DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	THE COVE WAIKIKI
Project Address	1800 and 1820 Kaioo Drive Honolulu, Hawaii 96815
Registration Number	7168
Effective Date of Report	**November 23,2011**
Developer(s)	Waikiki Palms Limited Partnership

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. Reservation to Delete Units and Remove Land. In the Declaration of Condominium Property Regime for The Cove Waikiki (the "Project Declaration" or "Declaration"), Waikiki Palms Limited Partnership (the "Developer") has reserved the right to delete certain units from The Cove Waikiki (the "Project") and to remove from the Project portions of the land underlying the Project. The Developer may develop the Project incrementally, with Building B and Building C being built first, then Building A. The Developer may decide, at its sole discretion, to not develop Building A. If that decision is made, then the units in Building A would be deleted from the Project and the Project would only be comprised of the units in Buildings B and C. If Building A is not developed, then the Developer will also remove from the Project the land that was to be under Building A and the grounds in the immediate vicinity of Building A.

   One of the effects of deleting units would be to increase the common interest percentages of the units that are developed. See Exhibit E-1 of this Public Report for a listing of the common interests that would result if only the units in Buildings B and C are developed.

   Another of the effects of deleting units would be to change the estimated initial maintenance fees of the units that are developed. See Exhibit J-1 of this Public Report for a listing of the estimated initial maintenance fees of units if only the units in Buildings B and C are developed.

   One of the effects of removing portions of the underlying land from the Project may be a requirement by the City and County of Honolulu (the "City") to amend one or more of the following documents that relate to the Project: the Joint Development Agreement; the Special Design District Permit; and the Park Dedication Agreement. Unit owners and the Association of Unit Owners of The Cove Waikiki (the "Association") will be bound by any such amended agreements and/or permits and shall be required to cooperate with the Developer and the City in connection with such amendments and permits and the effects of such amendments and permits.

   See Sections P, Q and R of the Project Declaration for descriptions of the Developer's reserved rights related to incremental development, deletion of units and removal of land. See Exhibit I of this Public Report for a summary of the Developer's reserved rights, including those referenced above, and the special power of attorney that buyer will grant to the Developer in connection with those reserved rights.

2. Top-Floor Units. In its advertising and marketing materials for the Project, the Developer may refer to the units on the top floor of each building as "Penthouse" or "PH" units. The purpose of such a reference would be to differentiate the top-floor units from the other units in the Project, in part because the top-floor units will have higher ceilings than the other units in the Project. As an example, Unit C509, which is on the top floor of Building C, may be referred to in the advertising and marketing materials as "Unit PH C509" or "Penthouse Unit C509". It is important to note, however, that the additional "Penthouse" or "PH" references would be for advertising and marketing purposes only and would not constitute part of the legal identification of a unit. The sole means of legal identification of a unit is the unit's single-letter/triple-digit designation (e.g., C509). As such, the additional "Penthouse" or "PH" references are not included when the top-floor units are referred to in this Public Report or in the Project Declaration or other Project documents.

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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	720 Kapiolani Blvd., Box 1000 Honolulu, Hawaii 96813
Address of Project	1800 and 1820 Kaioo Drive Honolulu, Hawaii 96815 (Building A units would be at 1820 Kaioo Drive; Building B and Building C units would be at 1800 Kaioo Drive)
Address of Project is expected to change because	Not Applicable
Tax Map Key (TMK)	(1) 2-6-012:37 through 44, 55 through 58
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	72,135 square feet* * The Developer has reserved the right to remove land from the Project. See Section R of the Project Declaration and Exhibit I 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	Three
Floors Per Building	Building A will have 5 floors (4 for residential units and 1 for parking stalls) and Buildings B and C will each have 5 floors (3 for residential units and 2 for parking stalls).
Number of New Building(s)	Three
Number of Converted Building(s)	None
Principle 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.)	Total Area
See **Exhibit A.**						

	Total Number of Units 117*

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.

*Note: The Developer has reserved the right to delete units from the Project. See Section Q of the Project Declaration and Exhibit I of this Public Report.

1.4 Parking Stalls

Total Parking Stalls in the Project:	194*
Number of Guest Stalls in the Project:	7
Number of Parking Stalls Assigned to Each Unit:	At least one

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 appurtenant to a unit not owned by the Developer to be appurtenant to and/or available for the exclusive use of any other unit in the Project as a limited common element for that unit or for use by persons not part of the Project; (ii) to designate any parking stall not designated as a limited common element appurtenant to a unit not owned by the Developer for use as a guest parking stall for the Project; (iii) to designate any parking stall that is a limited common element for a unit owned by the Developer for use as a general common element (including a guest parking stall) for the Project; (iv) to sell and convey or otherwise designate any parking stall that is a limited common element for a unit owned by the Developer to be appurtenant to any unit in the Project as a limited common element for that unit or for use by persons not part of the Project; (v) to use, or allow others to use, any parking stall not designated as a limited common element appurtenant to a unit not owned by the Developer; (vi) to assign or change the assignments of individual parking stalls to individual units that have not been conveyed by the Developer; and (vii) to convert certain parking stalls and drive aisles in the Project to storage spaces(*).

*If the Developer exercises its right to convert certain parking stalls to storage spaces or to delete certain units from the Project, then the total number of parking stalls in the Project will be less than 194.

1.5 Boundaries of the Units

Boundaries of the unit: **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:

*IMPORTANT NOTE: 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; or (ii) an increase or decrease in the number of units in the Project (e.g., if one or more units are deleted from the Project pursuant to the Project Declaration). **Exhibit E-1** lists what the common interests would be for each unit in Buildings B and C, if Building A (including the units in Building A) is deleted from the Project.

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

☒	Swimming pool
☐	Laundry Area
☒	Storage Areas (subject to designation as limited common elements for specific units)
☐	Tennis Court
☐	Recreation Area
☒	Trash Chute/Enclosure(s)
☐	Exercise Room
☒	Security Gate (driveway and pedestrian)
☐	Playground
☒	Other (describe): barbecue area and park area

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	Three (one in Building A and two in Building B)
Stairways	Four exit staircases (one in Building A, two in Building B and one in Building C)
Trash Chutes	Two (one in Building A and one in Building B)

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, small birds (such as parakeets and canaries) or fish are allowed at the Project. See Section 12.1 of the Project Bylaws and Section J of the Project Rules for more details.
☒	Number of Occupants: Unless such occupancy restrictions are prohibited by applicable law, occupancy is limited to no more than two persons per bedroom in each 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 Section G.6(g) of the Project Declaration for more details.
☒	Other: See Section G of the Project Declaration, Sections 8.3 and 12 of the Project Bylaws and Sections C through M of the Project Rules for other special use restrictions.
☐	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 H describes the encumbrances against title contained in the title report described below.
Date of the title report: August 24, 2011
Company that issued the title report: Title Guaranty of Hawaii, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
☒	Residential	117	☒ Yes ☐ No	Waikiki Special District, Apartment Precinct
☐	Commercial		☐ Yes ☐ No	
☐	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)		☐ Yes ☐ No	
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				

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	☒	☐	☐

If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:

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:	
Developer's statement of the expected useful life of each item reported above:	
List of any outstanding notices of uncured violations of any building code or other county regulations:	
Estimated cost of curing any violations described above:	

Verified Statement from a County Official
Regarding any converted structures in the project, attached as **Exhibit** ___ 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: Waikiki Palms Limited Partnership Business Address: 720 Kapiolani Blvd., Box 1000 Honolulu, Hawaii 96813 Business Phone Number: 808-791-0075 E-mail Address: bdeuchar@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).	LedPac Waikiki, Inc. ("LWI") (general partner) Officers of LWI: William R. Deuchar (Pres., Secretary, Assistant Treasurer); William Fox (Exec. V.P., Assistant Secretary, Assistant Treasurer); Christopher W. Deuchar (V.P., Assistant Secretary); Pat Patterson (V.P., Assistant Secretary, Assistant Treasurer); James McDuff (Treasurer) Directors: William R. Deuchar, William Fox, Christopher W. Deuchar and Rodney Neys
2.2 Real Estate Broker	Name: Coldwell Banker Pacific Properties, LLC Business Address: 1314 South King Street, 2nd Floor Honolulu, HI 96814 Business Phone Number: 808-596-0456 E-mail Address: kai@cbpacific.com
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street, 1st Floor Honolulu, HI 96813 Business Phone Number: 808-521-0211
2.4 General Contractor	Name: Ledcor Construction Hawaii LLC* Business Address: 720 Kapiolani Blvd., Box 1000 Honolulu, HI 96813 Business Phone Number: 808-540-0777 *See item 15 on page 18b of this Public Report.
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	November 18, 2011	4113192

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters that affect how the condominium project will be governed.		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	November 18, 2011	4113193

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.	
Land Court Map Number	2134
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "House Rules") to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the Developer. Changes to House Rules do not need to be recorded to be effective.		
The House Rules for this project:		
Are Proposed	☒	
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 I**

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. to manage the operation and maintenance 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 J 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:

Exhibit J-1 contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit in Buildings B and C, if Building A (including the units in Building A) is deleted from the Project.

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.

NOTE: As of the date of this Public Report, the Honolulu Board of Water Supply was seeking from the Public Utilities Commission (the "PUC") a substantial rate increase (as much as 70% over five years). Also, a 4% per year rate increase for sewer service and a 2.2% per year rate increase for electricity service were previously approved by the PUC. As a result of anticipated increases in water, sewer and electricity costs during the Developer's construction and sale of the Project, the Developer reserves the right to increase the maintenance fees assessed against each unit by a minimum of 3% during the period of the Developer's construction and sale of the Project. The cost increases for those utilities may be higher and the other costs to operate and maintain the Project may increase substantially as well, resulting in increased maintenance fees. See Exhibits J and J-1.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
☒	Electricity for the common elements only
☒	Gas, if any, for certain of the common elements
☒	Water
☒	Sewer
☐	TV cable
☒	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 the unit only (each unit will be separately metered)
☐	Gas
☐	Water
☐	Sewer
☒	TV cable and telephone (each unit owner will be responsible for obtaining TV cable and telephone service for the unit)
☐	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
☒	Specimen Sales Contract **Exhibit K** 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: July 25, 2011 Name of Escrow Company: Title Guaranty Escrow Services, Inc. **Exhibit L** 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 <u>no blanket liens</u> affecting title to the individual units.
☒	<u>There are blanket liens</u> 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(s) and related financing statement(s), securing loan(s) to the Developer.	The loan(s) is/are to 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 subordinates the buyer's interest arising under the Sales Contract to the security interests of the Developer's construction/development lender, including any lien, mortgage or charge securing the lender's loan to the Developer, any other loan that may be made to finance the costs of construction and other costs during such construction and all interest to be paid by the Developer on the loan, until the recordation of the unit deed.

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 buildings, units or other improvements. However, the Developer will attempt to assign to each unit owner any and all warranties given to the Developer by the contractors, subcontractors or materialmen for the Project. Any such warranties are 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: Construction of Buildings B and C (and the units therein) is anticipated to begin in approximately June 2012 and is anticipated to be completed by approximately March 2014. Construction of Building A (and the units therein) is anticipated to begin in approximately September 2012 and is anticipated to be completed by approximately June 2014. **IT IS IMPORTANT TO NOTE THAT THE DATES SET FORTH ABOVE ARE JUST ESTIMATES AND THE ACTUAL DATES OF COMMENCEMENT AND/OR COMPLETION MAY VARY.** Developer makes no representations or warranties with respect to the order in which the various buildings will be constructed or with respect to which buildings may be built as part of one or more later increments. Developer has reserved the right to develop the buildings (and units) in increments. However, Developer has also reserved the right to delete Building A (and its units) from the Project. See Exhibit I (Developer's Reserved Rights) of this Public Report for additional information on incremental development of the Project and on Developer's reserved right to delete units and remove land from the Project.
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, before completion of any repairs, and if completion of construction of the unit 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 certain specific exceptions described in the Sales Contract, the Developer agrees that completion of construction of each unit will be on or before two years after the buyer signs the Sales Contract for that unit. As described in the Sales Contract, "completion of construction" shall have the meaning set forth in HRS Section 514B-3. See Exhibit K of this Public Report for a brief summary of the Sales Contract.
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: Not applicable.

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 this box is checked, Sections 5.6.2, which follows 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: None

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. Condominium Living. In any multi-family building, 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 multi-family condominium project (including plumbing, impact, automobiles in the parking garage and driveways (including the squeaking of rubber tires) of the Project and the neighboring condominium project called "The Windsor", elevator operation, use of the trash chutes, adjacent neighbors, wind-related noises and other types of noises) may result, to which certain occupants may be especially sensitive and which may prove a nuisance for some. Further, the Project is located in Waikiki where noise and vibration levels may exceed ordinary noise and vibration level standards for other residential areas. There is also the possibility of smells (e.g., barbecue odors, other cooking odors, perfumes, and other odors), smoke (from tobacco and other smoking substances), fumes and other nuisances being transmitted between units and from the common elements.

2. 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. Once the Buyer takes ownership of the Unit, the Buyer shall assume responsibility for taking appropriate steps to reduce or eliminate mold growth in the Unit.

3. 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 the 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.

4. Views Not Assured. Each Buyer acknowledges and agrees that the Developer has made no, and makes no, representations or warranties with respect to the presence or continued existence of any views or view planes from any portion of the Project or any Unit, and further understands and acknowledges (a) that 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 Units and from other parts of the Project, (b) that there are no view easements or rights appurtenant to the Units or the Project, and (c) that views from the Units and the Project are not assured in any way.

5. Dispute Resolution. 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.

6. 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 sign all documents and to do all things necessary or convenient to effect such rights.

7. Developer Makes No Promises or Warranty About the Amount of 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 and annual maintenance fees and assessments for the Project and the Buyer's unit, 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 for 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. Buyer also understands that Buyer will be required to share in the payment of the common expenses of the Project along with the owners of the other units for which a temporary or permanent certificate of occupancy (or other government action) has been issued.

8. Window Cleaning. Unit owners, at their expense, shall be obligated to clean the interior and the exterior of their Unit's windows, provided that the Association, upon the Board's direction, shall have the right, but not the obligation, to clean, or have cleaned, the exterior portions of the Units' windows. The cost for any such cleaning by or on behalf of the Association shall be charged to the Unit owners either as a common expense against all of the Units or as a special assessment against only those Units whose windows were cleaned, as determined by the Board. The frequency of any window cleaning by the Association shall be determined by the Board.

9. Cable Television, Internet and Telephone Service. Although the Developer will see that conduits and/or lines for cable television, internet and telephone service will be provided to each Unit, if Buyer wants his or her Unit to have cable television, internet and telephone service, then Buyer will be responsible for contacting and contracting with the cable television, internet and telephone service providers of Buyer's choice.

10. Developer Makes No Representations or Promises About Rentals or Other Economic Benefits. By signing a sales contract, Buyer will be agreeing that neither Developer nor any salesperson or other person affiliated with or in any way related to Developer has talked to Buyer at all about any rental income or rental, management or sales services for Buyer's Unit. If Buyer wants to rent or sell the Unit, then Buyer will have to decide how to do that. Buyer will also be agreeing that neither Developer nor any salesperson or other person affiliated with or in any way related to Developer has talked to Buyer at all about income from the Unit or any other economic benefit to be derived from the purchase or ownership of the Unit or about the tax effects of buying the Unit. Buyer is advised to contact his or her own advisers on all such matters.

11. Real Property Taxes. There may be a period of time after closing where the City and County of Honolulu will issue just one real property tax bill for the entire Project for a particular tax cycle. That means that separate tax bills will not be issued to the individual unit owners for that tax cycle. Consequently, the real property taxes assessed against the Project for that tax cycle would be common expenses of the Project that will be paid by the Association and billed to the individual unit owners. Unit owners will be responsible for paying their proportionate share of the real property taxes for that year based on their Unit's common interest. As a further result of the City's delay in issuing individual tax bills, at closings, the Developer will allocate real property taxes among the units based on the ratio of their respective common interests and shall collect the respective post-closing pro rata amounts from the buyers at closing. Developer shall be responsible for any real property taxes attributable to the units prior to closing. Once the County issues separate real property tax bills to the Project's unit owners, the unit owners will be responsible for paying their respective bills.

12. Resident Manager's Unit. One of the units will be designated as the unit for the Project's resident manager. Accordingly, that unit will not be available for sale to the general public. The unit designated for the Project's resident manager shall be sold to a third party who shall be required by recorded covenant (in the deed of the unit) or by contract to rent the unit to the Project's Association of Unit Owners for use as a resident manager's unit. The amount of the rent shall be based on the negotiated market rate for such a unit, plus the maintenance fees for the unit. The length of the lease of the resident manager's unit and the termination provisions in the lease will be subject to statutory requirements and restrictions applicable to contracts entered into by or on behalf of the Association. Until all units in the Project are sold and conveyed, the Developer shall have the right to choose which unit shall be the resident manager's unit and then to change that choice from time to time.

13. Flood Area. The Project is located in the 100-year Manoa-Palolo Floodplain and has been given a Flood Hazard Zone designation of "AO" by the Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map ("FIRM"). According to FEMA's website, the "AO" Flood Hazard Zone is a "High Risk Flood Area", described as "river or stream flood hazard areas, and areas with a 1% or greater chance of shallow flooding each year, usually in the form of sheet flow, with an average depth ranging from 1 to 3 feet. These areas have a 26% chance of flooding over the life of a 30-year mortgage. Average flood depths derived from detailed analyses are shown within these zones." Development of the Project will be in compliance with the floodplain regulations of the City and County of Honolulu approved

by FEMA. Although the Association is to obtain flood insurance covering the Project, the Buyer is advised to consider whether flood insurance should or must be obtained for the Unit and/or the Buyer's personal property and what the premiums and deductibles for such insurance might be.

14. Affiliation Between Developer and Contractor. The general contractor, Ledcor Construction Hawaii LLC ("Ledcor Construction"), is affiliated with the Developer, Waikiki Palms Limited Partnership ("WPLP"), as follows: Ledcor Construction and Ledcor Investments, Inc, which owns 50% of the shares of LedPac Waikiki, Inc. and which is the general partner of WPLP, are both part of The Ledcor Group of Companies.

15. Possible Change in the General Contractor. It is possible that either the Developer (WPLP) or an affiliate of WPLP (instead of Ledcor Construction) will be the general contractor of record for the Project.

16. Swimming Pool Safety. Buyer is informed that there likely will not be a lifeguard on duty at the swimming pool within the Project. Accordingly, Buyer's safety, as well as the safety of Buyer's children, tenants and guests, will be Buyer's responsibility. Everyone swims at their own risk.

17. Park Declaration. A recorded Declaration of Restrictive Covenants (Private Park) (the "Park Declaration") will provide, among other things, that, if the Association does not properly maintain the Project's private park area (including the swimming pool), then the City's Department of Planning and Permitting shall have the right to perform such maintenance, to collect the costs of such maintenance from the Association and to place a lien on the Project land to assure reimbursement to the City of such maintenance costs. The Park Declaration will also require the Association to indemnify and hold the City harmless from injury and damage claims resulting from use of the park area and from any maintenance of the park area by the City.

18. Sound Attenuation. No alterations or additions shall be made by the Buyer that materially and adversely affect the sound attenuation of the Buyer's Unit. To minimize the noise transmission from a unit (other than those units owned by the Developer), the Declaration currently sets forth the following:

a. No holes or other penetrations more than two inches deep shall be made in common element or limited common element walls without the permission of the board or directors. No penetrations greater than two inches shall be made in the ceiling of any unit.

b. No modifications shall be made to any unit that would result in a reduction in the minimum impact insulation class of the unit.

c. Loudspeakers for music reproduction and television shall not be supported from or contact common element or limited common element walls or ceilings and shall be elevated from the floor by a proper acoustic platform.

In addition, all units located above another unit shall adhere to the following, which shall not be applicable to those units not located above another unit:

x. Pianos shall have at least ½-inch neoprene pads under the supports to minimize vibration transmission into the structure.

y. All furniture shall contain rubber castors or felt pads.

z. Subject to certain additional restrictions and requirements set forth in the Project Documents, installation of tile, hardwood, or other hard surface floor covering must be preceded by the installation of subfloor padding or acoustical insulation of at least one-quarter inch in thickness. The Project Documents may set forth additional or more stringent requirements relating to hard surface floor coverings.

See the next page for an IMPORTANT NOTE.

IMPORTANT NOTE: Each Buyer agrees to accept each condition, circumstance and risk described above or in any of the reports or information provided by the Developer, and further agrees that neither the Developer, nor the Developer's agents, employees, contractors, partners, affiliates, licensees, successors or assigns shall be responsible for correcting any such conditions.

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.

Waikiki Palms Limited Partnership, a Hawaii limited partnership
By LedPac Waikiki Inc., Its General Partner
Printed Name of Developer

By: _____ 9/28/11
Duly Authorized Signatory* Date

William R. Deuchar, Its President
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT A
Unit Types and Sizes of Units

Unit Type	Quantity*	BR/Bath	Net Living Area (sf)**	Net Other Area (sf)	Identify	Total Area (sf)**
A and AR	24	1/1	561	0	n/a	561
A1	2	1/1	683	0	n/a	683
A2	1	1/1	704	0	n/a	704
B and BR	34	2/2	837	0	n/a	837
B1 and B1R	25	2/2	833	0	n/a	833
B2R	3	2/2	841	0	n/a	841
B3	3	2/2	829	0	n/a	829
B4R	3	2/2	820	0	n/a	820
B5R	3	2/2	854	0	n/a	854
C	4	2/1	787	0	n/a	787
D	4	2/1	844	0	n/a	844
D1	4	2/1	829	0	n/a	829
F	4	2/1	799	0	n/a	799
G	3	2/2	925	0	n/a	925

TOTAL: 117*

* The Developer has reserved the right to delete units from the Project, to create new unit types and to change unit types. See Section Q of the Declaration of Condominium Property Regime and Exhibit I of this Public Report.

** The approximate net living 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 living area figures that differ from those above because a different method of determining the living 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 living area or floor area of any particular unit.

EXHIBIT B
Parking Stall Assignments

Unit No.	Parking Stall(s)*,@	Limited Common Element Storage Space(s) (No.; Approx. Area in Sq. Ft.)
Building A		
A201	B62c	
A202	B71	
A203	B75	
A204	B68c	
A205	B72	
A206	B73	
A207	B65c	
A208	B74	
A209	B64c	
A210	B67c	
A211	B66c	
A212	B63c	
A301	B69c	
A302	A33	
A303	A8	
A304	A40	
A305	A10	
A306	A38	
A307	A4	
A308	A9	
A309	A3	
A310	A7	
A311	A6	
A312	A1	
A401	A2	
A402	A30	
A403	A13	
A404	A34	
A405	A15	
A406	A32	
A407	A36	
A408	A14	
A409	A37	
A410	A12	
A411	A11	
A412	A5	
A501	A39	
A502	A26	
A503	A28	
A504	A18	
A505	A20	
A506	A27	
A507	A16	
A508	A19	
A509	A31	
A510	A29	

Unit No.	Parking Stall(s)*,@	Limited Common Element Storage Space(s) (No.; Approx. Area in Sq. Ft.)
A511	A17	
A512	A35	
Building B		
B301	B84	
B302	B85	
B303	B21c	
B304	B7c	
B305	B22c	
B306	B78	
B307	B23c	
B308	B77	
B309	B19c	
B310	B76	
B311	B20c	
B312	B32	
B313	B51c	
B314	B9c	
B401	B33	
B402	B34	
B403	B16c	
B404	B79	
B405	B17c	
B406	B83	
B407	B18c	
B408	B82	
B409	B14c	
B410	B81	
B411	B15c	
B412	B35	
B413	B80	
B414	B6c	
B501	B36	
B502	B37	
B503	B11c	
B504	B86	
B505	B12c	
B506	B31	
B507	B13c	
B508	B30	
B509	B5c	
B510	B29	
B511	B10c	
B512	B38	
B513	B28	
B514	B8c	
Building C		
C301	C56	
C302	C55	

Unit No.	Parking Stall(s)*,@	Limited Common Element Storage Space(s) (No.; Approx. Area in Sq. Ft.)
C303	C41c	
C304	C44c	
C305	C40c	
C306	C43c	
C307	*C39c*	
C308	C54	
C309	C42c	
C401	C58	
C402	C59	
C403	C23	
C404	C28	
C405	C22	
C406	C27	
C407	C33c	
C408	C61	
C409	C29	
C501	C60	
C502	C62	
C503	C26	
C504	C57	
C505	C25	
C506	C31	
C507	C24	
C508	C63	
C509	C30	

*Note: Except for parking stalls B1, B2 and B44, which are uncovered, all parking stalls are covered. If a parking stall is marked with a "c" on the list above, then it is a parking stall that is "compact" in size. A parking stall not marked with a "c" on the list above is 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.

@Pursuant to Section X.3 of the Declaration, the Developer shall have the unilateral right to convert the following parking spaces (and the drive aisles in the immediate vicinity of such parking spaces) to storage spaces: A21, A22, A23, A24, B24, B25, B26, B27, C15, C16, C17 and C18. Upon such conversion, the Developer shall have the right to use and dispose of the storage spaces as if they were originally developed and/or designated as storage spaces.

EXHIBIT C
Boundaries of the Units

Each 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 within the limits of the Unit), (c) any doors or panels along the perimeter walls of the described space, (d) all windows, including the glass or other material comprising the window, (e) the air space within the perimeter of the described area, (f) all appliances and fixtures, and replacements thereof, installed within the described space, (g) all pipes, plumbing, shafts, ducts, pumps, wires, conduits, and other utility or service lines and facilities running through such described space that are utilized for and serve only that Unit, (h) all cranks, rollers, and other window or sliding door hardware, and (i) all parts and appurtenances of any air conditioning unit that serves only the Unit (even if a portion of the air conditioning unit protrudes outside an exterior wall of the described space). Anything in the previous sentence to the contrary notwithstanding, the respective Units shall not be deemed to include (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 such described space 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.

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

* * *

2. Alterations to Units. The provisions of this Section L.2 apply to Alterations made to the Units or to Limited Common Elements appurtenant to the 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 Unit Owner shall have the following rights:

(i) Additions or Alterations Solely Within a Unit or Limited Common Element Not Requiring Board Approval. Each 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 governmental agencies require such consent), except Declarant, if Declarant owns a Unit in the Project, to make any of the following Alterations solely affecting and solely within, as applicable, the Owner's 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 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 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 and replacement of hard floor surfaces in certain Units set forth in this Declaration, the Bylaws and/or the Project Rules, and do or cause to be done such other work on the interior surfaces of the walls, floors and ceilings of such Unit or Limited Common Elements; (D) to install, remove, rearrange, paint, finish, change, alter or substitute counters and cabinets within such Unit as long as not readily visible from outside of the Unit; and (E) to make Alterations to the 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 Unit or Limited Common Element.

(ii) Alterations to a Unit or Limited Common Element Requiring Board Approval. Each Unit Owner, only with the written consent of the Board of Directors (which consent shall not be unreasonably withheld), Declarant, if Declarant owns a Unit in the Project, and appropriate governmental agencies (if such agencies so require), and with the written consent of all other Owners directly affected (as determined by the Board), 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 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, (a) Alterations adversely affecting other Units or Limited Common Elements, (b) Alterations that are readily visible from outside of the Unit or the Limited Common Element, and (c) Alterations involving the installation or replacement of hard floor surfaces beyond what may have been installed by Declarant.

(iii) Combining of Adjacent Units. A Unit Owner who owns any two adjacent Units that are on the same level of the building and are separated by a Common Element wall 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), appropriate governmental agencies (if such agencies so require), Declarant (if Declarant owns a Unit in the Project), and all other Owners directly affected (as determined by the Board), to alter or remove all or portions of the intervening wall, 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 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 and/or hallway entries to substantially the same condition they existed prior to such alteration or removal. The combining of adjacent Units shall not affect, or otherwise require the alteration of, the Common Interest allocable to any Unit. (As used above, "adjacent Units" does not include Units that are located above and beneath one another on different floors.)

(iv) No Division of Units. Other than Declarant and Units owned by Declarant, no Unit Owner shall divide a Unit into two or more Units; provided that this shall not prevent an Owner who had previously combined such Owner's adjacent Units (pursuant to subsection (iii) above) from restoring the adjacent units to substantially the same condition they existed prior to such combination.

(b) Prohibited Alterations. Nothing contained in Section L.2(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 or Limited Common Elements; (v) significantly increase the rate of fire insurance on the building or the contents of the building to an extent that all 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 or Limited 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 this Section L 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 and in addition to the Alterations described in subsections (a)(ii) and (iii) above, none of the following actions can be taken by Persons other than Declarant without the prior written consent of the Board and Declarant (if Declarant owns a Unit in the Project): (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 and Declarant (if Declarant owns a Unit in the Project): the installation of any replacement or additional air conditioning units (aside from what was originally included in the Unit); 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 or ceiling 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 Unit, to the Unit's Limited Common Elements or to the Common Elements can commence. The Board shall also have the right to form an architectural review committee to process any Alteration and to specially assess applicable Owners for costs incurred by the Association in connection with any Alteration. Further, the Board shall have the right to effect 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. Submittal requirements and procedures and time limits for the Board and, if applicable, Declarant to respond to requests for an Alteration are set forth in the Project Rules.

(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 $100,000 (C.P.I. Adjusted), 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 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 $100,000 (C.P.I. Adjusted), 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 a 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).

(e) Withholding of Board or Declarant Approval. Where applicable, the Board may withhold its approval to any request for an Alteration based upon: the terms of this Declaration or the Bylaws; the potential or perceived effect such proposed Alteration may have on the appearance, safety or integrity of any part of the Project; considerations of applicable zoning and other requirements; the terms of any permits, agreements or authorizations pursuant to which the Project has been designed and constructed; or costs incurred, or to be incurred, by the Association. Declarant may withhold its approval to any request for an Alteration for any reason within its sole discretion.

3. Amendment To Declaration and Condominium Map. The provisions of Section U of this Declaration to the contrary notwithstanding, 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, the Unit Owner or Owners making the Alteration shall amend this Declaration and, if applicable, the Condominium Map to set forth such Alteration, which

amendment(s) shall be executed by the Owner or Owners of the affected Unit or Units and by such other Persons, if any, whose approval or consent to such Alteration is required above, but such amendment(s) 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 prior to such Recordation. 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, and amendments to this Declaration or the Condominium Map in connection with such Alterations, shall not require the vote or consent of the Board or any other Person.

* * *

5. 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, the Limited Common Elements appurtenant to their Units and/or the Common Elements, at their expense (including the cost of obtaining any required permits and bonds), if such Alterations are necessary to enable the use and enjoyment of their Units, the Limited Common Elements appurtenant to their Units and/or the Common Elements, as the case may be, by persons with disabilities, provided that any 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.5 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.

6. 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."

Alterations by Developer. The provisions cited in this Exhibit D 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.4 of the Declaration, which is referenced in Exhibit I of this Public Report

EXHIBIT E
Common Interests

Unit Type (Number of Units)	Unit Numbers	Undivided Common Interest of Each Unit*
A and AR (24)	B303, B305, B307, B309, B311, B403, B405, B407, B409, B411, B503, B505, B507, B509, B511, C303, C305, C307, C403, C405, C407, C503, C505, C507	0.00618795 (0.618795%)
A1 (2)	B314, B414	0.00753364 (0.753364%)
A2 (1)	B514	0.00776527 (0.776527%)
B and BR (34)	A205, A206, A207, A208, A305, A306, A307, A308, A405, A406, A407, A408, A505, A506, A507, A508, B306, B308, B310, B313, B406, B408, B410, B413, B506, B508, B510, B513, C301, C304 C401, C404, C501, C504	0.00923230 (0.923230%)
B1 and B1R (25)	A203, A204, A209, A210, A303, A304, A309, A310, A403, A404, A409, A410, A503, A504, A509, A510, B302, B312, B402, B412, B502, B512, C306, C406, C506	0.00918818 (0.918818%)
B2R (3)	B301, B401, B501	0.00927642 (0.927642%)
B3 (3)	B304, B404, B504	0.00914405 (0.914405%)
B4R (3)	C309, C409, C509	0.00904478 (0.9044787%)
B5R (3)	C302, C402, C502	0.00941981 (0.941981%)
C (4)	A201, A301, A401, A501	0.00868078 (0.868078%)
D (4)	A211, A311, A411, A511	0.00930951 (0.930951%)
D1 (4)	A202, A302, A402, A502	0.00914405 (0.914405%)
F (4)	A212, A312, A412, A512	0.00881314 (0.881314%)
G (3)	C308, C408, C508	0.01020295 (1.020295%)

* 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 (e.g., if one or more units are deleted from the Project pursuant to the Declaration).

EXHIBIT E-1
Common Interests of Units if Only Buildings B and C Exist

Unit Type (Number of Units)	Unit Numbers	Undivided Common Interest of Each Unit*
A and AR (24)	B303, B305, B307, B309, B311, B403, B405, B407, B409, B411, B503, B505, B507, B509, B511, C303, C305, C307, C403, C405, C407, C503, C505, C507	0.01102074 (1.102074%)
A1 (2)	B314, B414	0.01341741 (1.341741%)
A2 (1)	B514	0.01382995 (1.382995%)
B and BR (18)	B306, B308, B310, B313, B406, B408, B410, B413, B506, B508, B510, B513, C301, C304, C401, C404, C501, C504	0.01644272 (1.644272%)
B1 and B1R (9)	B302, B312, B402, B412, B502, B512, C306, C406, C506	0.01636414 (1.636414%)
B2R (3)	B301, B401, B501	0.01652130 (1.652130%)
B3 (3)	B304, B404, B504	0.01628556 (1.628556%)
B4R (3)	C309, C409, C509	0.01610875 (1.610875%)
B5R (3)	C302, C402, C502	0.01677668 (1.677668%)
G (3)	C308, C408, C508	0.01817146 (1.817146%)

* The common interests for the Units may change (increase or decrease) in connection with: (i) a change by Declarant 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 (e.g., if one or more Units are deleted from the Project pursuant to the Declaration).

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) of the Declaration, in fee simple.

2. All structural components of all of the buildings, such as foundations, girders, columns, beams, floor slabs, supports, main walls, parapet walls, load-bearing walls, floors, ceilings (except the immediate interior surface area 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, refuse facilities, trash chutes and trash rooms, 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, parking stalls and drive aisles.

5. The entry area outside the entry door of each Unit.

6. All ducts, electrical equipment, vents, shafts, lines, conduits, cables, transformers, transformer pads, switch pads, 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, and radio and television signal distribution, if any.

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

8. The swimming pool, the park area and the barbecue area (and their related equipment and amenities), located as shown on the Condominium Map.

9. The toilet room located next to the storage room on the ground floor of Building B, located as shown on the Condominium Map.

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

11. 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.

12. The storage room on the ground floor of Building B and the individual storage spaces within the storage room, located as shown on the Condominium Map.

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

EXHIBIT G
Limited Common Elements

Subject to easements, rights, reservations and other exceptions set forth in the Project Documents, certain Common Elements, called "Limited Common Elements", are designated and set aside for the exclusive use of certain Units, with such Units having appurtenant thereto easements for the exclusive use of such Limited Common Elements as follows:

1. Parking Stalls

Each Unit shall have appurtenant to it, as a Limited Common Element, the exclusive right to use the parking stall(s) as designated in Exhibit B of this Public Report, located as shown on the Condominium Map, or such other parking stall as may be described by amending the Declaration and/or the Condominium Map. Until the Developer has either conveyed all of the Units in the Project or amended the Declaration to designate a parking stall as a guest stall or as a Limited Common Element appurtenant to a Unit not owned by the Developer, each parking stall that is not designated in the Declaration as a Limited Common Element appurtenant to a particular Unit shall be a Limited Common Element appurtenant to all of the Units that the Developer owns.

2. Drive Aisles

Until Developer has conveyed all of the Units in the Project, the drive aisle in the immediate vicinity of those parking stalls that may be converted to storage spaces (in accordance with Section X.3 of the Declaration, and as described in Exhibit B of this Public Report) shall be a Limited Common Element appurtenant to all of the Units that Developer owns.

3. Storage Spaces

Certain Units may have, as an appurtenant Limited Common Element, the exclusive right to use one or more storage spaces, as set forth in the Declaration or in an amendment to the Declaration. The storage spaces are located as shown on the Condominium Map, with most located within the storage room on the ground floor of Building B. Until Developer has either conveyed all of the Units in the Project or amended the Declaration to designate a storage space as a Limited Common Element appurtenant to a Unit not owned by Developer, each storage space that is not designated as a Limited Common Element appurtenant to a particular Unit shall be a Limited Common Element appurtenant to all of the Units that Developer owns.

4. Storage Room

The interior portions of the storage room on the ground floor of Building B, which portions do not include the individual storage spaces, as shown on the Condominium Map, shall be Limited Common Element appurtenant to those Units that have appurtenant Limited Common Element storage spaces in the storage room.

5. Mailboxes

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

6. Water Heaters

Each water heater (including the pipes, wiring and other elements for the water heater) serving a Unit is a Limited Common Element appurtenant to that Unit. The water heater shall be within a closet

(located along the side of the Common Element hallway) that also contains the water heater for another Unit.

7. Water Heater Closets

Each closet containing water heaters is a Limited Common Element appurtenant to the Units that are served by the water heaters within the closet. Each closet is located along the side of the hallway near the Units served by the water heaters and, based on the legend on the applicable sheet of the Condominium Map, is shown as a Limited Common Element on the Condominium Map. For example, the Limited Common Element between Units A206 and A208, as shown on CPR-1-A.2 of the Condominium Map, represents the water heater closet that contains the water heaters serving Units A206 and A208.

EXHIBIT H
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. Improvement assessments, if any, that may be due and owing (e.g., those under the Waikiki Special Improvement District). As of the date of this Public Report, there are no such improvement assessments. For information, contact the City and County of Honolulu.

3. As to TMK No. (1) 2-6-012:55 (Lot 83) only:

   Designation of Easement "9" as shown on Map 15, as set forth in Land Court Order No. 7218, filed January 29, 1947, in favor of the City and County of Honolulu for sewer purposes.

4. As to TMK No. (1) 2-6-012:57 (Lot 87) only:

   Designation of Easement "11" as shown on Map 15, as set forth in Land Court Order No. 7218, filed January 29, 1947, in favor of the City and County of Honolulu for sewer purposes.

5. As to TMK No. (1) 2-6-012:58 (Lot 88) only:

   (a) Designation of Easement "12" as shown on Map 15, as set forth in Land Court Order No. 7218, filed January 29, 1947, for sewer purposes.

   (b) Grant in favor of the City and County of Honolulu dated July 2, 1948, filed as Land Court Document No. 103647, granting an easement over Easement "12".

6. As to TMK No. (1) 2-6-012:37 (Lot 93) only:

   Designation of Easement "13" as shown on Map 15, as set forth by Land Court Order No. 7218, filed on January 29, 1947, for sewer purposes.

7. As to TMK No. (1) 2-6-012:56 (Lot 126) only:

   Designation of Easement "10" as shown on Map 15, as set forth by Land Court Order No. 7218, filed on January 29, 1947, in favor of the City and County of Honolulu for sewer purposes.

8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) Waikiki Palms Apartments Tax Map Key: 2-6-12:37-44 and 55-58, dated May 9, 2007, filed as Land Court Document No. 3607197.

9. Real Property Mortgage and Financing Statement dated February 29, 2008, filed as Land Court Document No. 3716727.

10. Financing Statement recorded on February 29, 2008 as Document No. 2008-030597.

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

12. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

13. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described herein.

14. Declaration of Condominium Property Regime of The Cove Waikiki, dated November 18, 2011, filed as Land Court Document No. 4113192.

15. Bylaws of the Association of Unit Owners of The Cove Waikiki, dated November 18, 2011, filed as Land Court Document No. 4113193.

16. Condominium Map No. 2134.

17. Declaration of Restrictive Covenants (Private Park) (The Cove Waikiki), which is referred to in item 17 on page 18b of this Public Report and which shall be filed in the Land Court (the "Park Declaration").

18. 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.

EXHIBIT I
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.

Among other rights set forth in the Declaration, Developer will have the following reserved rights with respect to the Project:

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. (See Section E.5 of the Declaration.)

2. Developer's Rights Regarding Utilities, Access, Etc. Developer shall have a nonexclusive easement for access and utility purposes over, across, under, along, through and upon any Units still owned by Developer and the Common Elements of the Project, including the Project's parking areas, access ways and roadways, 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, 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. (See Section E.6 of the Declaration.)

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 (and appurtenant Limited Common Elements), 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, construction management 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 for the Project, any additional phase or increment to the Project, or any other project that Developer may develop on property adjacent to or in the vicinity of the Project. Any temporary sales center located on the Project (including within a building) 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. (See Sections E.8 and T.2 of the Declaration.)

4. Punchlist/Defects. 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. Further, 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 Project 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. (See Sections E.9 and V of the Declaration.)

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, any additional phase or increment to the Project, or any other project that Developer (or an affiliate of Developer) may develop on property in the vicinity of the Project. (See Section E.10 of the Declaration.)

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 or the Association; (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, replace, sell, transfer and/or convey any Limited Common Element appurtenant to any Unit owned by Developer; (d) convert or modify any of the uses associated with any Unit owned by Developer or the Limited Common Elements appurtenant thereto, provided that any such use complies with applicable law; (e) retain ownership of such Units as Developer in Developer's sole discretion shall determine; (f) discontinue the use and availability by other Owners of certain Units (and their appurtenant Limited Common Elements) owned by Developer; and (g) use any Unit or other portion of the Project as permitted pursuant to Developer's easements and reserved rights. (See Section E.11 of the Declaration.)

7. Alterations by Developer. The provisions cited in Exhibit D of this public report 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. The rights of Developer ("Declarant" under the Declaration) to make Alterations and other modifications to a Unit or a Unit's Limited Common Elements are set forth in Section L.4 of the Declaration, which include the following:

"4. Alterations by Declarant. The provisions of Section L.1 through L.3 above shall not apply to Alterations or other modifications that are made by or on behalf of Declarant. Declarant's right to make Alterations and other modifications to the Project is set forth in this Section L.4.

(a) Declarant's Reserved Rights. Any other provision in this Declaration to the contrary notwithstanding and without limiting any other provision in this Declaration, 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 Declarant 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, Declarant 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:

(i) Pre-Closing Alterations. To make Alterations or other modifications in the Project (and, if appropriate, to amend this 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 (or the Limited Common Elements appurtenant to the Unit) that has not been sold and had the conveyance thereof Recorded.

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

(iii) Alterations to Common Elements. After Recordation of the first conveyance of a Unit, to make Alterations or modifications in the Project (and, if appropriate, to amend this Declaration and the Condominium Map accordingly) that make changes to any Common Element, provided such changes do not materially and adversely affect the use, physical location, design or size of the Common Element.

(b) Division of Units.

(i) With respect to any Unit owned by Declarant, Declarant shall have the right to divide such Unit (or to consolidate Units owned by Declarant and then divide such consolidated Units) to create two or more separate Units and thereby possibly increase the number of Units in the Project. Such division of Units by Declarant 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" and EXHIBIT "C" (or, if applicable, EXHIBIT "C-1") 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) shall be appurtenant to the Units resulting from such division, (2) convert, as Declarant 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 Declarant 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 Declarant deems necessary or appropriate to effectuate the division of the Unit. The amendments to the Project Documents need only be executed by Declarant.

(ii) The newly created Units shall have the right to use the Common Elements in the Project to the same extent and subject to the same limitations as are imposed upon a Unit as though the newly created Units had been developed as part of the original Project.

(iii) Until the conveyance by Declarant of a newly created Unit thereby added to the Project, Declarant shall for all purposes be deemed the "Unit Owner" as to such newly created Unit, and no other Unit Owner, Mortgagee, lienholder, Unit purchaser, or any other Person (other than Declarant and the holder of any Mortgage covering the newly created Unit) shall have any legal or equitable interest in such newly created Unit and the Common Interest appurtenant thereto. Additionally, in connection with the creation of the newly created Units, Declarant shall have the right: to assign and re-assign parking stalls and storage spaces, except for parking stalls and storage spaces that may have already been conveyed by Declarant to a Unit Owner; to enter upon the Project with employees, agents, and contractors for all purposes reasonably necessary for or useful to constructing and completing the newly created Units; to connect the newly created Units to utilities of the Project; and to market and sell

the newly created Units. Declarant may apply for and obtain from the Real Estate Commission effective dates for one or more amended public reports describing the changes made in the Project pursuant to the terms of this Section L.

(c) Consolidation of Units. With respect to any two adjacent Units owned by Declarant, Declarant shall have the right, at any time and from time to time at Declarant'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" and EXHIBIT "C" (or, if applicable, EXHIBIT "C-1") hereto to reflect such consolidation; (ii) amending relevant provisions of this 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 this Declaration, the Bylaws, the Condominium Map, and other Project Documents as Declarant 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 Project Documents need only be executed by Declarant." (See Section L.4 of the Declaration.)

8. Reservation To Develop Incrementally. Pursuant to Section P of the Declaration, the Developer has reserved the right (but is not obligated), without being required to obtain the consent or joinder of any other person who may have an interest in the Project or in any unit, to develop, construct, sell, and convey the units in the Project incrementally on a building-by-building basis. As such, the Developer may initially construct just Buildings B and C, with Building A being developer later. Upon the completion of each building, the Developer may obtain a certificate of occupancy for the relevant units and thereupon transfer ownership of the units to unit buyers. The Developer would not be obligated to complete construction of the remaining units in Building A until December 31, 2023. As such, there may be a number of years during which all of the units in the Project have not been completed, as well as a number of years during which construction continues at and around the Project.

In connection with this incremental development, the Developer has the right to enter upon the Project premises with employees, agents, and contractors for all purposes reasonably necessary for or useful to constructing and completing all increments to the Project.

The Developer also has the right, at the discretion of the Developer, to change the unit floor plan, or create one or more new unit floor plans, for any or all of the units in an increment, and in connection therewith to amend the Declaration and the Condominium Map to reflect such changes in unit floor plan(s) and make appropriate revisions to the common interests appurtenant to any or all units in the Project to reflect resulting changes in floor area. See Section P of the Declaration for details regarding the Developer's right to develop the Project incrementally.

9. Deletion of Units. 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 delete from the Project the Units that are to be contained in Building A, together with those Common Elements (including Limited Common Elements) that support and service only such deleted Units. The rights reserved to the Developer to delete Units shall expire with respect to a particular Unit upon the first conveyance of such Unit to any person other than the Developer or a person affiliated with the Developer. See Section Q of the Declaration for details regarding the Developer's right to delete Units.

10. Subdivision and Removal of Project Land. Pursuant to Section R 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 (including consolidate and resubdivide) the Project land and/or remove from the Project a substantial portion of the land covered by this Public Report, including the land underlying and in the vicinity of Building A (the "Removable Property") and all improvements, if any, located thereon. 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. In the exercise of the rights set forth in Section R of the Declaration, Developer may, among other things, negotiate and execute, on behalf of itself, the Association and the Unit Owners, amendments to one or more of the following documents that relate the Project: the Joint Development Agreement; the Special Design District Permit; and the Park Dedication Agreement. See Section R of the Declaration for details regarding the Developer's right to remove land from the Project.

11. Relating to Parking Stalls and Storage spaces. Developer reserves the right, by way of an amendment to the Declaration (if necessary and/or appropriate) executed only by Developer and duly recorded: (a) to sell and convey or otherwise designate any parking stall or storage space not designated as a Limited Common Element appurtenant to a Unit not owned by Developer to be appurtenant to and/or available for the exclusive use of any other Unit in the Project as a Limited Common Element for that Unit; (b) to designate any parking stall or storage space not designated as a Limited Common Element appurtenant to a Unit not owned by Developer for use as a guest parking stall or common storage space for the Project; (c) to designate any parking stall or storage space that is a Limited Common Element appurtenant to one or more Units owned by the Developer for use as a general Common Element (including a guest parking stall) for the Project; (d) to sell and convey or otherwise designate any parking stall or storage space that is a Limited Common Element appurtenant to a Unit owned by the Developer to be appurtenant to any Unit in the Project as a Limited Common Element for that Unit; (e) to use, or allow others to use, as Developer shall deem appropriate, any parking stall or storage space not designated as a Limited Common Element appurtenant to a Unit not owned by Developer; and (f) to assign or change, from time to time, the assignments of individual parking stalls and individual storage spaces to individual Units that have not been conveyed by the Developer. (See Section X.2 of the Declaration.)

12. Conversion and Sale of Parking Stalls. Subject to certain restrictions and requirements, Developer reserves the right to convert certain parking stalls and drive aisles in the Project to storage spaces. The parking stalls that can be converted to storage spaces shall be limited to those parking stalls identified as such in Exhibit "B" of the Declaration. Upon conversion of a parking stall and drive aisle to a storage space, Developer shall have all of the rights reserved to Developer in the Project Documents with respect to such storage space, including the right to sell, lease and convey such storage space pursuant to the Declaration. (See Section X.3 of the Declaration.)

13. Exercise Of Association Rights/Developer Control Period. 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; (c) two years after any right to add new units to the Project was last exercised by the Developer; or (d) 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. (See Section H.8 of the Declaration.)

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 Project land 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. (See Section S of the Declaration.)

15. Amendment to Declaration and Map.

(a) Any provision of Declaration Section U 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 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 U 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 U to the contrary notwithstanding, Developer may amend the Declaration (and when appropriate the Condominium Map) as provided in the Section L.4 of 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. Deregistration from Land Court. Title to the land upon which the Project is located (the "Land") is currently registered in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (the "Land Court"). The Developer shall have the right, but not the obligation, to "deregister" the Land from the Land Court, so that title to the Land will be in the "Regular System" of the Bureau of Conveyances of the State of Hawaii, rather than in the Land Court. If the Land Court deregistration process has not been completed by the date the Buyer signs a sales contract for a Unit and/or takes title to the Unit, then, by entering into the sales contract and/or by taking title to the Unit, the Buyer will have agreed to cooperate in and consent to (without expense to the Buyer) the process of deregistering the Land from Land Court. Upon completion of the Land Court deregistration process, the legal description of the Land will have changed slightly. (See Section E.13 of the Declaration.)

17. Special Power of Attorney (for exercise of reserved rights). To ensure that the Developer will be able to exercise its reserved rights, the deed by which the buyer will take title to the buyer's unit will

act as a grant by the buyer of a special power of attorney to the Developer to sign documents on behalf of the buyer in connection with those reserved rights. In the deed, the buyer will also agree that, upon any conveyance or mortgage by the buyer of the unit, the buyer will deliver a signed Special Power of Attorney (in the form attached to the deed) from the persons or entities to whom such conveyance or mortgage by the buyer is made. For further information on the Special Power of Attorney, the buyer is advised to see the specimen deed that is on file with the Developer's application to the Real Estate Commission and to ask the buyer's legal advisor.

18. Park Declaration. The Developer shall have the right to negotiate, enter into and amend the Park Declaration on behalf of itself and/or the Association (including the Board) as the Developer deems necessary or appropriate for the development, use, maintenance and/or repair of the private park area. (See Section E.17 of the Declaration.)

19. Right to Change the General Contractor. The Developer shall have the right to change the general contractor of record for the Project from Ledcor Construction Hawaii LLC ("Ledcor Construction") to the Developer or an affiliate of the Developer (other than Ledcor Construction). (See Section X.19 of the Declaration.)

NOTE: 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, the Bylaws and the Project Rule to determine the actual rights reserved. If any conflict or difference exists between this summary and the purchase agreement, Declaration, the Bylaws or the Project Rules, the purchase agreement, Declaration, Bylaws or Rules, 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 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 J

Estimate of Initial Maintenance Fees*

Unit Type**	Monthly Fee for Common Expenses#	Annual Fee for Common Expenses#
Plan A	$343.98	$4,127.76
Plan AR	$343.98	$4,127.76
Plan A1	$418.79	$5,025.48
Plan A2	$431.66	$5,179.92
Plan B	$513.21	$6,158.52
Plan BR	$513.21	$6,158.52
Plan B1	$510.76	$6,129.12
Plan B1R	$510.76	$6,129.12
Plan B2R	$515.67	$6,188.04
Plan B3	$508.31	$6,099.72
Plan B4R	$502.79	$6,033.48
Plan B5R	$523.64	$6,283.68
Plan C	$482.56	$5,790.72
Plan D	$517.51	$6,210.12
Plan D1	$508.31	$6,099.72
Plan F	$489.91	$5,878.92
Plan G	$567.17	$6,806.04

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

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

**See Exhibit E of this Public Report for a list of units by unit type

These figures represent each unit's share of the Project's initial Common Expenses (based on the unit's Common Interest (see Exhibit E))

NOTE: As of the date of this Public Report, the Honolulu Board of Water Supply was seeking from the Public Utilities Commission (the "PUC") a substantial increase in the rates for water that it charges its customers (as much as 70% over five years). Also, a four percent (4%) per year rate increase for sewer service and a two and two-tenths percent (2.2%) per year rate increase for electricity service were previously approved by the PUC. Higher rates (from higher oil prices or other reasons) are possible during the Developer's construction and sale of the Project. Such increases are, of course, the case for all costs to operate and maintain the Project. Based on information it has as of the date of this Public Report, the Developer anticipates that, during the Developer's construction and sale of the Project, water rates could increase by thirty percent (30%), sewer rates could increase by eight percent (8%) and electricity rates could increase by four and four-tenths percent (4.4%). As a result of these anticipated increases in water, sewer and electricity costs, the Developer reserves the right to increase, or to have the Managing Agent increase, the total projected maintenance fee assessments against each Unit by a minimum of three percent (3%) during the period of the Developer's construction and sale of the Project. It is important to note that the cost increases for those utilities may be higher and that the other costs to operate and maintain the Project may increase substantially as well. Those cost increases will also result in increased Common Expenses and higher maintenance fee assessments.

ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS:

	Monthly Fee	x 12 months = Yearly Total
Utilities and Services		
Electricity (common elements only) *, #	$ 6,000.00	$ 72,000.00
Refuse Collection	$ 800.00	$ 9,600.00
Water (pool, units and common elements) #	$ 2,000.00	$ 24,000.00
Sewer (units and common elements) #	$ 6,210.00	$ 74,520.00
Telephone (entry phones, elevator phones, manager phone)	$ 400.00	$ 4,800.00
Gas (common elements only)	$ 200.00	$ 2,400.00
Maintenance, Repairs and Supplies		
Building (cleaning, supplies, repairs, equipment, electrical/ lighting, elevator maintenance, fire extinguisher inspections, plumbing, maintenance, pest control, pool maintenance and supplies)	$ 8,750.00	$ 105,000.00
Landscaping	$ 3,300.00	$ 39,600.00
Management		
Management Fee	$ 2,090.00	$ 25,080.00
Manager salary and housing	$ 5,000.00	$ 60,000.00
Security	$ 5,500.00	$ 66,000.00
Admin. Services/Supplies (payroll preparation, newsletter, website)	$ 1,010.00	$ 12,120.00
Insurance (property, flood, liability, D&O, etc.)	$ 8,180.00	$ 98,160.00
Reserves (**)	$ 5,054.00	$ 60,648.00
Taxes and Government Assessments	$ 445.00	$ 5,340.00
Legal and Audit Fees	$ 650.00	$ 7,800.00
TOTAL FOR 117 UNITS	$ 55,589.00	$ 667,068.00

I, J. Michael Hartley employed by HAWAIIANA MANAGEMENT COMPANY, LTD. ("HMC"), the condominium managing agent for The Cove Waikiki 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.

J. Michael Hartley
Signature

9/19/11
Date

(*) The figures set forth above for the electricity represent costs for providing electricity to the common elements only and do not include electricity costs incurred by the individual units. Each unit will have its own electrical meter and, based on the electricity use for the unit (or the unit's limited common elements), as measured by the meter, electricity costs incurred by the unit will be billed directly to the unit owner.

(#) See the Note above regarding anticipated increases in water, electricity and sewer costs.

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. (For example, see the Note above regarding anticipated increases in utility costs.) 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.

EXHIBIT J-1
Estimate of Initial Maintenance Fees
if Only Buildings B and C Exist*

Unit Type**	Monthly Fee for Common Expenses#	Annual Fee for Common Expenses#
Plan A	$426.56	$5,118.72
Plan AR	$426.56	$5,118.72
Plan A1	$519.32	$6,231.84
Plan A2	$535.29	$6,423.48
Plan B	$636.42	$7,637.04
Plan BR	$636.42	$7,637.04
Plan B1	$633.37	$7,600.44
Plan B1R	$633.37	$7,600.44
Plan B2R	$639.46	$7,673.52
Plan B3	$630.33	$7,563.96
Plan B4R	$623.49	$7,481.88
Plan B5R	$649.34	$7,792.08
Plan G	$703.33	$8,439.96

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

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

** See Exhibit E-1 of this Public Report for a list of units by unit type

These figures represent each unit's share of the Project's initial Common Expenses (based on the unit's Common Interest (see Exhibit E-1))

NOTE: As of the date of this Public Report, the Honolulu Board of Water Supply was seeking from the Public Utilities Commission (the "PUC") a substantial increase in the rates for water that it charges its customers (as much as 70% over five years). Also, a four percent (4%) per year rate increase for sewer service and a two and two-tenths percent (2.2%) per year rate increase for electricity service were previously approved by the PUC. Higher rates (from higher oil prices or other reasons) are possible during the Developer's construction and sale of the Project. Such increases are, of course, the case for all costs to operate and maintain the Project. Based on information it has as of the date of this Public Report, the Developer anticipates that, during the Developer's construction and sale of the Project, water rates could increase by thirty percent (30%), sewer rates could increase by eight percent (8%) and electricity rates could increase by four and four-tenths percent (4.4%). As a result of these anticipated increases in water, sewer and electricity costs, the Developer reserves the right to increase, or to have the Managing Agent increase, the total projected maintenance fee assessments against each Unit by a minimum of three percent (3%) during the period of the Developer's construction and sale of the Project. It is important to note that the cost increases for those utilities may be higher and that the other costs to operate and maintain the Project may increase substantially as well. Those cost increases will also result in increased Common Expenses and higher maintenance fee assessments.

ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS:

	Monthly Fee x 12 months =	Yearly Total
Utilities and Services		
Electricity (common elements only) *, #	$ 3,538.00	$ 42,456.00
Refuse Collection	$ 472.00	$ 5,664.00
Water (pool, units and common elements) #	$ 1,179.00	$ 14,148.00
Sewer (units and common elements) #	$ 3,662.00	$ 43,944.00
Telephone (entry phones, elevator phones, manager's phone)	$ 236.00	$ 2,832.00
Gas (common elements only)	$ 200.00	$ 2,400.00
Maintenance, Repairs and Supplies		
Building (cleaning, supplies, repairs, equipment, electrical/ lighting, elevator maintenance, fire extinguisher inspections, plumbing, maintenance, pest control, pool maintenance and supplies)	$ 5,237.00	$ 62,844.00
Landscaping	$ 2,200.00	$ 26,400.00
Management		
Management Fee	$ 1,233.00	$ 14,796.00
Manager salary and housing	$ 5,000.00	$ 60,000.00
Security	$ 5,500.00	$ 66,000.00
Admin. Services/Supplies (payroll preparation, newsletter, website)	$ 682.00	$ 8,184.00
Insurance (property, flood, liability, D&O, etc.)	$ 5,173.00	$ 62,076.00
Reserves (**)	$ 3,519.00	$ 42,228.00
Taxes and Government Assessments	$ 429.00	$ 5,148.00
Legal and Audit Fees	$ 445.00	$ 5,340.00
TOTAL FOR 69 UNITS	$ 38,705.00	$ 464,460.00

I, J. Michael Hartley, employed by HAWAIIANA MANAGEMENT COMPANY, LTD. ("HMC"), the condominium managing agent for The Cove Waikiki 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.

Signature

9/19/11
Date

(*) The figures set forth above for the electricity represent costs for providing electricity to the common elements only and do not include electricity costs incurred by the individual units. Each unit will have its own electrical meter and, based on the electricity use for the unit (or the unit's limited common elements), as measured by the meter, electricity costs incurred by the unit will be billed directly to the unit owner.

(#) See the Note above regarding anticipated increases in water, electricity and sewer costs.

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.

(For example, see the Note above regarding anticipated increases in utility costs.) 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 16-07-5. 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.

EXHIBIT K

Summary of Specimen Sales Contract

A specimen of the Deposit Receipt and Sales Agreement (the "Sales Contract") has been submitted to the Real Estate Commission. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ, IN FULL, THE SALES CONTRACT, because the summary set forth below is NOT A COMPLETE DESCRIPTION of its contents. The Sales Contract contains, among others, the following terms and provisions (which may be modified or otherwise limited by provisions that are not summarized below):

A. 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, the fees of Title Guaranty Escrow Services, Inc. ("Escrow"), 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 Sales Contract.

B. All interest earned, if any, on the buyer's deposits shall accrue to the credit of the Developer and, upon any 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.

C. The "Scheduled Closing Date" shall be determined as follows: (a) if, on the date the Sales Contract 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 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 Sales Contract 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 90 calendar days after the date the Sales Contract is accepted by the Developer. All payments not previously made pursuant to the terms of the Sales Contract 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 Sales Contract, shall result in a default by buyer under the Sales Contract.

D. The Sales Contract has certain requirements relating to Buyer's financing of the purchase price. Within 5 days after Buyer signs the Sales Contract, 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, after Buyer's cancellation period has expired, Buyer fails to perform its financing obligations, then the default provision in the Sales Contract shall apply, some or all of the 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 the Sales Contract.

E. The purchase and sale of the Unit under the Sales Contract is not conditioned on Buyer obtaining a loan to fund any part of the purchase price. There is no financing contingency for the purchase of a unit in the Project after the 30-day cancellation period has expired or after Buyer has otherwise waived his right to rescind the Sales Contract. That means if the Buyer does not cancel the Sales Contract prior to the end of the 30-day cancellation period, then the Buyer will have waived any

financing contingency and will be obligated to purchase the unit, even if the Buyer is not able to obtain a loan for the Buyer's purchase of the unit (due to higher interest rates, a change in the Buyer's financial status or otherwise).

F. The Sales Contract 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 the Buyer consents. In the Sales Contract, Buyer specifically acknowledges and agrees that the Declaration contains reservations of certain rights and certain other provisions under which Buyer consents to certain actions by Developer and others. Among the reserved rights in favor of the Developer are those summarized in Exhibit I 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.

G. 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. If the Buyer defaults in making any payment or fails to perform or shall breach any other obligation of the Buyer and then fails to cure the default within a specified period after notice of the default or breach, then Developer may terminate the Sales Contract. In the event of such default or breach and termination, Developer's remedy for the Buyer's default or breach shall be determined as set forth in the Sales Contract.

H. Subject to certain specific exceptions described in the Sales Contract, the Developer agrees that completion of construction of each unit will be on or before two years after the Buyer signs the Sales Contract for that unit. As described in the Sales Contract, "completion of construction" shall have the meaning set forth in HRS Section 514B-3.

I. If the Developer materially defaults under the Sales Contract prior to Closing, then, subject to certain conditions (including a cure period for the Developer) and if the Buyer is not in material default under the Sales Contract, the Buyer shall be entitled to proceed with the dispute resolution procedures set forth in the Sales Contract; provided, however, that, if the Buyer is successful in pursuing the dispute against the Developer, then any award granted to the Buyer by the arbitrator shall not be required to be limited by Article IV, Section I.6(b)(v) of the Sales Contract. Notwithstanding the foregoing, the provision referenced here is subject in all respects to the Buyer's rights under Section 514B-89 of the Hawaii's Condominium Property Act, Chapter 514B, Hawaii Revised Statutes (the "Act").

J. Pursuant to Section 514B-89 of the Act, every Sales Contract that the Developer enters into with a buyer of a unit in the Project must (a) contain an agreement by the Developer that completion of construction of the unit will occur on or before a completion deadline that is referenced in this Public Report (subject to allowable extensions), and (b) provide that the buyer may cancel the Sales Contract if completion of construction of the unit does not occur on or before the specified completion deadline (as it may have been extended). Under the Sales Contract, "completion of construction" shall have the meaning set forth in Section 514B-3 of the Act, which is "the earliest of: (1) the issuance of a certificate of occupancy for the unit; (2) the date of completion for the project, or the phase of the project that includes the unit, as defined in section 507-43; (3) the recordation of the "as built" amendment to the declaration that includes the unit; (4) the issuance of the architect's certificate of substantial completion for the project, or the phase of the project that includes the unit; or (5) the date the unit is completed so as to permit normal occupancy."

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

L. In the Sales Contract, Buyer subordinates Buyer's interest arising under the Sales Contract to the security interests of the Developer's lender, including, but not limited to, any lien, mortgage or charge securing the loan, any other loan that may be made to finance the costs of construction and other costs during such construction and all interest to be paid by the Developer on the loan and the other loans, until the recordation of the unit deed. This means that if the Developer's lender forecloses, Buyers may lose their right to purchase their Unit.

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

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

O. In the Sales Contract, Buyer acknowledges that 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 Sales Contract to be performed as of the Closing, the Developer turns over possession of the Unit and Closing has occurred.

P. Except as specifically permitted in the Sales Contract and/or the Declaration, 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.

Q. The Buyer acknowledges that Buyer has entered into the Sales Contract 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. The Developer also makes no warranties regarding the Unit, the Project or anything installed or contained in the Unit or the Project.

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

S. Developer may use Buyers' funds deposited with Escrow to pay for certain construction and other expenses of the Project prior to closing of the sale. By signing a Sales Contract, 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.

T. In the Sales Contract, 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 other prospective buyers. In the Sales Contract, Buyer also specifically acknowledges and accepts certain enumerated conditions

regarding ongoing development and marketing of the Project, as well as any inconvenience or annoyance that Buyer may experience as a result of such conditions. Buyer also expressly waives any rights, claims or actions that Buyer might otherwise have against Developer or third parties as a result of such circumstances.

NOTE: This Summary is not intended to be a thorough or exhaustive explanation of all terms and provisions contained in the Sales Contract. While a Buyer can use this Summary as a general summary of Buyer's rights and obligations under the Sales Contract, Buyer must refer to the Sales Contract to determine Buyer's actual rights and obligations. If any conflict or difference exists between this Summary and the Buyer's Sales Contract, the Sales Contract will control.

EXHIBIT L
Summary of Escrow Agreement

The Escrow Agreement with Title Guaranty Escrow Services, Inc. ("Escrow") 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 a Buyer shall enter into a Deposit Receipt and Sales Agreement ("Sales Contract") for the purchase of a unit in the Project, it shall require the payments of deposits due thereunder to be made to Escrow, and that an executed copy of the Sales Contract shall be delivered 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 Sales Contract.

B. Escrow shall receive, deposit and hold in one or more escrow accounts and disburse as set forth in the Escrow Agreement all payments received by it under Sales Contracts. 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 in a federally insured, interest-bearing account at a financial institution authorized to do business in the State of Hawaii.

C. Except as may otherwise be 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 (and all other required documents);

(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 Sales Contract or is deemed to have waived the purchaser's right to cancel the Sales Contract; and

(e) Escrow has been advised that the Sales Contract has become binding and that the requirements of Sections 514B-86 and 514B-87 of the Act have been met.

D. Subject to the conditions set forth in the Escrow Agreement, buyer deposits that are held in escrow pursuant to a binding Sales Contract 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, after request for return by the Buyer if: (i) Seller and the Buyer make a written request to Escrow to return to the Buyer the Buyer's funds held by Escrow; or (ii) either Seller or Buyer notifies Escrow in writing that it is exercising any option to cancel or rescind the Sales Contract 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 receipt by Seller 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 Sales Contract and any conveyance documents already delivered to Escrow. The Buyer shall then have no further rights or obligations under the Sales Contract. Other documents delivered to Escrow relating to the sale of the unit identified in such Sales Contract will be returned to the person from whom or entity from which they were received.

G. If a Buyer breaches the Sales Contract 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 Sales Contract 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 Sales Contract 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.

* * * * *

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.