleet operations. HECO's fleet operations, which are active weekdays from 6:30 a.m. until 11:00 p.m., include regular automotive maintenance, repairs and painting in an on-site automotive shop located near the boundary with the Project. HECO crews and trucks are dispatched from and return to the Ward Avenue facility 24 hours per day, seven days per week. The dispatched trucks include heavy duty and boom (bucket) trucks with reverse-

direction beepers and safety alert alarms on aerial equipment. Any or all of these activities may be a nuisance to the Buyer and others occupying and using the Unit and the Project. The Buyer assumes and accepts the risks and nuisances associated with living and working in the direct vicinity of HECO's Ward Avenue facility, and waives any and all claims related thereto against the developer. HECO should be contacted for further information regarding HECO's Ward Avenue Facility.

6. Inspection of Unit. There shall be a unit inspection program for each buyer. The requirements and procedures for the inspection program are set forth in the sales contract that Buyer will sign to purchase the Unit. The existence of defects or damages to the Unit shall not affect the Buyer's obligations to make the required payments and consummate the purchase of the Unit, provided any such defects or damages do not render the Unit unfit for occupancy.

7. Views Not Assured. The completion of the Project and the future development of land adjacent to or in the immediate vicinity of the Project may have a detrimental effect on the views from the Unit and from other parts of the Project. There are no view easements or rights appurtenant to the Unit or the Project. Views from the Unit and the Project are not assured in any way.

8. Developer's Remedies for Buyer's Delay. In addition to other remedies the developer shall have, in the event closing of the sale of the Unit does not occur as called for in the sales contract by reason of the Buyer's failure to comply with any provision of the sales contract, the Buyer shall pay to the developer $300.00 per day through and including the actual date of closing.

9. Developer's Default/Buyer's Remedy. If the developer materially defaults under the sales contract prior to Closing, then, subject to certain conditions set forth in the sales contract and if the Buyer is not in material default under the sales contract, the Buyer shall be entitled, as the Buyer's sole and exclusive remedy, to terminate the sales contract and to receive a refund of all deposits (with interest earned thereon, if any), plus liquidated damages in the amount of $5,000.00. The liquidated damages amounts set forth in the sales contracts used for the sales of the Commercial Unit and the Parcel 35 Unit may be different than $5,000.00.

10. Interest on Deposits. All interest earned, if any, on the Buyer's deposits shall accrue to the credit of the developer and, except in certain instances set forth in the sales contract, upon a refund of the Buyer's deposits, the Buyer shall not be entitled to any interest earned on such deposits. At Closing, all interest earned, if any, on the Buyer's deposits shall be credited to the developer and not to the Buyer or to the purchase price of the unit.

11. Negotiation, Mediation and Arbitration. Except as specifically permitted in the sales contract that Buyer will sign to purchase the Unit, no judicial or administrative (inclusive of arbitration) proceeding shall be commenced or maintained by the Buyer. The sales contract sets forth very specific requirements and prohibitions with respect to resolving disputes, including requirements relating to negotiation, mediation and arbitration.

12. Elevators. The Project will have two elevators, both of which will only serve the residential units. Due to the configuration of the building, every floor in the building will not be wheelchair accessible by both elevators, although every floor will be wheelchair accessible by at least one elevator.

13. Photovoltaic System.

a. Photovoltaic panels serving certain parts of the Project will be located on the roof of the building and will provide shade for certain of the private rooftop decks. So that the photovoltaic panels and other parts of the photovoltaic power system that may be installed within the Project (collectively, the "Photovoltaic System" or "PVS") can be used, maintained, repaired and removed, an access easement over the "Residential Limited Common Elements" would likely exist in favor of either a corporate

photovoltaic provider (as the possible owner of the Photovoltaic System) or the owner of the commercial unit (if the Photovoltaic System only serves the commercial unit).

b. It is possible that the owner of the commercial unit that occupies the portion of the Project that is on (or closest to) the corner of Cooke Street and Kapiolani Boulevard (the "PVS Owner") will be required to own and maintain the Photovoltaic System, provided that the PVS Owner will also be entitled to the benefit of the electricity generated by the Photovoltaic System. The PVS Owner will be obligated to maintain the Photovoltaic System in substantially the same condition it was in when construction of the system was first completed and it first began operation. If the PVS Owner does not properly maintain the Photovoltaic System within 20 days after the Board or the Managing Agent has given the PVS Owner written notice of such failure to maintain, then the Board, on behalf of the Association, shall have the right to have such maintenance performed, and the cost of such maintenance shall be charged to the PVS Owner as a special assessment. If the Board determines, in its reasonable discretion, that the PVS Owner has abandoned the Photovoltaic System, then the Board shall have the right to take such reasonable steps and incur such reasonable costs as may be necessary to have the Association and/or the Owners of the Residential Units take ownership and control of the Photovoltaic System and to obtain and maintain the benefit of the electricity generated by the Photovoltaic System.

c. The PVS Owner shall have the right to negotiate with the Association for the purchase and sale of any excess electricity generated by the PVS for use by the Association and/or the owners and occupants of the residential units in the Project, provided that the Association shall not be obligated to either negotiate for such purchase and sale or purchase such excess electricity.

d. The PVS Owner shall have the right to negotiate with third parties (e.g., HECO) for the purchase and sale of any excess electricity generated by the PVS, provided that the sale of such excess electricity shall not have any adverse impact on the residential units or their owners or occupants.

14. Photovoltaic Agreement. The Developer may enter into an agreement (the "Photovoltaic Agreement") on behalf of the Association with a corporate photovoltaic provider relating to the photovoltaic system. The Photovoltaic Agreement may provide that the photovoltaic provider shall own the Photovoltaic System and that the Association, on behalf of the unit owners, will purchase from the photovoltaic provider power that may be generated by the Photovoltaic System. If there is a Photovoltaic Agreement, the Association shall be required to accept the Association's obligations under the Photovoltaic Agreement.

15. Assumption of Parcel 35 Common Expenses. The commercial unit located nearest to the corner of Kapiolani Boulevard and Cooke Street shall assume the Common Expenses that would (based on common interest) ordinarily be allocated to the Parcel 35 Unit, as provided in paragraph 20 below. If the Parcel 35 Unit is ever deleted from the project, then its common interest would be allocated to such commercial unit.

16. Decks and Lanais. Certain of the residential units have private decks appurtenant to them. Certain of the residential units have lanais appurtenant to them. The Project Declaration, Bylaws and Rules contain numerous restrictions on the improvements to and use of such decks and lanais. For example, smoking is prohibited on the decks and the lanais and the decks and the lanais cannot be enclosed.

17. Sign Requirements. All signs that relate to the commercial unit and that are visible from anywhere outside of the commercial unit must be approved by the County and the HCDA, if such approval is necessary, must conform with all applicable federal, state, and local laws and regulations, and must comply with the Commercial Unit Sign Criteria set forth in EXHIBIT "F" to the Declaration. So long as Developer owns a unit in the Project, all identification and other signs for the commercial unit (and any changes thereto) are subject to the prior written approval of Developer.

18. Residential Limited Common Expenses. Certain project expenses will be incurred in connection with items (such as the swimming pool and the elevators) that benefit only the residential units. Those expenses are called "Residential Limited Common Expenses" and they will be charged to and divided among the Residential Unit Owners in the proportion described in the schedule attached on pages 8 and 9 of EXHIBIT "L" to this public report, which proportion is, subject to certain exceptions, generally based on the area of each residential unit relative to the total area of all residential units.

19. Commercial Limited Common Expenses. There may be certain project expenses that are incurred in connection with items that benefit only the commercial unit. Those expenses are called "Commercial Limited Common Expenses" and they will be charged only to the Commercial Unit Owner. If the commercial unit is divided into more than one unit, then those expenses would generally be divided among the commercial units according to each commercial unit's floor area relative to the floor area of all the commercial units.

20. Parcel 35 Unit Expenses. The owner of the Parcel 35 Unit shall only be obligated to pay the following with respect to the Project: (a) all real property taxes assessed against the Parcel 35 Unit; (b) premiums for a minimum of $2,000,000 in liability insurance; (c) all governmental (including HCDA) assessments, if any, made specifically against the Parcel 35 Unit; (d) all costs of maintaining, repairing, replacing, and improving the Parcel 35 Unit, and any Limited Common Elements appurtenant thereto; (e) all utility costs relating to the Parcel 35 Unit; and (f) all costs incurred by the Association as a result of actions by or omissions of the owner of the Parcel 35 Unit, which costs shall be assessed as special assessments against the Parcel 35 Unit. If the Parcel 35 Unit is ever deleted from the Project, then those prospective Project-related cost items referenced in (c) and (f) would no longer apply.

21. Bus Stop. Directly in front of the Project, on Kapiolani Boulevard, is a public bus stop. The bus stop will give unit buyers (as well as members of the public) convenient access to the public bus system throughout the day and night when the buses are running.

22. Limitations on Use of Commercial Unit. The commercial unit shall be occupied and used only for those purposes authorized by law, subject to such further restrictions as are set forth in the Project Declaration, the Association Bylaws and the Project Rules. The commercial unit shall not be used for residential purposes or otherwise for domestic or sleeping purposes. Authorized and prohibited uses of the commercial unit are set forth in Exhibits D and E, respectively, of the Declaration. A prospective buyer of the commercial unit must familiarize itself with what uses are authorized and what uses are prohibited in the commercial unit. Provided such use is not prohibited under applicable laws, rules and regulations, the limited common element parking and garage area adjoining parking stalls numbered 34 through 48 that is hatched on the condominium map as "Unit 101 Limited Common Element" and is appurtenant to the commercial unit can be used for a use that is ancillary to the use being made of the commercial unit. The owner of the commercial unit shall indemnify, defend and hold harmless the Association and the other unit owners if any penalties or costs are incurred by the Project, the Association or the other unit owners as a result of the commercial unit (or its limited common elements) being used for a purpose that is not authorized under applicable laws, rules and regulations.

23. Commercial Unit May be Mostly Unimproved Space. Aside from electrical power and conduits, the commercial unit may be sold as mostly an unimproved space, meaning the commercial unit may, for the most part, be an empty shell. Unless the developer makes interior improvements to the commercial unit prior to closing, the buyer of the commercial unit will be responsible for making interior improvements to the unit (subject to applicable covenants, restrictions and laws).

24. Insurance Covering the Commercial Unit. The Bylaws provide that the Association is required to carry property insurance that covers the units and the common elements. The premiums for such insurance will be a common expense of the Project, allocated to units according to their respective common interests. However, because the amount of insurance covering the commercial unit may be based on unimproved shell space (rather than an improved, commercial space), if there is an insurable

casualty, the property insurance carried by the Association may not be sufficient to cover the cost to rebuild the commercial unit to the extent to which it existed after the commercial unit owner's improvements. To address this possibility, the owner of the commercial unit should make sure that the owner has enough of its own property insurance to cover the reconstruction of the improved, commercial space.

25. Developer's Right to Change Documents. The developer reserves the right to finalize, revise and/or amend the Declaration, the Bylaws, the Condominium Map, the Project Rules and other documents for certain reasons and subject to certain limitations, as set forth in the sales contract. By signing the sales contract, the Buyer will be agreeing to execute all documents and to do all things necessary or convenient to effect such rights.

26. Developer Makes No Promises or Warranty About the Amount of Monthly Maintenance Fees. By signing a sales contract, Buyer will be representing and agreeing that Buyer has had an opportunity to examine and has approved the estimate of monthly maintenance fees and assessments for the Project as shown in this Public Report. Buyer is aware that such amounts are only estimates and may change for reasons beyond the control of Developer, and Buyer specifically accepts and approves any changes in such estimates. Buyer is also aware that such estimates do not include Buyer's obligation for payment of real property taxes or utilities billed directly to Buyer. Buyer understands and agrees that such estimates are not intended to be and do not constitute any representation, warranty or promise by Developer, including, but not limited to, any representation, warranty or promise as to the accuracy of such estimates.

27. Management Agreement. The Developer, on behalf of the Association, has entered into a Management Agreement with Hawaiiana Management Company, Ltd. for the management of the Project. As set forth in the Bylaws, the Association shall be required to accept the Association's obligations under the Management Agreement.

28. Agreement Relating to Cable Television, Internet and Telephone Service. The Developer, on behalf of the Association, has entered into a Bulk and Residential Services Agreement (the "Bulk Services Agreement") with Oceanic Time Warner Cable ("Oceanic") for the provision of certain basic cable television, internet and telephone service to the residential units in the Project. Pursuant to the Bulk Services Agreement, Oceanic has the non-exclusive right and obligation to provide such basic cable television, internet and telephone service to the residential units. (Additional cable television, internet and telephone services may be available from Oceanic for additional costs, which would be paid by the individual residential unit owners. Also, the fixed-fee portion of Oceanic's cable television, internet and telephone charge covers only the basic cable television line and does not include the monthly charge for any digital cable television boxes. If one or more digital cable television boxes are used, the charge for those will be billed directly to the residential unit owner.) As set forth in the Bylaws, the Association shall be required to accept the Association's obligations under the Bulk Services Agreement.

29. Disclosures from Oceanic. Oceanic's Bulk Services Agreement requires the Developer to inform Buyers of the following: (a) that the voice-enabled cable modem used to provide the bulk digital telephone service is electrically powered and that the bulk digital telephone service, including the ability to access 911 services and home security and medical monitoring services, may not operate in the event of an electrical power outage or if the broadband cable connection is disrupted or not operating; (b) that, in the event of a power outage at the Project, any battery included in the voice-enabled cable modem may enable back-up service for a limited period of time or not at all, depending on the circumstances; (c) that inclusion of the battery does not ensure that the bulk digital telephone service will be available in all circumstances; (d) that, in the event of a loss of power that disrupts the local cable system, the battery in the voice-enabled cable modem will not provide back-up service and the bulk digital telephone service will not be available; (e) that Oceanic does not guarantee that the bulk digital telephone service will operate with Buyers' home security and/or medical monitoring systems; (f) that Buyers must contact their home security or medical monitoring provider in order to test their system's operation with Oceanic's bulk digital

telephone service; (g) that Buyers are responsible for the cost of any such testing or any fees for configuring their home security or medical monitoring system to work with the bulk digital telephone service; (h) that Buyers are not permitted to move Oceanic's equipment from the location and address in which it has been installed; (i) that if Buyers move their voice-enabled cable modem to an address different than that identified on the installation work order, then calls from such a modem to 911 will appear to 911 emergency service operators to be coming from the address identified on the work order and not the new address; (j) that the existing telephone wiring inside Buyers' units may not support both bulk basic digital telephone service and digital subscriber line (DSL) service, meaning that if Buyers intend to use bulk basic digital telephone service on all of the telephone jacks in their units, then Buyers may be required to maintain separate wiring (not provided by Oceanic) within their units specifically for DSL service or to disconnect their DSL service prior to receiving the bulk basic digital telephone service over their existing in-home wiring; and (k) that the bulk basic digital telephone service may not be compatible with certain data transmission services, including, but not limited to, fax transmissions and dial-up Internet access and that Buyers may be required to maintain a separate telephone line, not provided by Oceanic, in order to access such services. The Bulk Services Agreement also states that each telephone line will be available on a 24-hour basis (a 99.99% reliability rate), which shall assure lifeline services (E-911 service).

30. Subdivide/Remove Land. See Exhibit K to this public report regarding the Developer's right to subdivide Parcel 36 and remove from the Project a small (approximately 94 square foot) portion of the Project land. The right to remove Parcel 35 from the Project has been reserved in the Declaration. See Sections E.19, P and Q of the Declaration of Condominium Property Regime and Exhibit K to this Public Report.

31. Window Coverings. For residential units, all windows must have window drapes, shutters, shades, Venetian blinds, louvered blinds and/or other window coverings of white, black or charcoal in color, as seen from the Project building's exterior, that meet applicable requirements of the Declaration, Bylaws and Rules, the HCDA and the City and County. Window coverings of other colors are allowed if there is a white, black or charcoal backing or coloring that is seen from the exterior. The cost of such installation shall be at the sole expense of the unit owner. Although such window coverings do not need to be closed or otherwise blocking the Sun at all times, occupants of the residential units shall endeavor to close the window coverings when appropriate so that the unit's air conditioning system is not over taxed by the heat from the Sun.

32. Cooktops and Fans. Although the cooktops in the residential units may have the appearance and capacity of commercial cooktops, they are not to be used for large-scale (commercial or professional) purposes. Further, although the fans within the hoods over the cooktops in the residential units are commercial-sized fans, using the fan on the high setting for prolonged periods may cause moisture build-up within the unit, thereby possibly leading to higher moisture levels in the unit, mold, and changes in temperature within the unit. Occupants of the residential units are advised to keep the setting of the hood fan on low and use only when necessary. Alternatively, if they need to use the fan on the high setting, they should do so for just a short period of time.

33. Swimming Pool Safety. Buyer is aware that it is anticipated that there will not be a lifeguard on duty at the swimming pool within the Project. Accordingly, Buyer acknowledges that Buyer's safety as well as the safety of Buyer's children, tenants, and guests will be Buyer's own responsibility while using the swimming pool. Everyone swims at their own risk.

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

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

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

Cooke Clayton LLC, a Hawaii limited liability company
By U. S. Pacific Investments LLC, Its Manager
Printed Name of Developer

By: _____ July 14, 2008
Duly Authorized Signatory* Date

William R. Deuchar, Its Manager
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.**

EXHIBIT A
Unit Types and Sizes of Units

Type	Unit No.	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)*	Identify	Total Area
Commercial	101	1	0/0	0	3,470	Commercial space	3,470
Parking Lot or other use	Parcel 35	1	0/0	0	2,274	Parking/ Landscape	2,274
Residential	201	1	2/2	1,531	0		1,531
Residential	202	1	2/2	1,143	76 & 436	Lanai & Deck	1,655
Residential	203	1	1/1	875	114 & 590	Lanai & Deck	1,579
Residential	204	1	1/1	870	114 & 498	Lanai & Deck	1,482
Residential	205	1	2/2	1,392	49 & 373	Lanai & Deck	1,814
Residential	206	1	1/1	924	301 & 418	Lanai & Deck	1,643
Residential	301	1	2/2.5	2,004	848	Deck	2,852
Residential	302	1	2/2	1,431	2,006	Deck	3,437
Residential	303	1	3/3	2,058	110 & 406	Lanai & Deck	2,574
Residential	304	1	2/2	1,475	890	Deck	2,365
Residential	305	1	2/2	1,329	343	Deck	1,672
Residential	306	1	2/2	1,333	102	Lanai	1,435
Residential	307	1	2/2	1,389	206	Lanai	1,595
Residential	308	1	2/2	1,401	189	Lanai	1,590
Residential	401	1	2/2.5	2,004	238	Lanai	2,242
Residential	402	1	2/2	1,476	121	Lanai	1,597
Residential	404	1	2/2	1,459	203	Lanai	1,662
Residential	405	1	1/1	850	45	Lanai	895
Residential	406	1	1/1	837	46	Lanai	883
Residential	407	1	2/2	1,388	206	Lanai	1,594
Residential	408	1	2/2	1,401	189	Lanai	1,590
Residential	501	1	4/4.5	2,274	238 & 1,904	Lanai & Deck	4,416
Residential	502	1	2/2	1,496	137 & 1,425	Lanai & Deck	3,058
Residential	504	1	2/2	1,456	203	Lanai	1,659
Residential	507	1	2/2	1,386	206	Lanai	1,592
Residential	508	1	2/2	1,401	189	Lanai	1,590
Residential	603	1	3/3	2,058	220 & 1,003	Lanai & Deck	3,281
Residential	604	1	2/2	1,456	203 & 1,446	Lanai & Deck	3,105
Residential	605	1	2/2.5	1,688	124 & 763	Lanai & Deck	2,575
Residential	606	1	2/2.5	1,634	126 & 694	Lanai & Deck	2,454
Residential	607	1	2/2	1,386	206 & 1,359	Lanai & Deck	2,951
Residential	608	1	2/2	1,401	189 & 1,367	Lanai & Deck	2,957

Total Number of Units: 34

* Except for the Parcel 35 Unit, which is currently an improved parking lot, the approximate net area of each Unit as set forth above is measured from the interior surface of the unit's perimeter walls and includes all of the walls, columns, shafts and partitions within its perimeter walls, whether load-bearing or

non-load-bearing and whether among the Common Elements or not. **The floor areas shown are approximate only.**

Other documents and maps may give floor area figures that differ from those above because a different method of determining the floor area may have been used. The areas of the units are likely to vary somewhat. Even units of the same type may differ in their actual areas. The Developer makes no representations or warranties whatsoever as to the floor area of any particular unit.

EXHIBIT B
Parking Stall and Garage Storage Area Assignments

UNIT NO.	PARKING STALL NUMBER(S)	LIMITED COMMON ELEMENT GARAGE STORAGE AREA@ (No. - Area in Sq. Ft.)
101	29c through 41, 42c through 48	C1 – 460 s.f.
Parcel 35 Unit	None	
201	51 and 52	
202	61 and 62#	R7 – 59 s.f.
203	15	
204	18 and 19#	R5 – 42 s.f.
205	69 and 70#	
206	14	
301	73, 74#, 75	
302	53 and 54	
303	83c, 90c, 91#	R2 – 132 s.f.
304	8 and 9	
305	16 and 17#	
306	20 and 21#	
307	22 and 23#	
308	24 and 25#	
401	71, 72#, 76	R6 – 101 s.f.
402	49 and 50	
404	4 and 5	
405	1	
406	13	
407	65 and 66#	
408	63 and 64#	
501	85, 86c, 87#	
502	81 and 82	
504	6 and 7	
507	67 and 68#	
508	2 and 3	
603	84c, 88c, 89#	R1 – 247 s.f.
604	59 and 60	
605	92 and 93	R3 – 78 s.f.
606	77 and 78	R4 – 42 s.f.
607	55 and 56	
608	57 and 58	

Note: All parking stalls are covered. A parking stall marked with a "c", as shown on the list above, indicates a parking stall that is "compact" in size. A parking stall not marked with a "c", as shown on the list above, indicates a parking stall that is regular (or "standard") in size. The additional "c" markings appearing on the list above are for informational purposes only and do not constitute part of the legal identification of a parking stall, the sole means of legal identification being the numerical designation of the parking stall.

As shown on the Condominium Map, the following pairs of parking stalls are tandem parking stalls: 16/17; 18/19; 20/21; 22/23; 24/25; 61/62; 63/64; 65/66; 67/68; 69/70; 71/72; 73/74; 86c/87; 88c/89; and 90c/91.

@ The HCDA requires that each of the garage storage areas be appurtenant to, and not separated from, a specific parking stall. The storage area/parking stall combinations are as follows: R1/89; R2/91; R3/93; R4/77; R5/18; R6/76; R7/62; C1/48.

EXHIBIT C
Boundaries of the Units

A. Residential Units. The various unit types and their respective areas are more particularly described in Exhibit "B" to the Declaration. Each Residential Unit shall be deemed to include **(a)** all walls, columns, and partitions that are not load-bearing within the Unit's perimeter walls, **(b)** the surface area immediately interior (i.e., towards the interior of the Unit) from the undecorated or unfinished surfaces of all floors, ceilings, doors, door frames, window frames, interior load-bearing columns, girders, beams, and perimeter party or perimeter non-party walls (meaning that the entirety of all paint, wall paper, and floor covering (and, in the case of the floors, everything on top of the foundation or floor slab (whether made of concrete or other material) is included as part of the Unit), **(c)** any doors or panels along the perimeter walls of such Unit, **(d)** all windows, including the glass or other material comprising the window, **(e)** the air space within the perimeter of the Unit, **(f)** all appliances and fixtures, and replacements thereof, installed in the Unit, if any, **(g)** all pipes, plumbing, shafts, ducts, pumps, wires, conduits, and other utility or service lines and facilities running through such Unit that are utilized for and serve only that Unit, **(h)** all cranks, rollers, and other window or sliding door hardware, and **(i)** any air conditioning equipment or apparatus serving only the Unit, including, without limitation, the controls, valves, piping, vents, ducts, compressor, fan, refrigerant coil and piping, condensate drain pan and piping and filters. Anything in the previous sentence to the contrary notwithstanding, the respective Residential Units shall not be deemed to include **(u)** the Private Lanai, if any, the Private Deck, if any, or the garage storage area, if any, shown on the Condominium Map, **(v)** the foundation or floor slab (whether made of concrete or other material), **(w)** the sub-surface portions of the ceilings (as opposed to the "surface areas" described above), **(x)** the sub-surface portions of the interior load-bearing columns, girders, and beams (as opposed to the "surface areas" described above), **(y)** any pipes, plumbing, shafts, ducts, pumps, wires, conduits, and other utility or service lines and facilities running through a Residential Unit that are utilized for or serve more than one Unit, or **(z)** the exterior of any window frames, all of which are deemed Common Elements or Limited Common Elements, as appropriate.

B. Commercial Unit. Each Commercial Unit shall be deemed to include **(a)** all walls, columns, and partitions that are not load-bearing within the Unit's perimeter walls, **(b)** the concrete foundation or floor slab within the Unit's perimeter walls, **(c)** the surface area immediately interior (i.e., towards the interior of the Unit) from the undecorated or unfinished surfaces of all ceilings, doors, door frames, window frames, interior load-bearing columns, girders, beams, and perimeter party or perimeter non-party walls (meaning that the entirety of all paint and wall paper is included as part of the Unit), **(d)** any doors or panels along the perimeter walls of such Unit, **(e)** all windows, including the glass or other material comprising the window, **(f)** the air space within the perimeter of the Unit, **(g)** all appliances and fixtures, and replacements thereof, installed in the Unit, **(h)** all pipes, plumbing, shafts, ducts, pumps, wires, conduits, and other utility or service lines and facilities running through such Unit that are utilized for and serve only that Unit, **(i)** all cranks, rollers, and other window or sliding door hardware, and **(j)** any air conditioning equipment or apparatus serving only the Unit, including, without limitation, the controls, valves, piping, vents, ducts, compressor, fan, refrigerant coil and piping, condensate drain pan and piping and filters. Anything in the previous sentence to the contrary notwithstanding, the Commercial Unit(s) shall not be deemed to include **(w)** the portion of the building below the concrete foundation or floor slab, **(x)** the sub-surface portions of the ceilings (as opposed to the "surface areas" described above), **(y)** the sub-surface portions of the interior load-bearing columns, girders, and beams (as opposed to the "surface areas" described above), or **(z)** any pipes, plumbing, shafts, ducts, pumps, wires, conduits, and other utility or service lines and facilities running through a Commercial Unit that are utilized for or serve more than one Unit, all of which are deemed Common Elements or Limited Common Elements, as appropriate.

C. Parcel 35 Unit. The Parcel 35 Unit is currently a spatial unit, comprised of a single-level parking lot without any vertical improvements. The horizontal boundaries of the Parcel 35 Unit are described in Exhibit "B" to the Declaration by metes and bounds. The vertical boundaries of the Parcel 35 Unit shall be 30 feet below the surface of the Earth and 30 feet above the surface of the Earth. A more detailed description of the limits of the Parcel 35 Unit is in EXHIBIT "B" to the Declaration.

EXHIBIT D
Permitted Alterations to the Units

Following are relevant provisions from Section L of the Project's Declaration of Condominium Property Regime:

"L. ALTERATIONS TO THE PROJECT

* * *

4. Alterations to Residential Units. The provisions of this Section L.4 apply to Alterations made to Residential Units or to Limited Common Elements appurtenant to Residential Units.

(a) Alterations Permitted. Notwithstanding anything to the contrary contained in this Declaration, including, without limitation, Section L.1, and except as otherwise provided by law, each Residential Unit Owner shall have the following rights:

(i) Additions or Alterations Solely Within a Residential Unit or Limited Common Element Not Requiring Board Approval. Each Residential Unit Owner shall have the right, at any time and from time to time, at such Unit Owner's sole cost and expense, and without the consent of any other Person (unless the HCDA or other governmental agencies require such consent), to make any of the following Alterations solely affecting and solely within, as applicable, the Owner's Residential Unit or Limited Common Elements over which such Owner has sole control: (A) to install, maintain, remove, and rearrange partitions and other non-structural walls from time to time within such Residential Unit or Limited Common Element as long as not readily visible from outside of the Unit or the Limited Common Element; (B) to finish, change, alter, or substitute any plumbing, electrical, or other fixtures attached to the ceilings, floors, or walls as shall be appropriate for the utilization of such Residential Unit or Limited Common Element by such Owner or the Occupants thereof, provided there is no adverse effect on other Units or Limited Common Elements; (C) to paint, paper, panel, plaster, tile, finish, carpet, re-carpet, and otherwise change the appearance of any walls, floors, or ceilings of the Unit or Limited Common Element not readily visible from outside of the Unit or the Limited Common Element, subject to limitations on installation of hard floor surfaces in certain Residential Units set forth in this Declaration and/or the Project Rules, and do or cause to be done such other work on the interior surfaces of the ceilings, floors, and walls of such Residential Unit or Limited Common Elements; and (D) to make Alterations to the Residential Unit or Limited Common Elements that are not readily visible from outside of the Unit or the Limited Common Element to facilitate handicapped accessibility within the Residential Unit or Limited Common Element.

(ii) Alterations to a Residential Unit or Limited Common Element Requiring Board Approval. Each Residential Unit Owner, only with the written consent of the Board of Directors (which consent shall not be unreasonably withheld), the HCDA and appropriate agencies of the State of Hawaii and the County (if the HCDA or such agencies so require), and with the written consent of all other Owners directly affected (as determined by the Board), and subject to the Architectural Guidelines (if any), shall have the right, at any time and from time to time, at such Unit Owner's sole cost and expense, and without the consent of any other Person, to make Alterations to the Residential Unit or Limited Common Elements over which such Owner has sole control that are not covered under subsection (i) above or that are not "nonmaterial additions and alterations" (as defined in §514B-140 of the Act), including, without limitation, Alterations adversely affecting other Units or Limited Common Elements and Alterations that are readily visible from outside of the Unit or the Limited Common Element.

(iii) Combining of Adjacent Residential Units. A Residential Unit Owner who owns any two adjacent Residential Units that are separated by a Common Element that is a wall, floor or a ceiling shall have the right, at any time and from time to time at such Owner's sole cost and expense, and with the written consent of the Board of Directors (which consent shall not be unreasonably withheld),

and with the written consent of Declarant (if Declarant owns a Unit in the Project), and with the written consent of the HCDA and appropriate agencies of the State of Hawaii and the County (if the HCDA or such agencies so require), and with the written consent of all other Owners directly affected (as determined by the Board), and subject to the Architectural Guidelines (if any), to alter or remove all or portions of the intervening wall, floor, and/or ceiling, if (A) the structural integrity of the building is not thereby adversely affected, and (B) the finish of the Common Element then remaining is then restored to a condition substantially comparable to that of the Common Element prior to such alterations, and (C) all construction activity necessary to any such alteration or removal shall be completed within a reasonable period of time after the commencement thereof, subject to extension for delays beyond the control of the Owner or its contractors, in which case any such construction activity shall be completed in such additional time as may be reasonably necessary in the exercise of due diligence (as determined by the Board). The Owner may install a door or doors to such opening or openings in the intervening Common Element, may seal hallways, and may make other reasonable Alterations approved by applicable governmental authorities. Before the termination of the common ownership of any such adjacent Units, if the intervening wall, floor, or ceiling shall have been altered or removed pursuant to the foregoing provisions and/or any entry to hallways sealed, the Owner of the Units shall be obligated to restore such intervening wall, floor, ceiling, and/or hallway entries to substantially the same condition they existed prior to such alteration or removal.

(iv) Division of a Residential Unit. The Owner of a Residential Unit that spans two or more floors (not just levels) in the building shall have the right, at any time and from time to time at such Owner's sole cost and expense, and with the written consent of the Board of Directors (which consent shall not be unreasonably withheld), and with the written consent of Declarant (if Declarant owns a Unit in the Project), and with the written consent of the HCDA and appropriate agencies of the State of Hawaii and the County (if the HCDA or such agencies so require), and with the written consent of all other Owners directly affected (as determined by the Board), and subject to the Architectural Guidelines (if any), to divide such Unit to create two separate Residential Units and thereby increase the number of Units in the Project, if (A) the structural integrity of the building is not thereby adversely affected, and (B) the finish of the Common Element then remaining is then restored to a condition substantially comparable to that of the Common Element prior to such division, and (C) all construction activity necessary to any such division shall be completed within a reasonable period of time after the commencement thereof, subject to extension for delays beyond the control of the Owner or its contractors, in which case any such construction activity shall be completed in such additional time as may be reasonably necessary in the exercise of due diligence (as determined by the Board). Such division shall occur by, and the newly created Residential Unit shall be deemed a part of the Project for all purposes upon, the Residential Unit Owner: (X) amending the Condominium Map and EXHIBIT "B", EXHIBIT "C", and EXHIBIT "G" hereto to reflect such division; (Y) amending relevant provisions of this Declaration and/or the Bylaws to (1) designate which Limited Common Elements appurtenant to the divided Unit (including any parking stalls and storage areas) shall be appurtenant to the Units resulting from such division, (2) allocate, based upon the relative floor areas of the applicable Units, the entire Common Interest of the divided Residential Unit among the newly created Residential Units, and (3) convert, as necessary or appropriate, portions of the divided Unit to Common Element or Limited Common Element status to facilitate such division; and (Z) making such other amendments to this Declaration and the Condominium Map as necessary or appropriate to effectuate the division of the Residential Unit. Neither Unit 305 nor Unit 306, each of which has two levels (not two stories), can be divided into additional Units.

Anything in this Declaration, the Bylaws or the Rules to the contrary notwithstanding, provided the above-referenced consents have been obtained, the amendments to this Declaration, the Bylaws and the Condominium Map made pursuant to this subsection need only be approved and executed by the Owner of the Residential Unit that is being divided and, during the Declarant Control Period, Declarant.

The newly created Residential Unit shall have the right to use the Common Elements and the Residential Limited Common Elements to the same extent and subject to the same limitations as are imposed upon the other Residential Units as though the newly created Residential Unit had been developed as part of the original Project.

Neither the Common Interests nor the Limited Common Elements appurtenant to the Commercial Unit or to the other Residential Units will be affected by the addition of new Residential Units pursuant to this subsection.

(b) Prohibited Alterations. Nothing contained in Section L.4(a) shall authorize any Alteration that would: (i) jeopardize the soundness, safety, or structural integrity of any part of the Project; (ii) reduce the value of the Project or any Unit (unless authorized by the Owner of the affected Unit(s)); (iii) unreasonably interfere with or disturb the rights of other Owners (other than temporary inconveniences during the Alteration); (iv) materially increase the transfer of sounds, air, odors, or smoke to other Units or the Common Elements; (v) significantly increase the rate of fire insurance on the building or the contents of the building to an extent that all Residential Unit Owners would be materially affected; (vi) affect or impair any easement or rights of any of the other Owners; or (vii) interfere with or deprive any non-consenting Owner of the use or enjoyment of those Common Elements used or available for use by such non-consenting Owner; subject, however, to the exclusive use of the Limited Common Elements. Further, nothing in Section L.4 shall prohibit the Board from effecting such changes within a Unit or Limited Common Element, or to require the same, in order that the building may continue to comply with applicable laws, including any fire code requirements.

(c) Board Approval Required. Anything in this Declaration, the Bylaws or the Rules to the contrary notwithstanding, none of the following actions can be taken without the prior written consent of the Board (which consent shall not be unreasonably withheld): (i) Alterations that affect (or may affect) a structural component of any part of the Project; (ii) Alterations to a Unit's interior or exterior that are readily visible from the exterior of the Unit; (iii) Alterations to the Common Elements; and (iv) any penetration by more than two inches of an exterior wall, an area separation wall, a floor, a roof or a ceiling. As examples, but without limitation, the following shall require the prior written approval of the Board: the addition of air conditioner units; the placement of exterior signs; and the installation of wiring or other devices for electrical or telephone installations that protrude through Common Element walls, Common Element windows or the roof above a Unit by more than two inches.

(d) General Requirements for Alterations.

(i) Approval Procedures. With respect to Alterations that require approval of the Board, the Board shall have the right and authority to establish such procedures that it deems appropriate for Owners to follow before any such Alteration to a Residential Unit or the Unit's Limited Common Elements can commence. The Board shall also have the right to form an architectural review committee to process any Alteration to a Residential Unit or the Unit's Limited Common Elements. Further, the Board shall have the right to effect such changes within a Residential Unit, or to require the same, in order that the building may continue to comply with applicable law, including any fire code requirements.

(ii) Performance and Labor and Materials Payment Bond. With respect to Alterations that require approval of the Board, if the Alterations have an estimated cost of more than $50,000, then the Owner of the Unit shall obtain a performance and labor and materials payment bond (or other form of security acceptable to the Board), naming as obligees the Board, the Association and collectively all Unit Owners and their respective Mortgagees, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such construction.

(iii) Plans and Specifications. With respect to Alterations that require approval of the Board, all plans and specifications for any such Alterations shall be prepared by a Hawaii-

licensed architect or professional engineer and conform with all applicable laws and ordinances, and all Alterations, the cost of which is expected to exceed $50,000, shall be undertaken by a building contractor licensed in the State of Hawaii.

(iv) Insurance. During the entire course of any physical Alteration that requires approval of the Board, the Owner making such Alteration will cause to be maintained at such Owner's expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association and the other Unit Owner(s) shall be named as additional insureds.

(v) Certain Alterations Must Be Completed Within a Reasonable Time. All construction activity relating to any Alterations affecting the exterior of the building or otherwise readily visible from outside the Unit or Limited Common Element being altered shall be completed within a reasonable period of time after the commencement thereof, subject to extension for delays beyond the control of the Owner or its contractors, in which case any such construction activity shall be completed in such additional time as may be reasonably necessary in the exercise of due diligence (as determined by the Board).

(a) Withholding of Board Approval. Where applicable, the Board may withhold its approval to any request for an Alteration based upon: the terms of this Declaration, the Bylaws, or the HCDA Mauka Area Requirements; the potential or perceived effect such proposed Alteration may have on the appearance, safety or integrity of the Project; considerations of applicable zoning and other requirements; or the terms of any permits, agreements or authorizations pursuant to which the Project has been designed and constructed.

5. Alterations Relating to the Commercial Unit(s). The provisions of this Section L.5 apply to Alterations relating to a Commercial Unit or to Limited Common Elements appurtenant to a Commercial Unit.

(a) Generally. Except as otherwise expressly provided in this Declaration to the contrary, Alterations to the Commercial Unit are permitted and may be performed without the necessity of the consent or joinder of any other Unit Owner. Any Alteration to a Commercial Unit or to a Limited Common Element appurtenant to a Commercial Unit that is different in any material respect from the Condominium Map, as it then exists, shall be undertaken by the respective Commercial Unit Owner only pursuant to an amendment of this Declaration and the Condominium Map, which amendment need only be executed by the Owner of the Commercial Unit and, during the Declarant Control Period, Declarant. Anything in this Declaration or the Bylaws to the contrary notwithstanding, no Alteration to a Commercial Unit or to a Limited Common Element appurtenant to a Commercial Unit shall (i) jeopardize the soundness or safety of any part of the Project, (ii) materially and adversely affect the value of any Unit without the prior written approval of the affected Unit Owner, or (iii) materially and adversely affect the right of any Unit Owner to use and enjoy his or her Unit without the prior written approval of the affected Unit Owner. The provisions of this Section L.5 shall not apply to Alterations made by or on behalf of Declarant.

(b) Alterations Subject to Residential Owner Disapproval. Anything in this Declaration to the contrary notwithstanding, if the Owner or Occupant of a Commercial Unit desires to make an Alteration to the street-side exterior of his or her Commercial Unit or to the street-side exterior of a Limited Common Element appurtenant to his or her Unit, then, before any such Alteration can begin, the plans and specifications for such Alteration must be submitted to the Board (via the Managing Agent). If the Board does not, within 60 days after the plans and specifications were submitted to the Board (via the Managing Agent), inform the Commercial Unit Owner or Occupant (via the Managing Agent) that at least 75% of the Residential Unit Owners object to the desired Alteration (along with the reason(s) for such objection), then the Commercial Unit Owner or Occupant may proceed with the Alteration. If, within 60 days after the plans and specifications were submitted to the Board (via the Managing Agent), the Board informs the Commercial Unit Owner or Occupant (via the Managing Agent) that at least 75% of the

Residential Unit Owners objected to the desired Alteration (along with the reason(s) for such objection), then the Commercial Unit Owner or Occupant may not proceed with the Alteration. An objection by the Residential Unit Owners to the plans and specifications of the Commercial Unit Owner or Occupant must be pursuant to a vote taken by the Residential Unit Owners at a duly called special or annual meeting of the Association. (An example of an Alteration to a Commercial Unit that would be subject to disapproval by the Residential Unit Owners would be a change to the size, location or material of the Kapiolani Boulevard-side entrances and windows of a Commercial Unit.)

(c) Division of the Commercial Unit.

(i) The Owner of the initial Commercial Unit (being Unit 101) shall have the right to divide such Unit to create up to a total of three, separately conveyable Commercial Units and thereby increase the number of Units in the Project. Such division of Units by the Owner of the Commercial Unit shall occur by, and the newly created Commercial Units shall be deemed a part of the Project for all purposes upon, the Commercial Unit Owner: (A) amending the Condominium Map and EXHIBIT "B" and EXHIBIT "C" hereto to reflect such division; (B) amending relevant provisions of this Declaration and/or the Bylaws to (1) designate which Limited Common Elements appurtenant to the divided Unit(s) (including any parking stalls and storage areas) shall be appurtenant to the Units resulting from such division, (2) allocate, based upon the relative floor areas of the newly created Units, the entire Common Interest of the divided Commercial Unit among the newly created Commercial Units, and (3) convert, as necessary or appropriate, portions of the divided Unit(s) to Common Element or Limited Common Element status to facilitate such division; and (C) making such other amendments to this Declaration and the Condominium Map as necessary or appropriate to effectuate the division of the Commercial Unit, provided that, during the Declarant Control Period, any amendment pursuant to this subsection shall require the written consent of Declarant.

(ii) The right to divide the Commercial Unit shall exist in favor of Declarant as long as Declarant owns the initial Commercial Unit (Unit 101) and shall be automatically transferred to subsequent Owners of the initial Commercial Unit. If the initial Commercial Unit (Unit 101) is divided into two, but not three, Commercial Units, then (A) the Owner of the two Commercial Units (whether Declarant or another Owner) shall designate (in the amendment required in subsection (i) above) which of the two Commercial Units can be further divided into a third Commercial Unit, (B) the right to further divide that designated Commercial Unit shall remain with the title to that Commercial Unit, and (C) the non-designated Commercial Unit shall not be further divided.

(iii) The Commercial Unit(s), including the newly created Commercial Unit(s), shall have the right to use the Common Elements and the Unit 101 Limited Common Elements to the same extent and subject to the same limitations as are imposed upon the initial Commercial Unit as though the newly created Commercial Unit(s) had been developed as part of the original Project.

(iv) In no event shall any such amendment affect the Common Interest appurtenant to any Units other than the divided Commercial Unit. The amendments to this Declaration, the Bylaws and the Condominium Map referenced herein need only be approved and executed by the Owner of the Commercial Unit and, during the Declarant Control Period, Declarant.

(v) There shall never be more than three Commercial Units in the Project.

(vi) No Common Elements that are actually used by Owners of the Residential Units or are designated as Limited Common Elements appurtenant to any of the Residential Units shall be converted to new Commercial Units, to the Unit 101 Limited Common Element, or to new Limited Common Elements appurtenant to the new Commercial Unit(s). If one or more additional Commercial Units are created, then the Common Interests will be subtracted from the Commercial Unit originally established by this Declaration and assigned to the new Commercial Unit(s) in a manner that equitably reflects the ratio of the net floor areas of the original Commercial Unit and the new Commercial

Unit(s). The Common Interests and Limited Common Elements appurtenant to the Residential Units will not be affected by the addition of new Commercial Unit(s).

(vii) Whether or not the Commercial Unit is ever divided into two or three Commercial Units, no more than three separate businesses are allowed to operate in the space that comprises the original Commercial Unit, as evidenced by the number of entry doors facing the street-side of the Project and the number of doors facing the parking garage. No more than three sets of doors may exit onto the street-side of the Project and no more than three sets of doors may exist into the parking garage. A reason for this restriction is to prevent the space comprising the original Commercial Unit from being leased or sublet and "carved up" into more than three businesses.

6. Amendment To Declaration and Condominium Map. In the event of an Alteration pursuant to and in compliance with this Section L that alters (a) the depiction of the particular Unit(s) or Limited Common Elements as they may be shown on the Condominium Map, (b) the description thereof in the Declaration, or (c) the Limited Common Elements appurtenant to a Unit, then, the provisions of Section T of this Declaration to the contrary notwithstanding, the Unit Owner or Owners making the change shall amend this Declaration and, if applicable, the Condominium Map to set forth such change or alteration, which amendment(s) shall be executed by the Owner or Owners of the affected Unit or Units and such other Persons as may be required above, but shall not require execution by any other Person, and such amendment(s) shall become effective upon the Recordation thereof; provided, however, that all required consents to the Alteration have been obtained and not repealed. Every Unit Owner, as Unit Owners and as Members of the Association and, if applicable, the Board of Directors, all holders of liens affecting any of the Units of the Project, and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Unit, lien, or other interest: (y) consents to and agrees that he, she, or it shall, if required by law or by any such Owner who shall have changed or altered a Unit as aforesaid (the **"Altering Owner"**), join in, consent to, execute, deliver, and Record all instruments and documents necessary or desirable to effect the amendment of this Declaration and/or the Condominium Map; and (z) appoints the Altering Owner and the Altering Owner's assigns his, her, or its attorney-in-fact and/or agent with full power of substitution to execute, deliver, and Record such documents and to do such things on his, her, or its behalf, which grant of such power, being coupled with an interest, is irrevocable and being a durable power of attorney and/or agency, shall not be affected by the disability of any such party. Alterations made by or on behalf of Declarant shall not require the vote or consent of the Board or any other Person.

* * *

8. Exemptions For Persons With Disabilities. Notwithstanding anything to the contrary contained in the Bylaws, this Declaration or the Project Rules, Owners shall be permitted to make reasonable Alterations to their Units and/or the Common Elements, at their expense (including the cost of obtaining any required bonds), if such Alterations are necessary to enable the use and enjoyment of their Units and/or the Common Elements, as the case may be, by persons with disabilities, provided that any Residential Unit Owner with a disability desiring to make such Alterations shall make such request, in writing, to the Board. The written request shall set forth, with specificity and in detail, the nature of the request and the reason that the requesting party needs to make such Alterations. The Board shall not unreasonably withhold or delay its consent to such request, and any such request shall be deemed to be granted if not denied in writing, within 60 days of the Board's receipt thereof, or within 60 days of the Board's receipt of additional information reasonably required in order to consider such request, whichever shall last occur. Nothing contained in this Section L.8 shall exempt an Owner from making all amendments to the Bylaws, this Declaration or the Condominium Map necessitated by any changes authorized under this Section L.

9. HCDA Mauka Area Requirements. The development and use of the Project are subject to the terms of the HCDA Mauka Area Requirements. Accordingly, no Alteration or other modification

may be made that is prohibited by the HCDA Mauka Area Requirements or by any special permits or agreements to which the development and/or use of the Project is subject.

10. Emergency Alterations. The foregoing notwithstanding, any requirements set forth above for obtaining approvals or votes by the Board, the Association or other Unit Owners before an Alteration can take place shall be suspended for: (a) Alterations required by law or to insure public health or safety; or (b) Alterations required in the event of an emergency threatening immediate and substantial damage to persons or property.

11. Alterations to the Parcel 35 Unit. Subject to the conditions set forth below, the Owner of the Parcel 35 Unit shall have the right to install and maintain the following within the Parcel 35 Unit and/or the Parcel 35 Unit Limited Common Element: signage that meets the requirements of the Commercial Unit Sign Criteria set forth in Exhibit "F" [of the Declaration of Condominium Property Regime], fencing (excluding chainlink fencing) and/or a statue. As long as Declarant owns a Unit in the Project, no signage, fencing or statue shall be installed within the Parcel 35 Unit or the Parcel 35 Unit Limited Common Element unless and until the plans therefor have been approved in writing by Declarant, which approval (or lack of approval) shall be subject to Declarant's reasonable discretion. If installed while Declarant owns a Unit in the Project, the signage, fencing or statue shall be installed and maintained at all times to conform to the plans approved by Declarant. The signage, fencing and statue shall always meet all applicable requirements of the City and the HCDA.

12. Alterations to the Clayton Street Unit 101 Limited Common Element. Subject to the conditions set forth below, the Owner of the Commercial Unit shall have the right to install and maintain the following within the Clayton Street Unit 101 Limited Common Element: signage that meets the requirements of the Commercial Unit Sign Criteria set forth in Exhibit "F" [of the Declaration of Condominium Property Regime], fencing (excluding chainlink fencing) and/or a statue. As long as Declarant owns a Unit in the Project, no signage, fencing or statue shall be installed within the Clayton Street Unit 101 Limited Common Element unless and until the plans therefor have been approved in writing by Declarant, which approval (or lack of approval) shall be subject to Declarant's reasonable discretion. If installed while Declarant owns a Unit in the Project, the signage, fencing or statue shall be installed and maintained at all times to conform to the plans approved by Declarant. The signage, fencing and statue shall always meet all applicable requirements of the City and the HCDA."

EXHIBIT E
Common Interests

Unit Number	Undivided Common Interest of Each Unit*
101	0.06985264 (6.985264%)
Parcel 35 Unit	0.00000001 (0.000001%)
201	0.03081971 (3.081971%)
202	0.02300910 (2.300910%)
203	0.01761414 (1.761414%)
204	0.01751349 (1.751349%)
205	0.02802158 (2.802158%)
206	0.01860053 (1.860053%)
301	0.04034141 (4.034141%)
302	0.02880667 (2.880667%)
303	0.04142846 (4.142846%)
304	0.02969241 (2.9769241%)
305	0.02675336 (2.675336%)
306	0.02683388 (2.683388%)
307	0.02796119 (2.796119%)
308	0.02820275 (2.820275%)
401	0.04034141 (4.034141%)
402	0.02971254 (2.971254%)
404	0.02937032 (2.937032%)
405	0.01711088 (1.711088%)
406	0.01684918 (1.684918%)
407	0.02794106 (2.794106%)
408	0.02820275 (2.820275%)

Unit Number	Undivided Common Interest of Each Unit*
501	0.04577662 (4.577662%)
502	0.03011515 (3.011515%)
504	0.02930993 (2.930993%)
507	0.02790080 (2.790080%)
508	0.02820275 (2.820275%)
603	0.04142846 (4.142846%)
604	0.02930993 (2.930993%)
605	0.03398019 (3.398019%)
606	0.03289315 (3.289315%)
607	0.02790080 (2.790080%)
608	0.02820275 (2.820275%)

* The common interests for the Units may change (increase or decrease) in connection with: (i) a change by the Developer in the Unit floor plan(s) for any or all of the Units; and (ii) an increase or decrease in the number of Units in the Project. The common interest for the Parcel 35 Unit will be designated to Unit 101 if the Parcel 35 Unit is removed from the Project.

EXHIBIT F
Common Elements

The Common Elements of the Project shall specifically include, but are not limited to, the following, some of which are also Limited Common Elements:

1. The land described in EXHIBIT "A" (as may be amended) in fee simple.

2. All structural components of the building, such as the foundation, girders, columns, beams, floor slabs, supports, main walls, load-bearing walls, parapet walls, floors, ceilings (except the inner or decorated surfaces of such walls, floors and ceilings), roofs, exterior stairs and stairways, landings, railings and other building appurtenances.

3. All yards, trees, grounds, gardens, planters, plants, landscaping, recycling areas, barbecue areas, refuse facilities, and the swimming pool, not located within a Unit or within the Limited Common Element of one or more Units.

4. All sidewalks, walkways, walkway railings, elevators, pathways, retaining walls, entry gates, entry monuments, driveways, roads, parking areas and parking stalls.

5. The entry area outside the entry door of each Unit, the Private Lanais of certain Units and the Private Decks of certain Units, as shown on the Condominium Map.

6. All ducts, electrical equipment, vents, shafts, lines, conduits, cables, transformers, wiring, pipes and other central and appurtenant transmissions facilities and installations over, under and across the Project to the point of their respective connections to improvements comprising a part of the Units or the Limited Common Elements appurtenant thereto, that are utilized by or serve more than one Unit for services such as, but not limited to, those providing power, light, water, irrigation, gas, sewer, refuse, drainage, telephone, air conditioning, and radio and television signal distribution, if any.

7. All areas, rooms, spaces, structures, housings, chutes, shafts or facilities of the Project within or outside of the building, which are for common use or which serve more than one Unit, such as electrical, telephone, maintenance, service, elevator, security, machine, mechanical, trash and equipment rooms and the equipment, machinery and facilities therein.

8. All the benefits, if any, inuring to the Land or to the Project from all easements, if any, shown on the Condominium Map or listed in EXHIBIT "A" to the Declaration.

9. Any and all apparatus and installations existing for common use by more than one Unit, and any and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

10. All storage areas that are not within a Unit.

11. The trellises installed by the Developer throughout the building.

12. All other parts of the Project not included in the definition of a Unit.

Note: Notwithstanding anything to the contrary in the Declaration or in the Condominium Map, if the Photovoltaic Agreement exists, then the Photovoltaic System described in the Photovoltaic Agreement shall not be part of the Common Elements (or Limited Common Elements) of the

Project or part of any Unit in the Project, the ownership of which shall be as described in the Photovoltaic Agreement.

Note: Notwithstanding anything to the contrary in the Declaration or in the Condominium Map, the following shall not be part of the Common Elements (or Limited Common Elements) of the Project or part of any Unit in the Project: the Cable System that provides digital cable television service, broadband internet service, and digital telephone service to the Residential Units (described as the "System" in the Cable Services Agreement), the ownership of which is as described in the Cable Services Agreement.

EXHIBIT G
Limited Common Elements

Certain Common Elements, called "Limited Common Elements", are designated and set aside for the exclusive use of certain Units, and, subject to exceptions set forth in the Declaration, such Units shall have appurtenant thereto easements for the exclusive use of such Limited Common Elements as follows:

A. Limited Common Elements.

1. Parking Stalls:

Each Unit located within the building shall have appurtenant to it, as a Limited Common Element, the exclusive right to use the parking stall(s) as designated above, located as shown on the Condominium Map, or such other parking stall as may be described by amending the Declaration.

2. Garage Storage Areas:

Certain Units shall have appurtenant to it, as a Limited Common Element, the exclusive right to use the garage storage area as designated above, located as shown on the Condominium Map, or such other garage storage area as may be described by amending the Declaration. Each garage storage area shall be appurtenant to the respective parking stall as indicated above.

3. Private Lanais:

Certain Residential Units shall have, as a Limited Common Element, the Private Lanai or Private Lanais that are appurtenant to the Unit, the location of which is depicted on the Condominium Map, from the exterior surface of all perimeter walls that separate the interior of the Units from the Private Lanais to the interior edge of the exterior railings or other boundaries of the Private Lanais. Notwithstanding anything to the contrary contained in the Project Documents, even though each Private Lanai is a Limited Common Element appurtenant to and for the exclusive use of its respective Unit, the Association shall be responsible for maintenance and repair of the area from the exterior edge of the exterior railings or other boundaries of the Private Lanais and for any structural repair for the Private Lanais.

4. Private Decks

Certain Residential Units shall have, as a Limited Common Element, the Private Deck that is appurtenant to the Unit, the location of which is depicted on the Condominium Map. Unit Owners shall be responsible for maintenance and repair of their respective Private Decks (including the door, if applicable, that separates the Private Deck from the Residential Limited Common Element swimming pool deck area or corridor; provided, however, that the Association, as a Residential Limited Common Expense, shall maintain and repair the portion of such door that faces the swimming pool deck area or corridor).

5. Exterior Staircases.

Certain Residential Units shall have, as a Limited Common Element, the staircase (outside the Unit) that is appurtenant to the Unit, the location of which is depicted on the Condominium Map. Unit Owners shall be responsible for maintenance and repair of their respective staircases.

6. Mailboxes:

Each mailbox or mail slot bearing the same identification as a Unit is a Limited Common Element appurtenant to that Unit.

7. Signage

The Commercial Unit will have appurtenant to it, as a Limited Common Element, the authorized signage for its business that is on the exterior of the Commercial Unit.

8. Entrances to Commercial Unit

The Commercial Unit will have appurtenant to it, as a Limited Common Element, the exterior entrance(s) to the Commercial Unit, as may be shown on the Condominium Map.

9. Trellises. Various trellises are shown on the Condominium Map. As set forth below, trellises (or portions thereof) are designated as Residential Limited Common Elements appurtenant to all of the Residential Units or as Limited Common Elements appurtenant to just one Residential Unit.

a. Above Private Decks. The portion of the trellis that is located above or within the Private Deck appurtenant to Unit 202, Unit 203, Unit 204, Unit 205, Unit 206, and Unit 301, as shown on Sheet CPR-1.4 of the Condominium Map, is a Limited Common Element appurtenant to each of those Units, respectively. The portion of the trellis that is located above or within the Private Deck appurtenant to Unit 501, Unit 502, Unit 603, Unit 604, Unit 605, Unit 606, Unit 607, and Unit 608, as shown on Sheet CPR-1.8 of the Condominium Map, is a Limited Common Element appurtenant each of those Units, respectively.

b. Above Residential Limited Common Elements. The portion of each trellis that is located above or within a Residential Limited Common Element, as shown on Sheet CPR-1.4 and Sheet CPR-1.8 of the Condominium Map, is a Residential Limited Common Element appurtenant to all of the Residential Units.

10. Photovoltaic System

If the Photovoltaic Agreement does not exist and if the Photovoltaic System serves only the Commercial Unit, then the Commercial Unit will have appurtenant to it, as a Limited Common Element, the Photovoltaic System. If the Photovoltaic Agreement does not exist and if the Photovoltaic System serves all of the Units in the Project, then the Photovoltaic System will be a Common Element of the Project.

11. Exterior landscaping/hardscape:

The landscaping and hardscape areas located on the outside of and in front of the building (but within the confines of the Property) and hatched as "Unit 101 Limited Common Element" on Sheet CPR-1.1 of the Condominium Map, shall constitute Unit 101 Limited Common Elements appurtenant to and for the exclusive use of the Commercial Unit; provided, however, that if the existing Commercial Unit is divided into two or three Commercial Units, then such landscaping and hardscape shall be appurtenant to the Commercial Units as a group.

12. Trash Room and Refuse Dumpster(s):

The "Trash Room" located adjacent to parking stall 42, as shown on Sheets CPR-1.2 and 2.1 of the Condominium Map, and any refuse dumpster(s) located in that Trash Room shall constitute Unit 101 Limited Common Elements appurtenant to and for the exclusive use of the Commercial Unit; provided, however, that if the existing Commercial Unit is divided into two or three Commercial Units, then such areas shall be appurtenant to the Commercial Units as a group. The costs associated with that Trash Room and those refuse dumpsters shall be Commercial Limited Common Expenses.

13. Parking and Garage Area for Commercial Unit:

The Commercial Unit shall have appurtenant to it, as a Unit 101 Limited Common Element, the exclusive right to use the entirety of the parking and garage area that includes and surrounds parking stalls numbered 34 through 48. The area is hatched as Unit 101 Limited Common Element and located as shown on the Condominium Map. This Unit 101 Limited Common Element shall include the gate or door (and appurtenances) that can be used to enclose that portion of the parking and garage area. The Owner of the Commercial Unit shall be solely responsible for maintenance and repair of this area.

14. Limited Common Element Appurtenant to the Parcel 35 Unit

The building setback for the Parcel 35 Unit, which fronts Kapiolani Boulevard and is shown on the Condominium Map as the "Parcel 35 Unit Limited Common Element", is a Limited Common Element appurtenant to the Parcel 35 Unit. The metes and bounds description of the Parcel 35 Unit Limited Common Element is as follows:

Beginning at the Southeast corner of this parcel of land, on the South side of the Parcel 35 Unit and the West side of Parcel 34, the coordinates of which referred to Government Street Monument at Alapai and King Streets being 915.79 feet South and 82.84 feet East and running by azimuths measured clockwise from true South:

1.	31°	37'		16.20 feet along Parcel 34;
2.	143°	50'		24.70 feet along the North side of Kapiolani Boulevard;
				thence, along the North side of Kapiolani Boulevard, on a curve to the right with a radius of 1311.45 feet, the chord azimuth and distance being:
3.	145°	18'	50"	67.77 feet;
4.	236°	47'	40"	15.00 feet along the Clayton Street Unit 101 Limited Common Element;
				thence, along the Parcel 35 Unit, on a curve to the left with a radius of 1296.45 feet, the chord azimuth and distance being:
5.	325°	18'	50"	66.99 feet;
6.	323°	50'		18.57 feet along the Parcel 35 Unit, to the point of beginning and containing an area of 1,336 Square Feet.

15. Clayton Street Unit 101 Limited Common Element:

The area of land (and any improvements thereon) adjacent to the Parcel 35 Unit and located between Clayton Street and Kapiolani Boulevard, shown on the Condominium Map as the "Clayton Street Unit 101 Limited Common Element", shall be a Unit 101 Limited Common Element appurtenant to the Commercial Unit(s); provided, however, that, as set forth in Section P of the Declaration, the Clayton Street Unit 101 Limited Common Element shall be subject to removal from the Project.

The metes and bounds description of the land area comprising the Clayton Street Unit 101 Limited Common Element is as follows:

Beginning at the East corner of this parcel of land, on the South side of Clayton Street, the coordinates of which referred to Government Street Monument at Alapai and King Streets being 838.89 feet South and 44.18 feet East and running by azimuths measured clockwise from true South:

1.	56°	47'	40"	27.46	feet along the Parcel 35 Unit and remainder of Lot A;
					thence, along the North side of Kapiolani Boulevard, on a curve to the right with a radius of 1311.45 feet, the chord azimuth and distance being:
2.	147°	21'	03"	25.47	feet;
					thence, along the North side of Kapiolani Boulevard and the south side of Clayton Street, on a curve to the right with a radius of 6.96 feet, the chord azimuth and distance being:
3.	224°	13'	58"	13.52	feet;
4.	300°	33'		31.68	feet along the south side of Clayton Street, to the point of beginning and containing an area of 612 Square Feet.

B. Residential Limited Common Elements.

The Residential Units, as a group, shall have appurtenant thereto as Limited Common Elements:

1. Swimming pool, whirlpool and deck

The swimming pool, whirlpool and deck (which includes a barbecue and various other furnishings and improvements) located on the third floor rooftop deck of the Ewa-side (west) portion of the building, as shown on the Condominium Map, are Residential Limited Common Elements appurtenant to and for the exclusive use of all of the Residential Units.

2. Parking Gates

The two roll down gates located in the parking garage (one located at the top of the ramp and one located on the right side of the ground floor parking garage) are Residential Limited Common Elements appurtenant to and for the exclusive use of all of the Residential Units.

3. Elevators and Mechanical/Electrical Rooms:

The two elevators and their corresponding mechanical/electrical rooms, as shown on the Condominium Map, shall constitute Residential Limited Common Elements appurtenant to and for the exclusive use of all of the Residential Units.

4. Residential Lobby and Elevator Lobby:

The Residential Lobby, the Elevator Lobby, the room located adjacent to the Elevator Lobby, the mail room, the management room behind the mail room and the entrances to those areas, as shown on the Condominium Map, shall constitute Residential Limited Common Elements appurtenant to and for the use of all of the Residential Units; provided, however, that there shall be appurtenant to the Commercial Unit(s) an easement for pedestrian access purposes over and across such Residential Limited Common Elements as are reasonably necessary for the Owner and Occupants of the Commercial Unit(s) to gain access to the mailbox or mail slot for the Commercial Unit(s) located in the mail room.

5. Stairwells and Staircases:

The two internal stairwells and staircases (that are not within a Unit), located as shown on the Condominium Map, shall constitute Residential Limited Common Elements appurtenant to and for the exclusive use of all of the Residential Units.

6. Mechanical/electrical equipment:

Except for the portions of the Photovoltaic System located on the rooftop decks (including the panels and other appurtenances), the mechanical and electrical equipment located on each of the three rooftop decks shall constitute Residential Limited Common Elements appurtenant to and for the exclusive use of all of the Residential Units.

7. Parking Garage Walkway:

The parking garage walkway located within the second floor of the parking garage, adjacent to parking stall no. 76 and hatched as "Residential Limited Common Element" on Sheet CPR-1.3 of the Condominium Map, shall constitute Residential Limited Common Element appurtenant to and for the exclusive use of all of the Residential Units.

8. Trash Room and Refuse Dumpsters:

The "Trash Room" located between parking stall no. 48 and Storage Area C1, as shown on Sheet CPR-1.2 of the Condominium Map, and the refuse dumpsters located in that Trash Room shall constitute Residential Limited Common Elements appurtenant to and for the exclusive use of all of the Residential Units. The costs associated with that Trash Room and those refuse dumpsters shall be Residential Limited Common Expenses.

9. Air Conditioner Systems

The air conditioner unit for each Residential Unit shall be served by a "variable refrigerant volume" (or "VRV") system that will be located on the roof of the building. Each VRV system will serve two, three or four Residential Units. The portions of the air conditioner system that are located outside of the Residential Unit (including the VRV system) shall be Residential Limited Common Elements appurtenant to the Residential Units. The costs associated with those portions of the air conditioner system shall be Residential Limited Common Expenses.

10. Parking and Garage Area for Residential Units:

The Residential Units shall have appurtenant to them, as Residential Limited Common Element, the exclusive right to use the garage area that is hatched as "Residential Limited Common Element" on Sheets 1.2 and 1.3 of the Condominium Map.

EXHIBIT H
Special Use Restrictions

The following summary is not intended to be a complete and exhaustive explanation of all the use restrictions set forth under the documents governing the project (the "Project Documents") and otherwise. It is intended to be a general summary. If any conflict or difference exists between this summary and any of the Project Documents, the Project Documents shall control.

1. The Declaration, Bylaws and Project Rules contain many restrictions on how the units can be used. Buyers are strongly urged to review the use provisions of those documents before deciding to purchase a unit in the Project.

2. Among many other things, the Project Documents contain provisions relating to the following:

a. The residential units can only be used for residential purposes, although they may also be used for "Home-Based Small Businesses", as that term is defined in the Declaration.

b. Subject to all applicable laws and regulations, the Commercial Unit (Unit 101) shall be occupied and used only for one or more of the commercial purposes set forth in EXHIBIT "D" attached to the Declaration, provided, however, no Commercial Unit shall be occupied or used for any of the purposes set forth in EXHIBIT "E" attached to the Declaration. The Declaration provides that Commercial Unit owners can, subject to certain conditions, seek approval from the Residential Unit Owners to use the Commercial Unit for a purpose not necessarily permitted under Exhibit D or E of the Declaration.

c. Methods of advertising and types and sizes of signs that can be used at the Project.

d. Owners and occupants of the commercial unit cannot use the Project's swimming pool or other such areas that are reserved for owners and occupants of the residential units.

e. No time sharing. No leasing or renting of units for an initial term of less than 90 days (or such longer period as may be required by ordinance of the County to avoid classification of a unit as a "transient vacation unit").

f. Except as required by law, occupancy is limited to no more than two persons per bedroom in each residential unit, not including children under the age of five years, but in no event shall the number of occupants per bedroom exceed three, including children under the age of five years.

g. Restrictions on the use of the private lanais and private decks that are appurtenant to certain of the residential units.

h. Restrictions on types, numbers and sizes of pets/animals allowed in the Project.

3. At least 30 days before a change takes place in the type of business that will be operated out of a Commercial Unit, the Commercial Unit Owner, or an Occupant of the Commercial Unit must notify the Managing Agent in writing of the change and inform the Managing Agent of the type of business that the Commercial Unit Owner or the Occupant intends to operate in the Commercial Unit.

4. The Parcel 35 Unit is currently a single-level parking lot. As long as the Parcel 35 Unit is a part of the Project, no improvement shall be made to or installed upon the Parcel 35 Unit (or the Parcel 35 Unit Limited Common Element) that creates "floor area" or otherwise affects the "floor area ratio" of the Project. The owner of the Parcel 35 Unit shall have the right to use the Parcel 35 Unit (and the Parcel 35 Unit Limited Common Element) in connection with the Project and/or in connection with a property (including a commercial establishment) that is not associated with the Project.

EXHIBIT I
Encumbrances Against Title

1. Real property taxes that may be due and owing. For more information, contact the Real Property Assessment Office, Department of Finance, City and County of Honolulu.

2. Title to all minerals and metallic mines reserved to the State of Hawaii.

3. As to TMK No. (1) 2-1-44:36 (Lot B-2) only:

   Building overhang crosses boundary along west side of Lot B-2 fronting Kapiolani Boulevard, as shown on ALTA/ACSM Land Title Survey dated November 12, 1997, prepared by Kendall N. H. Hee, Licensed Professional Land Surveyor, Certificate No. 5649.

4. As to TMK No. (1) 2-1-44:36 (Lot 1) only:

   Tile wall crosses property line along east side of Lot 1, as shown on ALTA/ACSM Land Title Survey dated November 12, 1997, prepared by Kendall N. H. Hee, Licensed Professional Land Surveyor, Certificate No. 5649.

5. Agreement, dated November 30, 2006, recorded as Land Court Document No. 3523809, between Hawaii Community Development Authority and Cooke Clayton LLC.

6. Declaration of Condominium Property Regime of The Vanguard Lofts, dated December 28, 2007, recorded as Land Court Document No. 3697086, as amended by document dated May 30, 2008, and recorded as Land Court Document No. 3754119, and by document dated June 16, 2008 and recorded as Land Court Document No. 3759645, and by document dated July 11, 2008 and recorded as Land Court Document No. 3769108.

7. Condominium Map No. 1938, as amended by document dated May 30, 2008, and recorded as Land Court Document No. 3754119, and by document dated July 11, 2008 and recorded as Land Court Document 3769108.

8. Bylaws of the Association of Unit Owners of The Vanguard Lofts, dated December 28, 2007, recorded as Document No. 3697087, as amended by document dated May 30, 2008, and recorded as Land Court Document No. 3754120, and by document dated July 11, 2008 and recorded as Land Court Document No. 3769109.

9. Any unrecorded or unfiled subleases or rental agreements and any liens, charges or exceptions against any sublessees or tenants named therein.

10. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

11. Real Property Mortgage and Financing Statement, effective as of March 29, 2007, recorded as Land Court Document No. 3580943.

12. Absolute Assignment of Rentals and Lessor's Interest in Leases, effective as of March 29, 2007, recorded as Document No. 2007-056563.

13. UCC Financing Statement recorded March 29, 2007 as Document No. 2007-056564.

14. The Deed and Reservation of Rights and Easements and Grant of Special Power of Attorney by which unit buyers will take title to their respective units.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8000 • FAX: (808) 527-6743
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MUFI HANNEMANN
MAYOR

HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

RECEIVED
AUG 22 2007
RICHARD MATSUNAGA & ASSOCIATES
ARCHITECTS INC.

2007/ELOG-1366

August 21, 2007

Mr. Glenn M. Murata, AIA
Richard Matsunaga & Associates
Architects Inc.
1150 South King Street, 8th Floor
Honolulu, Hawaii 96813

Dear Mr. Murata:

Subject: NCR Building Condominium Project
720 Kapiolani Boulevard
Tax Map Key: 2-1-044: 035 and 036

This is in response to your letter dated May 11, 2007, requesting verification that the structure on the above-mentioned address met all applicable code requirements at the time of construction.

Investigation of Tax Map Key No. 2-1-044: 036 revealed that the five (5) story commercial building's interior has been partially demolished and construction materials are being stored on this 36,811 square-foot lot. Because of the extensive work that has been done to the building, we are unable to determine if the existing structure met all applicable codes at the time of construction or alteration.

There are no records of any building permits being issued recently for the alteration or partial demolition of the above-mentioned building. However, three (3) building permit applications that have been filed are still pending approval.

Tax Map Key No. 2-1-044: 035 is a 4,222 square-foot vacant lot used for parking. Investigation revealed that in May 1979, Special Permit No. 79/SP-25 was issued with conditions for joint use parking for a restaurant.

For your information, the above-mentioned parcels are in the Kakaako Community Development District and are administered by the State Hawaii Community Development Authority (HCDA). The HCDA supersedes the City's Land Use Ordinance (LUO) on zoning issues, except for sign regulations.

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

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

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of our Commercial and Multi-Family Code Enforcement Branch at 768-8151.

Very truly yours,

Henry Eng, FAICP, Director
Department of Planning and Permitting

doc561083

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU
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MUFI HANNEMANN
MAYOR

HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

(IM)

October 25, 2007

Ms. Cynthia Yee
Senior Condominium Specialist
Real Estate Commission
State of Hawaii
335 Merchant Street, Room 333
Honolulu, Hawaii 96813

RECEIVED
'07 OCT 26 P1:01
REAL ESTATE BRANCH
DEPT OF COMMERCE & CONSUMER AFF
STATE OF HAWAII

Dear Ms. Yee:

Subject: NCR Building Condominium Project
720 Kapiolani Boulevard
Tax Map Keys: 2-1-044: 035 and 036

This is in response to your letter dated October 12, 2007, regarding the above-mentioned building.

A building permit (No. 617384) has been issued for the partial demolition and renovation work on this building, and this permit is still active.

This building permit, issued for the extensive work that was done, has corrected the violation of "work done without a building permit." The storage of construction materials on the lot is not a zoning code violation since, as mentioned in our letter to Glenn M. Murata dated August 21, 2007, the lots are under the jurisdiction of the Hawaii Community Development Authority (HCDA).

In general, nearly all violations are correctable, but when work is done without a permit, the solution may mean the removal of the work or improvement or demolishing the structure.

If you have any questions, please contact Mr. Ivan Matsumoto of our Commercial and Multi-Family Code Enforcement Branch at 768-8151.

Very truly yours,

Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:ft

doc576025

EXHIBIT K
Developer's Reserved Rights

The following summary is not intended to be a complete and exhaustive explanation of all the rights reserved under the documents governing the project (the "Project Documents") and otherwise. It is intended to be a general summary. If any conflict or difference exists between this summary and any of the Project Documents, the Project Documents shall control.

1. Developer's Rights Regarding Operation, Maintenance, Etc. Developer shall have the unilateral right to designate, delete, grant, use, convey, transfer, cancel, accept, relocate, and otherwise deal with any easements and/or rights-of-way over, under, across, or through the Common Elements of the Project for any reasonable purpose, which may include, but shall not be limited to, those purposes that are necessary for the operation, care, upkeep, maintenance, or repair of any Unit, the Common Elements, or any easements for utilities or for any public or private purpose.

2. Developer's Rights Regarding Utilities, Access, Etc. Developer shall have a nonexclusive easement for access and utility purposes over, under, across, along, and upon the Access Driveways (defined in the Declaration), together with the right to designate, delete, grant, convey, transfer, assign, cancel, accept, relocate, realign, reserve, and otherwise deal with any easements and rights of way at any time (perpetual or otherwise) for utilities (including, without limitation, water, gas, electric power, and communication utilities, electromagnetic, and optical transmission facilities), sanitary and storm sewers, drainage, cable television transmission facilities, refuse disposal, landscape development and maintenance, driveways, parking areas, access roadways and other purposes, over, across, under and through any Units still owned by Developer and the Common Elements of the Project, whether or not for purposes of developing or servicing other lands owned by Developer (or an affiliate of Developer) in the immediate vicinity of the Project, including, without limiting the generality of the foregoing, the right of entry to construct, reconstruct, operate, maintain, repair, and relocate such lines, facilities, and appurtenances and to grant, assign, and/or transfer any such easements or rights of way to governmental or quasi-governmental authorities, utility or service companies, owner's associations, or other entities and the right to grant, dedicate, designate, use, and enjoy easements and/or rights of way for access purposes appurtenant to any portion of the Property and any portion of other lands owned by Developer (or an affiliate of Developer) in the immediate vicinity of the Project.

3. Ongoing Construction and Sales Activities. Construction activity by the Developer and others may continue at the Project after the Buyer has occupied the Unit and this activity may result in noise, dust, traffic congestion, vibration and other nuisances, hazards or annoyances to the Buyer for an extended period, and may temporarily limit the Buyer's access to portions of the Project. The Developer, and its agents, employees, contractors, and licensees, shall have the right and an easement to conduct extensive sales, leasing, rental, marketing, and other commercial activities on and at the Project, including the use of any Unit (and appurtenant Limited Common Elements) owned by the Developer (and any other Unit, with the express permission of the Owner of such Unit) and the Common Elements (excluding Limited Common Elements exclusively appurtenant to Units not owned by the Developer) for model units, sales, leasing, rental, marketing, and other commercial activities, temporary occupancy and management offices, access, parking and the posting and maintenance of banners, signs, and other advertisements and sales displays relating to such sales, leasing, rental, marketing and other commercial activities. Any temporary sales center located on the Project is reserved at no cost or charge for the exclusive use of the Developer and its agents as an office for sales and other uses. These reserved rights shall continue until 90 days after the closing of the sale of the last Unit in the Project.

4. Punchlist. Developer shall have an easement over, under, and upon, and the right to use, any portion of the Project, including the Common Elements, Limited Common Elements, and any Unit, as may be reasonably necessary or convenient for the completion of improvements to and correction of defects and other "punchlist" items in the Project.

5. Nuisances Related to Construction, Sale, Etc. Developer shall have an easement over, under, and upon all portions of the Project to create and cause noise, dust, traffic congestion, vibration, odors, and other nuisances or annoyances created by and resulting from any work connected with or incidental to the development, construction, and sale of any Unit or other improvement to the Project.

6. Relating to Developer's Units. Developer reserves the right to: (a) transfer the exclusive use rights associated with a Limited Common Element appurtenant to any Unit owned by Developer to another Unit owned by Developer; (b) redesignate and/or convert Limited Common Elements appurtenant to any Unit owned by Developer to Common Elements, and, upon such redesignation and/or conversion, the Association and/or the other Owners shall accept any such redesignation and/or conversion and shall not have any right to refuse or reject any such redesignation and/or conversion; (c) alter, maintain, repair, and/or replace any Limited Common Element appurtenant to any Unit owned by Developer; and (d) retain ownership of such Units as Developer in Developer's sole discretion shall determine.

7. Create New Commercial Units. Developer shall have the right to create additional Commercial Units and establish and designate new Limited Common Elements as appurtenant thereto by subdividing the Commercial Unit and/or by converting Unit 101 Limited Common Elements to Commercial Unit space, and to apportion Common Interests among the new Commercial Units and the existing Commercial Unit as set forth herein, and to amend the Declaration, the Bylaws, and the Condominium Map as may be necessary to reflect such addition and changes, all without the consent or joinder of the Owner of any Unit (including the Commercial Unit) or any Unit purchaser, Mortgagee, or any other Person whatsoever. (This right to divide the Commercial Unit shall pass to the subsequent owners of the Commercial Unit.)

8. Alterations by Developer. The provisions cited in Exhibit D above shall not apply to Alterations or other modifications to a Unit or a Unit's Limited Common Elements that are made by or on behalf of Developer. Developer's rights to make Alterations and other modifications to a Unit or a Unit's Limited Common Elements are set forth in Section L.7 of the Declaration, which include the following:

(a) Developer's Reserved Rights. Prior to (i) the time that the fee simple interest in all Units in the Project have been sold and the conveyance thereof Recorded, and (ii) the Recording by Developer of the "as built" statement (with plans, if applicable) required by Section 514B-34 of the Act with respect to all Units in the Project, Developer shall have the right, from time to time, without being required to obtain the consent or joinder of any Person or group of Persons, including the Association, any Unit Owner, or any Mortgagee, lienholder, Unit purchaser, or any other Person who may have an interest in the Project, to do the following:

(j) Pre-Closing Alterations. To make Alterations or other modifications in the Project (and, if appropriate, to amend the Declaration and the Condominium Map accordingly) that change the Unit type of, change the floor plan of (including, without limitation, establishing a new floor plan), change the configuration of, decrease or increase the size of, or change the location of any Unit and/or the Limited Common Elements appurtenant thereto, which is not sold and the conveyance thereof Recorded.

(ii) Post-Closing Alterations. To make other Alterations or other modifications in the Project (and, if appropriate, to amend the Declaration and the Condominium Map accordingly) that make minor changes in any Unit in the Project or in the Common Elements, which do not affect the physical location, design or size of any Unit that has been sold and the conveyance thereof Recorded.

(b) Division of Units. With respect to any Unit owned by Developer, Developer shall have the right to divide such Unit (or to consolidate and divide such consolidated Units) to create two or

more separate Units and thereby increase the number of Units in the Project. Such division of Units by Developer shall occur by, and the newly created Units shall be deemed a part of the Project for all purposes upon: (a) amending the Condominium Map and EXHIBIT "B", EXHIBIT "C", and "EXHIBIT "G" to the Declaration to reflect such division; (b) amending relevant provisions of the Declaration and/or the Bylaws to (1) designate which Limited Common Elements appurtenant to the divided Unit(s) shall be appurtenant to the Units resulting from such division, (2) convert, as Developer shall deem appropriate, portions of the divided Unit(s) to Common Element or Limited Common Element status to facilitate such division, and (3) allocate, as Developer shall deem appropriate, the Common Interest of the divided Unit(s) among the newly created Units; and (c) making such other amendments to the Project Documents as Developer deems necessary or appropriate to effectuate the division of the Unit. The amendments to the Project Documents need only be executed by Developer.

(c) Consolidation of Units. With respect to any two adjacent Units owned by Developer that are separated by a Common Element that is a wall, floor or a ceiling, Developer shall have the right, at any time and from time to time at Developer's sole cost and expense, to consolidate such Units into a single Unit and thereby decrease the number of Units in the Project, provided that the Common Interest appurtenant to the newly created Unit shall equal the sum of the Common Interests of the Units being consolidated. Such consolidation shall occur by: (i) amending the Condominium Map and EXHIBIT "B", EXHIBIT "C", and EXHIBIT "G" of the Declaration to reflect such consolidation; (ii) amending relevant provisions of the Declaration and the Bylaws to designate the Common Interests of the previously separate Units to the consolidated Unit; and (iii) making such other amendments to the Declaration, the Bylaws, the Condominium Map, and other Project Documents as Developer deems necessary or appropriate to effectuate the consolidation of the Units. In no event shall any such amendment affect the Common Interest appurtenant to any Units other than the consolidated Units. The amendments to the Declaration, the Bylaws and the Condominium Map referenced herein need only be executed by Developer.

9. Right to Delete Parcel 35 Unit and Remove Lot A. Pursuant to Section P of the Declaration, but subject to the conditions set forth in the Declaration, the Owners of the Commercial Unit and the Parcel 35 Unit shall, jointly but not severally, have the right from time to time, at their discretion and without being required to obtain the consent or joinder of the Association, any other Unit Owner or any mortgagee, lien holder, Unit purchaser, or any other Person who may have an interest in the Project or in any other Unit (other than Developer): (a) to delete the following from the Project: the Parcel 35 Unit; those limited common elements that support and service only the Parcel 35 Unit; and the common elements (if any) above and below the Parcel 35 Unit and such limited common elements; and (b) remove from the Project the land underlying the Parcel 35 Unit, the "Parcel 35 Unit Limited Common Element" and the "Clayton Street Unit 101 Limited Common Element" (as shown on the Condominium Map), as well as all common elements (if any) above and below such designated areas (collectively, "Lot A"). Upon any such deletion, all of the common interest appurtenant to the Parcel 35 Unit shall be allocated to a commercial unit in the Project. Upon such removal of Lot A, title to Lot A will be vested solely in the owner of what was the Parcel 35 Unit.

10. Subdivision and Removal of Project Land. Pursuant to Section Q of the Declaration, the Developer has reserved the right, at its sole discretion and without being required to obtain the consent or joinder of any person or group of persons, including the Association, any unit owner or any mortgagee, lien holder, unit purchaser, or any other person who may have an interest in the Project or in any unit, to subdivide and remove from the Project an approximately 94-square foot portion of the land at the corner of Cooke Street and Kapiolani Boulevard (the "Removable Property"). Upon subdivision and removal of the Removable Property, title to the Removable Property will be vested solely in the Developer, and the Buyer will have no legal or equitable interest in the Removable Property.

11. Planned Development Permit; Mauka Area Requirements. The Developer has reserved the right to sign such documents or instruments, enter into such agreements and do all things that may be necessary to obtain such permits as may be required by the HCDA and the HCDA Mauka Area

Requirements, and to comply with all applicable permits, laws, rules, ordinances and other governmental requirements that pertain to the Project.

12. Relating to Parking Stalls. Developer reserves the right: (i) by way of an amendment to the Declaration executed only by Developer and duly Recorded, to sell and convey or otherwise designate any parking stall or storage space not designated herein as a Limited Common Element to be appurtenant to and/or for the exclusive use of any Unit in the Project as a Limited Common Element for that Unit; (ii) to designate any parking stall or storage space not designated herein as a Limited Common Element for use as a guest parking stall or storage space for the Project; (iii) to use, or allow others to use, as Developer shall deem appropriate, any parking stall or storage space not designated herein as a Limited Common Element; and (iv) by way of an amendment to the Declaration executed only by Developer and duly Recorded, to assign or change, from time to time, the assignments of individual parking stalls and individual parking stall/storage space combinations to individual Units that have not been conveyed by Developer.

13. Exercise Of Association Rights. Developer shall exercise all of the rights and incidents of membership in the Association, including voting, attributable to a Unit until closing of the sale of that Unit occurs; provided, however, that, notwithstanding the foregoing or anything else in the Declaration or the Bylaws to the contrary, Developer shall control the Association and appoint and remove the officers and members of the Board until no later than the earlier of: (a) 60 days after conveyance of 75% of the Units to Unit Owners other than Developer or an affiliate of the Developer; (b) two years after Developer has ceased to offer Units for sale in the ordinary course of its business; or (c) the day Developer, after giving written notice to Unit Owners, records an instrument voluntarily surrendering all rights to control activities of the Association. If Developer voluntarily surrenders its right to control activities of the Association, then Developer may require that specified actions of the Association or the Board, as described in a recorded instrument executed by Developer, be approved by Developer before they become effective. As part of the exercise of Developer's control, Developer shall be entitled to appoint the initial Managing Agent on behalf of the Association.

14. Assignment of Rights by Developer. Developer may transfer or assign all or any portion of Developer's rights under the Declaration to third Persons, in whole or part, either directly or as security for financing relating to the development of the Project; provided, however, that such rights shall not be transferred except by an instrument expressly referencing the rights contained in the Declaration that are being transferred or assigned. No deed of the Property in whole or part and no Unit Deed shall transfer or assign any of Developer's rights under the Declaration unless reference is expressly made to said transfer or assignment. Once transferred or assigned, the transferee, successor or assignee may have and exercise all of the rights under the provisions of the Declaration so transferred or assigned, but only to the extent so transferred or assigned by Developer.

15. Amendment to Declaration and Map.

(a) Any provision of Declaration Section T to the contrary notwithstanding, and until the Recording of Unit conveyances or agreements of sale with respect to all of the Units in the Project in favor of Persons other than Developer, Developer may amend the Declaration, the Bylaws and/or the Condominium Map, without the approval, consent or joinder of any Person or group of Persons, including the Association, any Unit Owner or any Mortgagee, Occupant, lienholder, Unit purchaser, or any other Person who may have an interest in the Project, to make such amendments (a) to correct any misstatements of fact in the Project Documents, to correct typographical errors, to correct mathematical errors in the statement of Common Interests, or to correct errors in the legal description of the Land, (b) as may be required by law, by the Real Estate Commission, by the County, by the HCDA, by any title insurance company issuing a title insurance policy on the Project or any of the Units, by any institutional lender lending funds on the security of the Project or any of the Units, or by any governmental agency (including, without limitation, FNMA and/or FHLMC), and (c) to conform the Declaration to updated

requirements or standards of any governmental agency (including, without limitation, FNMA and/or FHLMC).

(b) Any provision of Declaration Section T to the contrary notwithstanding, Developer may amend the Declaration (and when appropriate the Condominium Map) without the approval, consent or joinder of any Person or group of Persons, including the Association, any Unit Owner or any Mortgagee, Occupant, lienholder, Unit purchaser or any other Person who may have an interest in the Project or in any Unit, to file a certification of a licensed architect, engineer, or surveyor certifying that the final Recorded Condominium Map fully and accurately depicts the layout, location, boundaries, dimensions and numbers of the Units substantially as built, or that any revised plans being filed simultaneously with the amendment involve only immaterial changes to the layout, location, boundaries, dimensions and numbers of the Units substantially as built or such other changes as Developer is permitted to make pursuant to the Declaration.

(c) Any provision of Declaration Section T to the contrary notwithstanding, Developer may amend the Declaration (and when appropriate the Condominium Map) as provided in the Declaration without the approval, consent or joinder of any Person or group of Persons, including the Association, any Unit Owner or any Mortgagee, lienholder, Unit purchaser or any other Person who may have an interest in the Project or in any Unit.

16. Defects. In the event that the Association, the Board or any Owner or Owners (each a "claimant") claim, contend, or allege that any portion of a Unit, the Common Elements, and/or any other improvements constructed on the Land are defective or that Developer or other "Covered Parties" (as defined in Section V.2 of the Declaration) were negligent or are otherwise liable for defects in the planning, design, engineering, grading, construction, installation, management, or other development thereof (an "Alleged Defect"), Developer reserves the right and an easement for itself and all other applicable Covered Parties to inspect, evaluate, repair, replace, and/or otherwise cure such Alleged Defect as set forth in the Declaration.

17. Inspection and Testing. If the claimant has conducted inspection and testing prior to the date it sent the Notice of Alleged Defect to Developer, the claimant shall, at the earliest practicable date after the Initial Meeting, but no later than five (5) days after the Initial Meeting, make available to Developer for inspection and testing at least those areas inspected or tested by the claimant. Developer shall have the right (but not the obligation), upon reasonable notice to the claimant and the Owners of Units upon which Developer intends to enter and during normal business hours, to enter onto or into, as applicable, the relevant portions of the Project, including, without limitation, any Unit or other improvement within the Project, for the purposes of inspection and testing (including testing that may cause physical damage to any property in the Project) in order to evaluate the Alleged Defect. Each Owner and the Association shall make such areas available to Developer for such inspection and testing.

18. Photovoltaic Agreement. The Developer has the right, at any time and from time to time, to negotiate and enter into an agreement (the "Photovoltaic Agreement") on behalf of itself and the Association with a corporate photovoltaic provider relating to the photovoltaic power system that may be installed within the Project (the "Photovoltaic System"), as Developer deems necessary or appropriate for the installation, ownership, use, maintenance, repair and/or removal of the Photovoltaic System. The Photovoltaic Agreement may provide that the photovoltaic provider shall own the Photovoltaic System and that the Association, on behalf of the Unit Owners, will purchase from the photovoltaic provider power that is generated by the Photovoltaic System.

AS NOTED, THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL THE RIGHTS RESERVED UNDER THE CONDOMINIUM DOCUMENTS AND OTHERWISE. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF SUCH RESERVED RIGHTS, BUYER MUST REFER TO THE PURCHASE AGREEMENT, THE CONDOMINIUM

DECLARATION, AND THE BYLAWS TO DETERMINE THE ACTUAL RIGHTS RESERVED. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PURCHASE AGREEMENT, DECLARATION OR THE BYLAWS, THE PURCHASE AGREEMENT, DECLARATION OR BYLAWS, AS APPLICABLE, WILL CONTROL.

SPECIAL NOTICE REGARDING CHANGES UNDER THIS PUBLIC REPORT

CHANGES TO THE PROJECT AND THE PROJECT'S DOCUMENTS MADE IN ACCORDANCE WITH THE DEVELOPER'S EXERCISE OF THE RIGHTS RESERVED TO THE DEVELOPER IN THE DECLARATION, AS MAY (OR MAY NOT) BE DISCLOSED IN THIS PUBLIC REPORT, ***SHALL NOT*** BE DEEMED TO BE CHANGES THAT RENDER THIS PUBLIC REPORT MISLEADING AS TO PURCHASERS IN ANY MATERIAL RESPECT AND WILL NOT GIVE ANY PURCHASER WHO HAS WAIVED OR IS DEEMED TO HAVE WAIVED THE RIGHT TO CANCEL SUCH PURCHASER'S SALES CONTRACT UNDER THIS PUBLIC REPORT ANY ADDITIONAL RIGHTS TO CANCEL SUCH PURCHASER'S SALES CONTRACT.

DEVELOPER SHALL HAVE THE RIGHT (IF DESIRED OR DEEMED NECESSARY BY DEVELOPER) TO APPLY FOR AND OBTAIN FROM THE REAL ESTATE COMMISSION EFFECTIVE DATES FOR ONE OR MORE AMENDED PUBLIC REPORTS DESCRIBING CHANGES MADE TO THE PROJECT PURSUANT TO THE RIGHTS DESCRIBED ABOVE OR OTHERWISE SET FORTH IN THE DECLARATION.

EXHIBIT L
Estimate of Initial Maintenance Fees*

Unit Number	Monthly Fee for General Common Expenses	Annual Fee for General Common Expenses	Monthly Fee for Residential Limited Common Expenses#	Annual Fee for Residential Limited Common Expenses#	Monthly Fee for Commercial Limited Common Expenses@	Annual Fee for Commercial Limited Common Expenses@	Total Monthly Maintenance Fee	Total Annual Maintenance Fee
101	$633.56	$7,602.72	N/A	N/A	$1,150.00	$13,800.00	$1,783.56	$21,402.72
Parcel 35	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
201	$279.53	$3,354.36	$569.48	$6,833.76	N/A	N/A	$849.01	$10,188.12
202	$208.69	$2,504.28	$425.16	$5,101.92	N/A	N/A	$633.85	$7,606.20
203	$159.76	$1,917.12	$325.47	$3,905.64	N/A	N/A	$485.23	$5,822.76
204	$158.85	$1,906.20	$323.61	$3,883.32	N/A	N/A	$482.46	$5,789.52
205	$254.16	$3,049.92	$517.77	$6,213.24	N/A	N/A	$771.93	$9,263.16
206	$168.71	$2,024.52	$343.70	$4,124.40	N/A	N/A	$512.41	$6,148.92
301	$365.90	$4,390.80	$745.42	$8,945.04	N/A	N/A	$1,111.32	$13,335.84
302	$261.28	$3,135.36	$532.28	$6,387.36	N/A	N/A	$793.56	$9,522.72
303	$375.76	$4,509.12	$765.50	$9,186.00	N/A	N/A	$1,141.26	$13,695.12
304	$269.31	$3,231.72	$548.65	$6,583.80	N/A	N/A	$817.96	$9,815.52
305	$242.65	$2,911.80	$494.34	$5,932.08	N/A	N/A	$736.99	$8,843.88
306	$243.38	$2,920.56	$495.83	$5,949.96	N/A	N/A	$739.21	$8,870.52
307	$253.61	$3,043.32	$516.66	$6,199.92	N/A	N/A	$770.27	$9,243.24
308	$255.80	$3,069.60	$521.12	$6,253.44	N/A	N/A	$776.92	$9,323.04
401	$365.90	$4,390.80	$745.42	$8,945.04	N/A	N/A	$1,111.32	$13,335.84
402	$269.49	$3,233.88	$549.02	$6,588.24	N/A	N/A	$818.51	$9,822.12
404	$266.39	$3,196.68	$542.70	$6,512.40	N/A	N/A	$809.09	$9,709.08
405	$155.20	$1,862.40	$316.17	$3,794.04	N/A	N/A	$471.37	$5,656.44
406	$152.82	$1,833.84	$311.33	$3,735.96	N/A	N/A	$464.15	$5,569.80
407	$253.43	$3,041.16	$516.29	$6,195.48	N/A	N/A	$769.72	$9,236.64
408	$255.80	$3,069.60	$521.12	$6,253.44	N/A	N/A	$776.92	$9,323.04
501	$415.19	$4,982.28	$845.85	$10,150.20	N/A	N/A	$1,261.04	$15,132.48

Unit Number	Monthly Fee for General Common Expenses	Annual Fee for General Common Expenses	Monthly Fee for Residential Limited Common Expenses#	Annual Fee for Residential Limited Common Expenses#	Monthly Fee for Commercial Limited Common Expenses@	Annual Fee for Commercial Limited Common Expenses@	Total Monthly Maintenance Fee	Total Annual Maintenance Fee
502	$273.14	$3,277.68	$556.46	$6,677.52	N/A	N/A	$829.60	$9,955.20
504	$265.84	$3,190.08	$541.58	$6,498.96	N/A	N/A	$807.42	$9,689.04
507	$253.06	$3,036.72	$515.54	$6,186.48	N/A	N/A	$768.60	$9,223.20
508	$255.80	$3,069.60	$521.12	$6,253.44	N/A	N/A	$776.92	$9,323.04
603	$375.76	$4,509.12	$765.50	$9,186.00	N/A	N/A	$1,141.26	$13,695.12
604	$265.84	$3,190.08	$541.58	$6,498.96	N/A	N/A	$807.42	$9,689.04
605	$308.20	$3,698.40	$627.88	$7,534.56	N/A	N/A	$936.08	$11,232.96
606	$298.34	$3,580.08	$607.79	$7,293.48	N/A	N/A	$906.13	$10,873.56
607	$253.06	$3,036.72	$515.54	$6,186.48	N/A	N/A	$768.60	$9,223.20
608	$255.80	$3,069.60	$521.12	$6,253.44	N/A	N/A	$776.92	$9,323.04

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

* See Section 4.2 of this Public Report for an explanation of when Buyers must start paying maintenance fees.

(#): The maintenance fees for the Residential Limited Common Expenses are for additional expenses attributed to the Project's Residential Limited Common Elements, which are not used by Unit 101 (the commercial unit) or by the Parcel 35 Unit. The allocation of the Residential Limited Common Expenses among the residential units is based on the Residential Limited Common Expense Cost Allocation Schedule, which is found on pages 10 and 11 of this Exhibit L. Note that these figures DO NOT include the (currently) $78.00 per month that will be billed to each unit for the basic cable television, internet and telephone service described below. As such, in addition to the maintenance fees referenced in this table, each unit owner must also pay (currently) $78.00 per month for the basic cable television, internet and telephone service.

NOTE: The Developer, on behalf of the Association, has entered into a Bulk and Residential Services Agreement ("Agreement") with Oceanic Time Warner Cable ("Oceanic") for the provision of certain basic cable television, internet and telephone service to the residential units. Pursuant to the Agreement, Oceanic has the non-exclusive right and obligation to provide such basic cable television, internet and telephone service to the residential units. The Bylaws requires the Association to accept the Association's obligations under the Agreement. Based on the Agreement, each residential unit will be billed a fixed monthly fee (currently about $78.00) for the basic level of cable television, internet and telephone services provided to each residential unit. Residential unit owners will be billed the entire amount (currently about $78.00 per month), whether or not those services are used, whether or not there is a television, computer or telephone in the unit, and regardless of the amount such services are used, if any. The fixed-fee portion of the cable television, internet and telephone charge covers ONLY the basic cable television line and does not include the monthly charge for any digital cable television boxes. If one or more digital cable television boxes are used, the charge for those will be billed directly to the residential unit owner. Additional cable television, internet and telephone services (e.g., HBO, wireless routers or enhanced telephone services) may be available from Oceanic for additional costs to be paid by the individual unit owners. Buyers should request a copy of the Agreement if they have questions or concerns about the Agreement or the cable television, internet or telephone services to be provided. See

Section 6 of this Public Report for additional disclosures relating to the Agreement and Oceanic's services.

(@): The maintenance fees for the Commercial Limited Common Expenses are for additional expenses attributed to the Project's Unit 101 Limited Common Elements, which are not used by the residential units or the Parcel 35 Unit.

NOTE: In addition to the Estimated Maintenance Fees, each unit may be subject to assessment for such unit's and/or the Project's pro rata share of the cost of improvements that may be undertaken in the vicinity of the Project by the Hawaii Community Development Authority (HCDA) or other governmental authority.

Estimate of Initial General Common Area Maintenance Fee Disbursements(#):

	Monthly Fee x 12 months =	Yearly Total
Utilities and Services		
Water (irrigation of common element landscaping)	$ 50.00	$ 600.00
Cable Television, Phone, Internet Service for management room	$ 78.00	$ 936.00
Maintenance, Repairs and Supplies		
Building (garage maintenance, fire systems, pest control)	$ 145.00	$ 1,740.00
Grounds, street, tree trimming for common elements	$ 820.00	$ 9,840.00
Management		
Management Fee	$ 1,152.00	$ 13,824.00
Administrative services and supplies	$ 450.00	$ 5,400.00
Misc. (security, website, newsletter, condo registration)	$ 720.00	$ 8,640.00
Insurance (property, liability, D&O, fidelity bond, etc.)	$ 3,490.00	$ 41,880.00
Reserves (*)	$ 2,000.00	$ 24,000.00
Taxes and Government Assessments	$ 15.00	$ 180.00
Legal and Audit Fees	$ 150.00	$ 1,800.00
TOTAL	$ 9,070.00	$ 108,840.00

I, Emory Bush, employed by HAWAIIANA MANAGEMENT COMPANY ("HMC"), the condominium managing agent for The Vanguard Lofts condominium project, hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Emory Bush
Signature

7-10-08
Date

(#): These maintenance fee disbursements cover only those relatively few expenses that will be shared among the residential units AND the commercial unit. There are additional expenses that will be allocated only among the residential units (see page 6 of this Exhibit "L") and that will be allocated only to the commercial unit (see page 8 of this Exhibit L).

NOTE: The Estimated Maintenance Fee Disbursements have been compiled for the Developer on the basis of standard budget assumptions. Although every effort has been made to estimate the actual cost of operation, certain budget items, especially insurance in today's insurance market, may change. The buyer must be aware that such amounts are only estimates and may change for reasons beyond the control of Developer, and, by taking title to a unit, the buyer accepts and approves any such changes. The buyer must also be aware that such estimates do not include the buyer's obligation for payment of real property taxes or utilities that are charged directly to the unit owner. The buyer understands that such estimates are not intended to be and do not constitute any representation or warranty by the Developer, including relating to the accuracy of the estimates. The costs and expenses of maintenance and operation of a condominium project are very difficult to estimate initially and even if such maintenance charges have been accurately estimated, such charges will tend to increase in an inflationary economy and as the improvements age. The Buyer should examine the maintenance charges schedule to see what services are included in the schedule. Buyers should also be aware that the estimates provided are as of the date reflected in the schedule and do not reflect the actual charges that may be incurred upon the formation of the Association and the actual contracting for such services such as insurance and maintenance, etc.

(*) Pursuant to HRS §514B-148, a new association need not collect estimated replacement reserves until the fiscal year beginning after the Association's first annual meeting. To obtain the "Reserves" figure above, the Developer did not conduct a reserve study in accordance with HRS §514B-148 or HAR §16-107-65. The figure is an estimate from HMC, based on reasonable projections of reserve requirements. Reserve funds shall be considered a common expense, assessed to the unit owners as provided in the Declaration; provided, however, that the commercial unit's share of any reserve fund assessments shall be limited to those components of the reserve fund that relate to those portions of the Project that the commercial unit has the benefit of. (For example, the owner of the commercial unit need not pay for those portions of the reserve fund that are allocated to the operation and maintenance of the elevators or the swimming pool.)

Estimate of Initial Residential Limited Common Element Maintenance Fee Disbursements(#):

	Monthly Fee x 12 months = Yearly Total	
Utilities and Services		
Electricity for residential common elements only(1)	$ 5,740.00	$ 68,880.00
Elevator maintenance and repairs	$ 1,000.00	$ 12,000.00
Propane gas for residential units and residential limited common elements	$ 1,049.00	$ 12,588.00
Refuse Collection	$ 1,200.00	$ 14,400.00
Telephone (enterphone and elevator phones)	$ 100.00	$ 1,200.00
Water for pool, residential limited common elements and residential units	$ 1,000.00	$ 12,000.00
Sewer (for residential units and residential limited common elements)	$ 1,800.00	$ 21,600.00
Cable Television, Internet, Telephone for the pool deck area and management room	$ 78.00	$ 936.00
Maintenance, Repairs and Supplies		
Building (cleaning, supplies, repairs, equipment, electrical, maintenance and repair of A/C towers, plumbing)	$ 4,370.00	$ 52,440.00
Pool & Spa	$ 400.00	$ 4,800.00
Management		
Admin. Services & Supplies	$ 450.00	$ 5,400.00
TOTAL	$ 17,187.00	$ 206,244.00

I, Emory Bush, employed by HAWAIIANA MANAGEMENT COMPANY ("HMC"), the condominium managing agent for The Vanguard Lofts condominium project, hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Emory Bush
Signature

7-10-08
Date

(#): These maintenance fee disbursements cover only those expenses that will be allocated among the residential units based on the Residential Limited Common Expense Cost Allocation Schedule on pages 10 and 11 of this Exhibit "L". (Because the commercial unit and the Parcel 35 Unit do not share in the expenses referenced in the chart above, allocation of such expenses will not be based on the common interests appurtenant to the residential units.) There are additional expenses that will be a shared among the residential units AND the commercial unit (see page 4 of this Exhibit "L") and that will be allocated only to the commercial unit (see page 8 of this Exhibit L).

(1): The figures set forth above for the electricity represent costs for providing those utilities to the common elements serving only the residential units and do not include utility costs incurred by the individual residential units. In other words, the figures do not include amounts that will be billed to individual unit owners based on the electricity use for their units (or their individual limited common elements), as measured by the vendor referenced in Section 4.4 of this public report.

NOTE: The Estimated Maintenance Fee Disbursements have been compiled for the Developer on the basis of standard budget assumptions. Although every effort has been made to estimate the actual cost of operation, certain budget items, especially insurance in today's insurance market, may change. The buyer must be aware that such amounts are only estimates and may change for reasons beyond the control of Developer, and, by taking title to a unit, the buyer accepts and approves any such changes. The buyer must also be aware that such estimates do not include the buyer's obligation for payment of real property taxes or utilities that are charged directly to the unit owner. The buyer understands that such estimates are not intended to be and do not constitute any representation or warranty by the Developer, including but not limited to any representation or warranty as to the accuracy of such estimates. The Developer advises that costs and expenses of maintenance and operation of a

condominium project are very difficult to estimate initially and even if such maintenance charges have been accurately estimated, such charges will tend to increase in an inflationary economy and as the improvements age. Maintenance charges can vary depending on services desired by unit owners. The Buyer should examine the maintenance charges schedule to see what services are included in the schedule. Buyers should also be aware that the estimates provided are as of the date reflected in the schedule and do not reflect the actual charges that may be incurred upon the formation of the Association and the actual contracting for such services such as insurance and maintenance, etc.

Estimate of Initial Unit 101 Limited Common Element Maintenance Fee Disbursements(#):

	Monthly Fee x 12 months =	Yearly Total
Utilities and Services(@)		
Electricity for Unit 101 limited common elements only	$ 60.00	$ 720.00
Refuse Collection	$ 500.00	$ 6,000.00
Water (irrigation of common element landscaping)	$ 50.00	$ 600.00
Sewer (for Unit 101)	$ 100.00	$ 1,200.00
Maintenance, Repairs and Supplies		
Maintenance and repair (including of A/C towers)(1)	$ 190.00	$ 2,280.00
Grounds SEE NOTE(2) BELOW	$ 250.00	$ 3,000.00
TOTAL	$ 1,150.00	$ 13,800.00

I, Emory Bush, employed by HAWAIIANA MANAGEMENT COMPANY ("HMC"), the condominium managing agent for The Vanguard Lofts condominium project, hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Emory Bush
Signature

7-10-08
Date

(#): These maintenance fee disbursements cover only those expenses that will be allocated only to the commercial unit. There are additional expenses that will be a shared among the residential units AND the commercial unit (see page 4 of this Exhibit "L") and that will be allocated only among the residential units (see page 6 of this Exhibit L).

(@): All utilities for the commercial unit (Unit 101) will be separately metered or check-metered and the costs for such utilities (and of such check metering) will be billed either directly to the owner or occupant of the commercial unit or to the managing agent, which will forward the bill to the owner or occupant of the commercial unit.

(1): The owner of the commercial unit (Unit 101) shall be responsible for costs of cleaning, maintenance and repair of that portion of the building that comprises the street-side exterior of the commercial unit, even if such portion of the building is, technically, not part of the commercial unit. (The width and height of such portion of the building shall only extend as far as the width and height of the commercial unit.) Such maintenance and repair costs include those relating to graffiti removal, tools, painting, cleaning supplies, lights and lighting fixtures. Those additional costs are not reflected here.

(2): The owner of the commercial unit (Unit 101) shall be responsible for maintenance, repair and replacement of the grounds (landscape and hardscape) located within the area hatched as "Unit 101 Limited Common Element" on Sheet CPR-1.1 of the Condominium Map (being outside of and in front of the building). The costs for such responsibilities are not reflected here.

NOTE: The Estimated Maintenance Fee Disbursements have been compiled for the Developer on the basis of standard budget assumptions. Although every effort has been made to estimate the actual cost of operation, certain budget items, especially insurance in today's insurance market, may change. The buyer must be aware that such amounts are only estimates and may change for reasons beyond the control of Developer, and, by taking title to a unit, the buyer accepts and approves any such changes. The buyer must also be aware that such estimates do not include the buyer's obligation for payment of real property taxes or utilities that are charged directly to the unit owner. The buyer understands that such estimates are not intended to be and do not constitute any representation or warranty by the Developer, including but not limited to any representation or warranty as to the accuracy of such estimates. The Developer advises that costs and expenses of maintenance and operation of a condominium project are very difficult to estimate initially and even if such maintenance charges have been accurately estimated, such charges will tend to increase in an inflationary economy and as the improvements age. Maintenance charges can vary depending on services desired by unit owners. The

Buyer should examine the maintenance charges schedule to see what services are included in the schedule. Buyers should also be aware that the estimates provided are as of the date reflected in the schedule and do not reflect the actual charges that may be incurred upon the formation of the Association and the actual contracting for such services such as insurance and maintenance, etc.

RESIDENTIAL LIMITED COMMON EXPENSE COST ALLOCATION SCHEDULE

Unit Number	Percentage Obligation for Each Unit*
201	0.03313422 (3.313422%)
202	0.02473705 (2.473705%)
203	0.01893693 (1.893693%)
204	0.01882872 (1.882872%)
205	0.03012596 (3.012596%)
206	0.01999740 (1.999740%)
301	0.04337099 (4.337099%)
302	0.03097000 (3.097000%)
303	0.04453967 (4.453967%)
304	0.03192226 (3.192226%)
305	0.02876250 (2.876250%)
306	0.02884907 (2.884907%)
307	0.03006103 (3.006103%)
308	0.03032074 (3.032074%)
401	0.04337099 (4.337099%)
402	0.03194390 (3.194390%)
404	0.03157599 (3.157599%)
405	0.01839588 (1.839588%)
406	0.01811453 (1.811453%)
407	0.03003939 (3.003939%)
408	0.03032074 (3.032074%)
501	0.04921440 (4.921440%)
502	0.03237675 (3.237675%)

Unit Number	Percentage Obligation for Each Unit*
504	0.03151106 (3.151106%)
507	0.02999610 (2.999610%)
508	0.03032074 (3.032074%)
603	0.04453967 (4.453967%)
604	0.03151106 (3.151106%)
605	0.03653205 (3.653205%)
606	0.03536337 (3.536337%)
607	0.02999610 (2.999610%)
608	0.03032074 (3.032074%)

* The allocations for the residential units may change (increase or decrease) in connection with: (i) a change by the Developer in the Unit floor plan(s) for any or all of the Units; and (ii) an increase or decrease in the number of Units in the Project.

EXHIBIT M
Summary of Specimen Sales Contract

There are three forms of the specimen Deposit Receipt and Sales Agreement ("Agreement"). One Agreement will be used for sales of the residential units in the Project, one Agreement will be used for a sale of the commercial unit and one Agreement will be used for a sale of the Parcel 35 Unit.

Specimens of the Agreements have been submitted to the Real Estate Commission. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ, IN FULL, THE AGREEMENT THAT APPLIES TO THEIR PROPOSED PURCHASE, because the summary set forth below is NOT A COMPLETE DESCRIPTION of its contents. All of the Agreements contain, among others, the following terms and provisions (which may be modified or otherwise limited by provisions that are not summarized below):

A. The Developer has engaged Island Title Corporation ("Escrow") to handle Buyer's funds and to close the transaction in accordance with the terms of the Agreement.

B. The total purchase price, method of payment and additional sums that must be paid in connection with the purchase of a Unit will be included. The purchase price does not include closing costs. Closing costs include, among other things, Escrow's fees, cost of a preliminary title report, cost of preparation of the Deed, real property taxes for the remainder of the year, maintenance fees and other prorations, notary fees, conveyance taxes, title insurance for Buyer and Buyer's appraisal fees, costs for drafting of any notes and mortgages, all recording costs or fees, loan fees, and all other applicable mortgage costs. Buyer shall pay as additional sums the Association start-up fees, estimated reserves and other fees, as provided in the Agreement.

C. Article IV, Section B.3 of the Agreement has certain requirements relating to Buyer's financing of the purchase price. If the Buyer has not done so already, within five days after Buyer signs the Agreement, Buyer shall apply for a "Qualification Letter" from a financial institution designated by the Developer. The purpose of the Qualification Letter is to confirm Buyer's ability (i) to make that portion of the purchase price that Buyer intends to pay in cash and (ii) to obtain a mortgage loan for that portion of the purchase price that Buyer intends to finance. If Buyer intends to finance any portion of the total purchase price, then Buyer must perform certain "Mortgage Loan Acts" relating to the obtaining of financing for the purchase of the Unit. If Buyer does not cancel the Agreement prior to the end of Buyer's rescission period, then Buyer will be deemed to have waived any financing contingency and will be obligated to purchase the Unit on the terms set forth in the Agreement, whether or not Buyer is able to obtain a loan for Buyer's purchase of the Unit. If, after Buyer's rescission period has expired, Buyer fails to perform its obligations under Article IV, Section B.3, then the default provision in the Agreement shall apply, all or portions of Buyer's deposits will be subject to forfeiture, and the Developer will be entitled to pursue such other remedies as allowed pursuant to law and/or this Agreement.

D. The "Scheduled Closing Date" shall be determined as follows: (a) if, on the date the Agreement is accepted by the Developer, the unit is not available for occupancy (as determined by the Developer), then the Scheduled Closing Date shall be a date that is within sixty (60) calendar days after the unit is available for occupancy, which date shall be selected by the Developer and specified in a written notice to the buyer; or (b) if, on the date the Agreement is accepted by the Developer, the unit is available for occupancy, then the Scheduled Closing Date shall be a date mutually acceptable to Buyer and the Developer, but in no event more than sixty (60) calendar days after the date the Agreement is accepted by the Developer. All payments not previously made pursuant to the terms of the Agreement shall be due and payable 10 days prior to the Scheduled Closing Date (though the portion of the purchase price coming from mortgage loan proceeds shall be paid into Escrow at least two days before the Scheduled Closing Date), and, if not paid at the time and in the manner set forth in the Agreement, shall result in a default by buyer under the Agreement.

E. The Agreement describes or references various rights reserved in the Declaration in favor of Developer, the Association and other owners and contains certain other provisions to which Buyer consents. Among the reserved rights in favor of the Developer are those summarized in Exhibit K of this public report, which summary is incorporated here. In addition to the Declaration, the Unit and the Project will be subject to various other legal documents that the Buyer should examine. The Developer may change these documents under certain circumstances.

F. The Agreement will provide that Buyer acknowledges having received the public report for the Project prior to signing the Agreement.

G. Buyer agrees that it will not assign the Agreement, or sell the Unit, or advertise the Unit for sale prior to closing under the Agreement, and that any assignment or sale attempted by Buyer prior to closing without Developer's prior written consent is void.

H. Buyer expressly acknowledges, consents to and approves all of the disclaimers, disclosures, and other matters described in the Agreement, and Buyer assumes any and all risks in connection with each of those matters. Buyers should review the Agreement (including, specifically, Article IV) carefully to fully understand the matters set forth therein.

I. Buyer has examined and approved the estimate of monthly maintenance charges for the Project and the estimated maintenance fees for the Unit that Buyer is interested in buying, as shown in the Public Report. Buyer is aware that such amounts are only estimates and may change (likely increase) for reasons beyond the control of Developer, and Buyer hereby specifically accepts and approves any such changes.

J. Buyer shall not be entitled to possession of the Unit as the owner thereof until Buyer has completed all required payments, has executed all documents relating to the purchase, has performed the remaining terms and conditions of the Agreement to be performed as of the Closing, the Developer turns over possession of the Unit and Closing has occurred.

K. The Agreement includes provisions relating to Buyer's remedies in the event of a default by Developer. Specifically, if Developer defaults under the Agreement and does not cure the default within a specific period of time, the Buyer shall be entitled, as the Buyer's sole and exclusive remedy, to terminate the Agreement and to receive a refund of all deposits with accrued interest, plus liquidated damages in the amount of $5,000.00, provided that the liquidated damages amounts set forth in the sales contracts used for the sales of the Commercial Unit and the Parcel 35 Unit may be different than $5,000.00.

L. If Buyer defaults in making any payment or fails to perform or shall breach any other obligation of Buyer and then fails to cure the default within 20 days after notice of the default or breach, then Developer may terminate the Agreement. In the event of such default or breach and termination, Developer's remedy for Buyer's default or breach shall be determined as follows: Developer shall refund to Buyer any amount that remains after subtracting 15% of the total purchase price of the unit from the amount already paid by Buyer with respect to the total purchase price ("Liquidated Damages"). If, at the time of such termination of the Agreement, Buyer's deposits do not total more than 15% of the total purchase price, then Developer shall retain all of Buyer's deposits as Liquidated Damages. Subject to applicable limitations under federal law, all costs, including reasonable attorneys' fees, incurred by Developer by reason of default or breach by Buyer shall be borne by Buyer.

M. The Buyer acknowledges that Buyer has entered into the Agreement without any reference or representation by Developer or any representative of Developer that Developer or the managing agent will provide, directly or indirectly, any services relating to the rental or sale of the Unit purchased. The Buyer also acknowledges that the Developer makes no representations concerning

rental of a Unit, income or profit from a Unit, or any other economic benefit to be derived from the purchase of a Unit.

N. The Developer makes no warranties regarding the Unit, the Project or anything installed or contained in the Unit or the Project.

O. The purchase and sale of the Unit under the Agreement is not subject to Buyer obtaining a loan to fund any part of the purchase price. In other words, after Buyer has waived his right to rescind the Agreement, Buyer shall not be allowed to cancel the Agreement if he does not obtain financing for his purchase of the Unit.

P. Developer may use funds deposited with Escrow to pay for certain construction and other expenses of the Project prior to closing of the sale. By signing an Agreement, Buyer shall be acknowledging and agreeing that, once Developer has met certain specific requirements, Developer is authorized to use Buyer's funds in Escrow for the construction of the Project and for other expenses of the project, as set forth in the Escrow Agreement and in accordance with Hawaii statutory requirements pertaining to the use of purchaser's funds prior to closing.

Q. Buyer specifically acknowledges that Developer has reserved the right for itself, its sales representatives and prospective Buyers to utilize the common elements of the Project for ingress and egress and to show the common elements to prospective Buyers.

R. Except as specifically permitted in the Agreement, no judicial or administrative (inclusive of arbitration) proceeding shall be commenced or maintained by the Buyer. Certain disputes against and between certain persons (including, without limitation, Developer) must go through the process of negotiation, mediation and arbitration and, if applicable, a process by which an opportunity is given to cure certain alleged defects.

S. The Project will be subject to ongoing construction and sales activities which may result in certain annoyances to the Buyer.

T. Except as otherwise set forth in the Agreement, all interest on deposits toward the purchase price shall be the property of the Developer.

U. If, prior to Closing, a casualty that was beyond Developer's control occurs and substantially damages the unit or another portion of the Project and Developer determines, in its reasonable discretion, that such casualty shall likely delay the "Completion Deadline" by more than six months (according to the Developer's development schedule), then the Developer shall have the right to terminate the Agreement and declare that the Developer repudiates the Agreement and is therefore in breach of the Agreement. In any such case, the Developer shall cause Buyer's deposits to be returned to Buyer.

THIS SUMMARY IS NOT INTENDED TO BE A THOROUGH OR EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF BUYER'S RIGHTS AND OBLIGATIONS UNDER THE AGREEMENT, BUYER MUST REFER TO THE AGREEMENT TO DETERMINE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL.

EXHIBIT N
Summary of Escrow Agreement

The Escrow Agreement has been submitted to the Real Estate Commission. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ, IN FULL, THE ESCROW AGREEMENT, because the summary set forth below is NOT A COMPLETE DESCRIPTION of its contents.

The Escrow Agreement contains, among others, the following terms and conditions (which may be modified or otherwise limited by provisions that are not summarized below):

A. When Developer shall enter into a purchase agreement for the conveyance of a unit in the Project ("Purchase Agreement"), it shall require the payments of deposits due thereunder to be promptly made to Escrow, and shall deliver an executed copy of the Purchase Agreement to Escrow. Developer shall also promptly pay over to Escrow all monies (including checks) received by Developer from or on behalf of the Buyers in connection with the Purchase Agreement.

B. Escrow shall receive, deposit and hold in one or more escrow accounts and disburse as set forth in the Agreement: (a) all payments received by it under Purchase Agreements, and (b) such sums received by it under the Escrow Agreement from or for the account of Developer. 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. Escrow shall deposit all funds so received, within two business days after receipt by Escrow, in a federally insured, interest-bearing account at a financial institution authorized to do business in the State of Hawaii.

C. Except as otherwise set forth in the Escrow Agreement (including, but not limited to, the right to use buyer deposits for various development-related costs), no disbursement of a Buyer's funds held by Escrow under the Escrow Agreement shall be made unless and until the following conditions have been fulfilled:

(a) the Real Estate Commission (the "Commission") has issued an effective date for a Public Report on the Project;

(b) the buyer has been given a copy of the Public Report;

(c) the buyer has been given a notice of the buyer's 30-day cancellation right, which notice complies with Section 514B-86 of the Act;

(d) the buyer has either waived the buyer's right to cancel the Purchase Agreement or is deemed to have waived the purchaser's right to cancel the Purchase Agreement;

(e) Developer has advised Escrow that the Purchase Agreement has become binding and that the requirements of Sections 514B-86 and 514B-87 of the Act have been met; and

(f) Escrow has received satisfactory assurances that all blanket mortgages and liens have been released from the Buyer's unit in accordance with Section 514B-45 of the Act.

D. Subject to the conditions set forth in the Escrow Agreement, buyer deposits that are held in escrow pursuant to a binding Purchase Agreement may be disbursed by Escrow before closing to pay for Project construction costs, for architectural, engineering, finance, and legal fees, and for other incidental expenses of the Project only if the applicable conditions for such disbursement set forth in Section 514B-92(b) of the Act have been met and there are sufficient funds to make the payments.

E. Unless otherwise provided in the Escrow Agreement, each Buyer shall be entitled to a return of his or her funds, without interest and less any cancellation fee, and Escrow shall pay such funds to such Buyer, promptly after request for return by the Buyer if: (i) Developer and the Buyer make a written request to Escrow to return to the Buyer the Buyer's funds held by Escrow; or (ii) either Developer or Buyer notifies Escrow in writing that it is exercising any option to cancel or rescind the Purchase Agreement pursuant to any valid right of cancellation or rescission available to the canceling or rescinding party; provided, however, that no funds shall be returned to a Buyer at the Buyer's request prior to ten (10) days after receipt by Developer of written notice from Escrow of Escrow's intent to make such refund to the Buyer.

F. Upon the return of the funds to the Buyer, Escrow shall return to Developer such Buyer's Purchase Agreement and any conveyancing documents already delivered to Escrow. The Buyer shall then have no further rights or obligations under the Purchase Agreement. Other documents delivered to Escrow relating to the sale of the unit identified in such Purchase Agreement will be returned to the person from whom or entity from which they were received.

G. If a Buyer breaches the Purchase Agreement by failing to make a required payment to Escrow or if a Buyer fails to perform a matter being handled by Escrow, Escrow shall notify Developer of such failure. If Developer then notifies Escrow that Developer has terminated the Purchase Agreement due to such breach, then Escrow shall treat all funds of the Buyer as funds of Developer and not as funds of the Buyer. Then, upon request by Developer, Escrow shall pay such funds to Developer, less any escrow cancellation fee, and such funds shall be considered liquidated damages for Developer.

H. Upon the cancellation of any Purchase Agreement as specified above, Escrow shall be entitled to a cancellation fee of up to $250. Depending on the reason for the cancellation, the cancellation fee may be the sole expense of the individual Buyer and not the obligation of Developer.

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THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE ESCROW AGREEMENT, BUYER MUST REFER TO THE ESCROW AGREEMENT TO DETERMINE ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE ESCROW AGREEMENT, THE ESCROW AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.