

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

CONDOMINIUM PROJECT NAME	MARY SAVIO MEDICAL PLAZA AT NEWTOWN
Project Address	98-1247 Kaahumanu Street, Aiea, Hawaii 96701
Registration Number	7272 (Conversion)
Effective Date of Report	September 27, 2012
Developer(s)	KMC Partners LLC, a Hawaii limited liability company

Preparation of this Report

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

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

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

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

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

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

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

SPECIAL ATTENTION

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

1. Reserved Rights and Easements of Developer. Developer has various reserved rights and easements over the Project as more specifically set forth in Section 8.7 and Section 22 of the Declaration. These include, without limitation, rights regarding construction activities, easements of common elements, including limited common elements, rights to grant, convey, transfer and cancel easements, sales and leasing activities, configuration of units, rights to transfer property to the association, amending Project documents, converting common elements, including limited common elements, and assignment of parking stalls. Purchasers are encouraged to read these sections of the Declaration in detail to fully understand the rights reserved to the Developer.

2. Parking and Purchase of Future Parking Structure to Association. All of the parking areas of the Project are within the spatial condominium units and controlled by the owner of the spatial units. Initially, the Developer will own the spatial units. There will be no common parking areas at the Project until such time as the Association may purchase the parking structure from the spatial condominium unit owner, pursuant to the procedures described in the Declaration.

Each unit owner shall have a nonexclusive right to park one (1) standard size automobile in the parking areas of the Project, subject to the rights of the Spatial Unit owners, which include, without limitation, the right to permanently remove, change, add to, and/or reconfigure the parking area, adopt rules and regulations, and charge fees to unit owners at commercially reasonable rates. See Exhibit B for more detail regarding Parking.

3. Disclosure of Project Condition. Attached hereto is Exhibit L which contains information on the reports and inspections concerning the Project. Prospective purchasers are encouraged to obtain and carefully review copies of all the Attachments referenced in Exhibit L. Exhibit L only contains information in Developer's possession; as such, prospective purchasers are encouraged to obtain and conduct their own inspection of the Property and unit being purchased. In the event a unit does not comply with the current Building Code, Fire Code, or other laws, rules, or regulations, the purchaser of such unit will be responsible for remedying any such noncompliance and Developer shall not be liable for any such noncompliance.

4. Future Development. Developer intends to further develop the Project by constructing a new office building and multi-story parking structure. The new office building is anticipated to increase the existing floor area by at least 40,000 square feet. The parking structure is anticipated to increase the total number of non-tandem parking stalls in the Project to approximately 400 stalls.

5. Fixtures Moratorium. The City and County of Honolulu Department of Environmental Services has issued a moratorium on new sewer connections from Halawa to Pearl City. The moratorium mandates that no new home, high-rise, or business can hook-up to the city sewer system until the system is upgraded, and that is not expected to happen until 2018, at the earliest. In accordance with the moratorium, every unit owner and occupant shall not install any toilets, sinks, or other plumbing fixtures without first obtaining the prior written consent of the Board or Managing Agent, which consent may be withheld in the sole and absolute discretion of the Board or Managing Agent. Owners must only install water-conserving, low-flow, plumbing fixtures. Any non-water-conserving, plumbing fixtures within an Office Unit existing as of the date the Declaration is recorded shall be replaced by such unit owner with water-conserving, low-flow, plumbing fixtures no later than one (1) year after the date the Declaration is recorded.

6. Electrical; Air Conditioning. The building contains central electrical and air conditioning systems. As a result, some of the electric control panels and circuits and air conditioning ducts and controls may be shared by units. Unit owners, at their sole cost and expense, and upon proper approvals pursuant to the Declaration, may separate such electrical and air conditioning facilities so that they only serve and affect a single unit.

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General Information On Condominiums

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

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

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

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

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

Operation of the Condominium Project

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

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

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	N/A
Address of Project	98-1247 Kaahumanu Street, Aiea, HI 96701
Address of Project is expected to change because	N/A
Tax Map Key (TMK)	(1) 9-8-008-026
Tax Map Key is expected to change because	Individual CPR numbers may be assigned to each unit
Land Area	124,955 sq. ft.
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A

1.2 Buildings and Other Improvements

Number of Buildings	1 condominium building
Floors Per Building	1 3-story condominium building
Number of New Building(s)	None
Number of Converted Building(s)	1 condominium building
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	

1.3 Unit Types and Sizes of Units

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

62	Total Number of Units
----	------------------------------

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

1.4 Parking Stalls

Total Parking Stalls in the Project:	201
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	See Exhibit B
Attach Exhibit <u>B</u> specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	
All of the parking areas of the Project are within the spatial condominium units. Each unit owner shall have a nonexclusive right to park one (1) standard size automobile in the parking areas of the Project, subject to the rights of the spatial unit owner, which include, without limitation, the right to permanently remove, change, add to, and/or reconfigure the parking area, adopt rules and regulations, and charge fees to unit owners at commercially reasonable rates. See Exhibit B for more detail regarding Parking.	

1.5 Boundaries of the Units

Boundaries of the unit: See Exhibit A
--

1.6 Permitted Alterations to the Units

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

1.7 Common Interest

<u>Common Interest:</u> Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:
<u>Described in Exhibit A</u>
As follows: See Exhibit A

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

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

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, as set forth below.

Described in Exhibit D .

Described as follows: See Exhibit D

Common Element	Number
Elevators	2
Stairways	3
Trash Chutes	0

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 D .

Described as follows: See Exhibit D

1.11 Special Use Restrictions

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

<input type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input type="checkbox"/>	Other:
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

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

Date of the title report: July 3, 2012

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

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input type="checkbox"/>	Residential		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Commercial		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	B-2
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Other (specify)		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input type="checkbox"/> No	
Describe any variances that have been granted to zoning code.				

1.14 Other Zoning Compliance Matters

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

	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

1.15 Conversions

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

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

1.16 Project in Agricultural District

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

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer</p>	<p>Name: KMC Partners LLC</p> <p>Business Address: 931 University Ave., Suite 105 Honolulu, HI 96826</p> <p>Business Phone Number: 951-8976 E-mail Address: peters@hihltd.com</p>
<p>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).</p>	<p>Peter Savio - Manager</p>
<p>2.2 Real Estate Broker</p>	<p>Name: Hawaiian Island Homes, Ltd. Business Address: 931 University Ave., Suite 207 Honolulu, HI 96826 Attn: Barry Kaplan</p> <p>Business Phone Number: 951-8979 E-mail Address: barryk@hihltd.com</p>
<p>2.3 Escrow Depository</p>	<p>Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen St., 1st Floor Honolulu, HI 96813</p> <p>Business Phone Number: 532-5155</p>
<p>2.4 General Contractor</p>	<p>Name: Business Address:</p> <p>Business Phone Number:</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Hawaiiana Management Company, Ltd. Business Address: 711 Kapiolani Boulevard, Suite 700 Honolulu, HI 96813 Attn:</p> <p>Business Phone Number: 593-9100</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Chun Kerr Dodd Beaman & Wong, LLLP Business Address: 745 Fort St., 9th Floor Fort Street Tower Honolulu, HI 96813 Attn: Andrew R. Bunn, Esq. Christina N. Wakayama, Esq.</p> <p>Business Phone Number: 528-8200</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court and Bureau	August 13, 2012	T-8296571 / A-46440570

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 and Bureau	August 13, 2012	T-8296572 / A-46440571

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	2174
Bureau of Conveyances Map Number	5117
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

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

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

3.5 Changes to the Condominium Documents

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

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

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

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	<p>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:</p> <p>See Exhibit H</p>

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

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

4.2 Estimate of the Initial Maintenance Fees

<p>Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.</p>
<p>Exhibit <u> 1 </u> contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.</p>

4.3 Utility Charges to be Included in the Maintenance Fee

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

4.4 Utilities to be Separately Billed to Unit Owner

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

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u> J </u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: July 5, 2012 Name of Escrow Company: Title Guaranty of Hawaii, Inc. Exhibit <u> K </u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other

5.2 Sales to Owner-Occupants

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

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

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some 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.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are blanket liens that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Purchase Money Mortgage	A lender has priority over a buyer's rights under a sales contract and has a right to terminate a sales contract upon foreclosure of its mortgage before an apartment sale is closed. If foreclosed, the Buyer's deposit shall be refunded (less any escrow cancellation fees) and the sales contract between Seller and Buyer shall be cancelled.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:
Building and Other Improvements: None. The units are being conveyed as "As Is" condition.
Appliances: None. The appliances if any are being conveyed in "As Is" condition.

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

Status of Construction: The Project was constructed in 1974.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: N/A
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

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

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

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

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

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

5.7 Rights Under the Sales Contract

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

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

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

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.

KMC PARTNERS LLC, a Hawaii limited liability company
Printed Name of Developer

By: 
Duly Authorized Signatory*

August 14, 2012
Date

Peter Savio, Sole Member of KMC Manager LLC, its Manager
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT A

BUILDINGS AND OTHER IMPROVEMENTS; BOUNDARIES OF UNITS; UNIT TYPE AND SIZE; AND COMMON INTEREST

Description of Buildings and Other Improvements:

Section 3 of the Declaration describes the buildings and other improvements as follows:

3.1 **Generally.** The Project is an office and retail condominium project, intended primarily for medical office and healthcare services, consisting of an existing three-story building containing sixty (60) commercial condominium units (the "*Office Units*"), and two (2) spatial condominium units adjacent to the building located in the exterior land areas of the Project (the "*Spatial Units*").

3.2 **Buildings.** The Project currently contains four Buildings: a three-story office building with an adjoining elevator room (the "*Office Building*"), a one-story utility building (the "*Utility Building*"), a one-story electric transformer/elevator equipment building (the "*Equipment Building*"), a one-story switch vault ("*Switch Vault*"), and a parking attendant's kiosk (the "*Parking Kiosk*") (collectively the Office Building, Equipment Building, Utility Building, Switch Vault, and the Parking Kiosk are referred to as the "*Buildings*"), as more particularly shown on the Condominium Map. A trash compacting unit is located outside near the Utility Building and a transformer is located outside of the Switch Vault. The Office Building is composed of the following:

a. The Ground Floor of the Office Building contains twenty (20) Office Units, three (3) common stairways (Mauka Stairs, Makai Stairs, and Lobby Stairs), and a Lobby that provides access to the elevators, mailboxes, Makai Wing corridor, Lobby Stairs and two (2) common building doorways to the parking area abutting Kaahumanu Street and Waimalu Stream, women's and men's restroom facilities, storage areas for electrical, maintenance, and elevator equipment, and electric transformer housing.

b. The Second Floor of the Office Building contains seventeen (17) Office Units, three (3) common stairways (Mauka Stairs, Makai Stairs, and Lobby Stairs), a Lobby providing access to the elevators, Mauka and Makai Wing corridors and Lobby Stairs, women's and men's restroom facilities, storage areas for electrical and maintenance equipment.

c. The Third Floor of the Office Building contains twenty-three (23) Office Units, three (3) common stairways (Mauka Stairs, Makai Stairs, and Lobby Stairs), a Lobby providing access to the elevators, Mauka and Makai Wing corridors and Lobby Stairs, women's and men's restroom facilities, storage areas for electrical and maintenance equipment.

d. The roof of the Office Building is accessed via the fire escape and ladder and contains the air-conditioning equipment.

Boundaries of Units:

Section 4 of the Declaration describes the boundaries of the Units as follows:

4.1 **Units.** There are sixty-two (62) commercial condominium apartment units in the Project (a “*Unit*” or the “*Units*”). Each Unit is designated as a separate freehold estate. The Units consist of the sixty (60) Office Units located in the Office Building and the two (2) Spatial Units, as shown on the Condominium Map.

4.2 **Spatial Units.**

a. **Generally.** The Spatial Units consist of airspace as delineated below and the land and improvements within such airspace. There are two Spatial Units, the Mauka Spatial Unit and the Makai Spatial Unit. The boundaries of the Spatial Units, which circumscribe the land area of each Spatial Unit, are shown on the Condominium Map as intermittently dashed lines (“- x - x - x -”). Each Spatial Unit is enclosed by (1) imaginary vertical planes rising straight up and straight down from the perimeter surface boundaries of such Spatial Units that are described in **Exhibit B** hereof and shown on the Condominium Map, (2) an imaginary horizontal plane which is thirty (30) feet below the unfinished surface of the ground area within a Spatial Unit extending in all directions until it intersects with the vertical plane described in (1) above, and (3) an imaginary horizontal plane which is one hundred twenty (120) feet above the unfinished surface of the ground area within a Spatial Unit extending in all directions until it intersects with the vertical plane described in (1) above. The metes and bounds for each Spatial Unit is shown on **Exhibit B** attached hereto and made a part hereof. Each Spatial Unit also includes, but is not limited to, all structural improvements within the Spatial Unit, which currently exist or may be hereafter constructed within the Spatial Unit. No Spatial Unit shall be deemed to include any pipes, wires, conduits or other utility lines running over, under or through such Spatial Unit which are utilized by or which serve other Units, the same being deemed Common Elements as hereinafter provided.

b. **Spatial Unit Measurements.** The approximate net land areas for the Spatial Units as set forth in Exhibit B are based on measurements taken from the boundary lines as surveyed and as shown on the Condominium Map.

EXHIBIT A

4.3 Office Units.

a. Generally. Each Office Unit consists of the spaces within the perimeter walls, floors and ceilings of the respective Office Units as shown on the Condominium Map. Each Office Unit is of a unique type, size and configuration and is more particularly described below and in Exhibit C attached hereto and made a part hereof, and are shown on the Condominium Map. Office Units on the Ground Floor through the Third Floor are commercial loft space and, except as otherwise indicated on the Condominium Map, are without interior partitions.

Certain Office Units are delineated by perimeter walls that are not existing physical walls and are instead delineated by an imaginary plane extending from floor to ceiling. These “imaginary” perimeter walls are shown on the Condominium Map as solid-bold lines (“—————” and identified in the Symbol Ledged thereof as “NEW”). Where the imaginary plan is interrupted by a permitted doorway, the doorway is shown on the condominium map in similar solid-bold lines (“”, and identified in the Symbol Ledged thereof as “NEW”). The existence of a doorway penetration does not alter the plane that establishes the Unit boundary. The Units delineated in part by “imaginary” perimeter walls are as follows: Unit 101, Unit 110, Unit 113/115, Unit 117A, Unit 117B, Unit 118A, Unit 118B, Unit 119, Unit 122, Unit 205, Unit 207/209/211, Unit 310B, and Unit 310A.

Each Office Unit will have the approximate net floor area in square feet and configuration as set forth in Exhibit C attached hereto and made a part hereof. The extent of each unit is shown on the Condominium Map by arrows pointing to the corner boundaries of the unit, identified in the Symbol Legend as “UNIT EXTENTS” (“”).

b. Office Unit Measurements. All approximate net floor areas set forth in Exhibit C are based on measurements taken from the undecorated or unfinished interior surface of all perimeter walls as shown on the Condominium Map, except that no reduction has been made to account for interior walls, ducts, vents, shafts and the like located within the perimeter walls. Where a unit is delineated by an imaginary perimeter wall, such imaginary plane shall be deemed to have a width that is the same as the average width of an existing perimeter wall in the Office Building, and the unit boundary and measurement shall be taken from the interior surface of the imaginary plane. All floor areas set forth in Exhibit C are not exact but approximations based on the floor plans of each type of Office Unit derived from existing architectural and construction plans for such Office Unit. All floor areas set forth in Exhibit C have also been rounded to the lowest full square foot where the approximation of such floor areas exceed a square foot by any fraction of a square foot. For these reasons, the measurements of the floor areas set forth in Exhibit C and shown on the Condominium Map may not follow the designations of the

EXHIBIT A

limits of the Office Units (the legally designated areas of the Office Units) set forth below, and the floor areas set forth in **Exhibit C** may be different from the floor areas of the Office Units as so designated and described below. Each Office Unit has immediate access to corridors and/or stairways and/or other access ways which lead to the Common Elements of the Project.

c. **Limits of the Office Units.** Notwithstanding the floor areas set forth in **Exhibit C** and the manner in which such floor areas have been measured, the respective Office Units shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, supports, roofs and ceilings located within or at the perimeter of or surrounding such Office Unit, any pipes, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust or air conditioning running through or otherwise within such Office Unit which are utilized for or serve more than one Unit, all of which are deemed Common Elements as hereinafter provided. Each Office Unit shall be deemed to include all of the walls and partitions which are not load-bearing and which are within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces of each Office Unit, all spaces, interior non-load-bearing partitions and other fixtures and improvements within the boundaries of an Office Unit, all windows (both exterior and interior), window frames, louvers, shutters, panels, doors (both exterior and interior), and door frames along its perimeter, and all of the fixtures originally installed therein.

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

Unit Area and Common Interest: All units in this project are commercial units.

Unit Count	Unit Number	Area (Sq. Ft)	Common Interest
1	101	930.00	1.50%
2	102	744.00	1.22%
3	103	912.00	1.47%
4	104	787.00	1.26%
5	105	834.00	1.35%

EXHIBIT A

Unit Count	Unit Number	Area (Sq. Ft)	Common Interest
6	106	1,134.00	1.82%
7	107/107A	832.00	1.34%
8	108A	571.00	0.92%
9	109B	521.00	0.84%
10	109/111	1,448.00	2.34%
11	110	1,622.00	2.61%
12	113/115	1,689.00	2.72%
13	114	747.00	1.20%
14	116	967.00	1.55%
15	117A	412.00	0.66%
16	117B	416.00	0.67%
17	118A	2,163.00	3.48%
18	118B	929.00	1.50%
19	119	948.00	1.52%
20	122	2,062.00	3.32%
21	202	999.00	1.61%
22	203	1,388.00	2.24%
23	204	673.00	1.09%
24	205	1,120.00	1.81%
25	206/208/210	2,528.00	4.08%
26	207/209/211	1,674.00	2.70%
27	212	843.00	1.36%
28	213	840.00	1.36%
29	214	835.00	1.35%
30	215	1,129.00	1.82%
31	216/218	1,668.00	2.69%
32	217A	1,159.00	1.87%
33	219B/219C	1,608.00	2.59%
34	220	638.00	1.03%
35	222	1,024.00	1.65%
36	223	1,120.00	1.81%
37	224	834.00	1.35%
38	301	1,033.00	1.67%
39	302	835.00	1.35%
40	303	639.00	1.03%
41	304	832.00	1.34%
42	305	829.00	1.34%
43	306/306A	831.00	1.34%
44	307	830.00	1.34%
45	308	481.00	0.78%

EXHIBIT A

Unit Count	Unit Number	Area (Sq. Ft)	Common Interest
46	309	527.00	0.85%
47	310A	831.00	1.34%
48	310B	342.00	0.55%
49	311	1,143.00	1.84%
50	312	493.00	0.80%
51	312A	339.00	0.55%
52	314	842.00	1.36%
53	315	1,677.00	2.71%
54	316	834.00	1.35%
55	318/320A	1,186.00	1.91%
56	319	831.00	1.34%
57	320/322/322A	1,319.00	2.13%
58	321	1,672.00	2.70%
59	324	824.00	1.33%
60	325	837.00	1.35%
61	S-1	-	1.00%
62	S-2	-	1.00%
		60,771.00	100.00%

EXHIBIT A

EXHIBIT B

PARKING

Ownership:

All of the parking areas of the Project are within the spatial condominium units and are owned and controlled by the spatial unit owners. The Developer, KMC Partners LLC, will initially own the spatial units. There will be no common parking areas at the Project until such time as the Association may purchase the parking structure from the spatial condominium unit owner, pursuant to the procedures described in the Declaration.

Description:

The Project presently has a total of two hundred and one (201) parking stalls. In total, there are currently one hundred ninety two (192) standard stalls and nine (9) handicap stalls. Fourteen (14) standard stalls are configured as tandem stalls. There are no loading stalls.

Parking Policies / Parking Plan:

The Developer has the right to adopt and promulgate reasonable rules and regulations from time to time with respect to the parking areas, including the right to designate parking areas for the use by the employees of the owners and occupants and to restrict such employees from parking areas designated exclusively for customers. Upon request by the Developer, owner or occupant shall furnish a complete list of all of the names of such owner or occupant's employees, all motor vehicle State license numbers for such employees' respective motor vehicles parked or to be parked at the Project, and all of the motor vehicle State license numbers for all motor vehicles operated or to be operated by owner or occupant at the Project. Said rules and regulations shall be binding upon each owner and occupant upon the mailing or delivery of a copy of said rules and regulations to owner and occupant, and for the enforcement of said rules and regulations, the Developer shall have available to it all at law or in equity.

Parking Lot Operator:

The Developer may hire a parking lot operator to operating the parking areas on Developer's behalf. Initially, the parking lot operator will be Propark, Inc.

Use & Parking Stalls Subject to Developer's Ownership and Reserved Rights:

Pursuant to the following Sections of the Declaration, Developer reserves certain rights regarding parking as follows:

8.6 **Parking.** Each Unit owner shall have an easement in common with the owners of all other Units of ingress and egress to their Unit over the existing driveway areas of the Project, including those driveway areas located within the Spatial Units or the Limited Common Elements appurtenant to the Spatial Units for so long as such driveway areas may exist, and the right to park

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one (1) standard size automobile in the parking areas of the Project, even if the parking area is located within the Spatial Units or the Limited Common Elements appurtenant to the Spatial Units for so long as such driveway areas may exist; provided, however, that the owners of the Spatial Units shall have the absolute right, in their sole and absolute discretion, to (a) permanently remove, change, add to, relocate, and/or reconfigure all parking and driveway areas that are within their respective Spatial Units or are Limited Common Elements appurtenant to their unit; (b) adopt rules and regulations for the use of the driveway and parking areas, including control of the hours of access to the driveway and parking areas; and (c) charge fees to Unit owners and others using the driveway and parking areas at commercially reasonable rates; provided, further, that during any period of construction for the New Buildings, parking availability may be severely limited and there may be no parking being available for Office Unit owners, and the Spatial Unit owners shall not have to provide such parking, during such period.

8.7 Reserved Rights and Easements of Developer.

* * *

j. Developer's Reserved Right to Assign Parking Stalls to Unit. Developer hereby reserves the right to amend this Declaration in any manner to assign additional parking stalls that are reserved to Developer or appurtenant to any Developer owned Unit to any Unit as appurtenant Limited Common Element(s) to such Unit. Such reassignment is hereby specifically declared not to constitute a material amendment of this Declaration or, when appropriate, the Condominium Map. All costs of such reassignment shall be borne as determined by Developer.

* * *

22.2 Right to Change Parking Stall Types and to Change Unit Numbering or Other Designations. Developer reserves the right, without being required to obtain the consent or joinder of, or provide notice to, any person or entity, including the Association, any owner or any mortgagee, lien holder, Unit purchaser or any other person or entity who may have an interest in the Project or in any Unit, and notwithstanding the sale of a Unit provided the conveyance therefor has not been recorded in the Bureau and/or filed in the Land Court (i) to change the designation of compact, standard, and handicapped-accessible parking stalls, (ii) to construct Parking Lots, and (iii) to amend this Declaration and the Condominium Map as necessary or convenient to describe such changes.

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PERMITTED ALTERATIONS TO THE UNITS

Section 18 of the Declaration regarding permitted alterations provides as follows:

18. ALTERATION OF THE PROJECT.

18.1 **Board Approval for Alterations.** Except as otherwise provided in this Declaration or the Act or as otherwise required by law, neither the Association nor any Unit owner shall perform any of the following acts, except pursuant to plans and specifications therefor which have been approved in writing in advance by the Board: (a) repairing, replacing or rebuilding any Unit, or any Common Element or Limited Common Elements in a manner different in any material respect from the Condominium Map; (b) replacing any exterior door or window to a unit; (c) engaging in any alterations which will affect the structural integrity of any Unit or the common and Limited Common Elements; or (d) constructing on the Common Elements or Limited Common Elements any new building or structure.

18.2 **As-Built Plans and Declaration Amendment.** Upon the completion of any work described in Section 18.1 above, there shall be filed with the Board a final "as built" set of the plans and specifications for such work, and if any such work should constitute a material alteration to the Project as shown on the Condominium Map (as determined by the Board), the Association or Unit owner, as the case may be, shall file an amendment to this Declaration describing such alteration and amending the Condominium Map to show such alteration, together with a certificate signed by a licensed architect and structural engineer, certifying that the plans showing such alterations accurately reflect such alterations, as built. Such amendment shall be signed by the Association or the Unit owner, as the case may be, and approved by the Board or Developer, and no consent or joinder of any other Unit owner or person shall be required. Except as otherwise provided in this Declaration, the Bylaws, and the House Rules, each Unit owner shall be free, with the consent of all mortgagees of record of any interest in such Unit owner's Unit, to make such alterations and improvements within such Unit owner's Unit or within or on the Limited Common Elements appurtenant thereto, without the consent or joinder of the Board, the Association, any Unit owner, Developer or any other person.

18.3 **Certain Work Prohibited.** Notwithstanding anything to the contrary in this Declaration, no Unit owner (i) shall do any work which could jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement or hereditament; (ii) shall make or allow any material addition or alteration to the Common Elements (except as otherwise permitted herein), or (iii) shall rebuild, repair or restore the Project in the event of substantial or total destruction of the Project, without in every such case obtaining the prior consent of sixty-seven percent (67%) of the Unit owners, together with the prior written

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consent of all Unit owners whose Units or Limited Common Elements appurtenant thereto are directly affected, and the approval of the Board, which shall not be unreasonably withheld; provided that nonmaterial additions to or alterations of the Common Elements or Units made within such Units or within a limited common element appurtenant to and for the exclusive use of the Unit, shall require approval only by the Board, which shall not unreasonably withhold its approval, and such percentage, number or group of Unit owners or other parties as may be required by this Declaration or the Bylaws. As used in this Section 18.3, “*nonmaterial additions and alterations*” means an addition to or alteration of the Common Elements or a Unit that does not jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement, detract from the appearance of the Project, interfere with or deprive any nonconsenting Unit owner of the use or enjoyment of any part of the Project or directly affect any nonconsenting Unit owner.

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

18.5 **Improvements Within a Unit.** The owner of each Unit shall have the right, at such owner’s sole cost and expense and if solely within the such owner’s Unit, to install, maintain, remove and rearrange partitions and other non-structural improvements from time to time within such Unit, to finish, alter or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors and walls as shall be appropriate for the utilization of such Unit by such owner or the tenants or lessees thereof, and to tile, finish, re-carpet, and do or cause to be done such work on the floors of any Unit, subject to Applicable Law and the conditions contained herein and the Bylaws and the House Rules. The owner of each Unit shall have the right, at such owner’s sole cost and expense, to demolish all or any portion of the existing improvements within such Unit and to construct new improvements therein, for such use and purpose as may be permitted by Applicable Law, to the intent, purpose and effect that such Unit will include such new improvements, subject to the conditions contained herein and the Bylaws and the House Rules. Such new improvements shall conform with all applicable

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statutes, ordinances and rules and regulations of Governmental Authorities and with plans and specifications prepared by a licensed architect and approved by a licensed structural engineer. No such construction shall exceed the limits described in this Section 18.5 without the consent of the Association, nor shall such construction adversely and materially affect the value, light, air, use or enjoyment of any other Unit including, but not limited to, the structural or mechanical integrity thereof, nor the structural or mechanical integrity of the Common Elements. Without limitation to the foregoing, each Office Unit owner shall have the right to remove any existing perimeter walls and doors within such owner's unit that are designated "TO BE REMOVED" on the Condominium Map (displayed as light gray dashed lines on the Map: "-----").

18.6 Connection Between Units/Reconfiguration of Floors. Owners of any two or more adjacent Units that are separated by a common element which is a wall, corridor, ceiling or floor shall have the right and option at any time and from time to time, at such owners' sole cost and expense to alter or relocate any portion of the common element intervening wall, corridor, ceiling or floor in order to effect a connection between Units or the reconfiguration of a floor or floors for purposes of integrated use among all the Units on such floor or floors. Notwithstanding the foregoing, any alteration or additions permitted under this Section 6 shall be subject to the following limitations and requirements:

a. Where adjacent Units are owned by different owners, the owners shall submit to the Board a document evidencing the owners agreement to undertake such connection and/or reconfiguration in a form satisfactory to the Board;

b. Such owner(s) shall obtain the prior written consent of (1) all mortgagees of record of any interest in such owner's Unit or Units, and (2) the Board, provided that the Board shall not unreasonably withhold its consent and any conditions imposed shall be limited to ensuring that such improvements and alterations are in compliance with this Declaration, and, where adjacent Units are owned by different owners, ensuring the restoration of such Units to their prior condition upon the termination of the owners' agreement to connect/reconfigure their Units;

c. No alteration or addition shall adversely affect the structural integrity of the Common Elements or any other Unit or Limited Common Element in the Project;

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

e. If any Common Element bathroom or storage area is altered or relocated it shall be replaced by a bathroom or storage area, as the case may be, that is substantially the same as the original and access

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and use by the Association, owners and authorized occupants of the Buildings shall be unimpeded;

f. Any alteration or additions permitted shall not affect the Common Interest or allocable to any Unit;

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

h. The plans and specifications for any new improvements shall be prepared by a licensed architect and certified by a licensed structural engineer acceptable to the Association and shall not require the alteration or demolition of unaffected Units or Limited Common Elements appurtenant to such unaffected Units or the improvements which are contained within such unaffected Units and shall not materially interfere with easements in favor of such unaffected Units or the use and enjoyment of the Project by the owners of such unaffected Units; and

i. The owner(s) of the Units being joined or reconfigured shall, at such owner's sole expense, without the consent or joinder of any other Unit owner or lienholder thereof, execute and record in the Bureau and/or file with the Land Court an amendment to this Declaration and the Condominium Map: (1) to show the connection between Units and any reconfiguration of the floor, the corridors, storage rooms and bathrooms; and (2) when applicable, to add, delete, relocate, realign, serve and grant all easements and rights-of-way over, under, on and above the Unit and the Limited Common Elements appurtenant to the Unit being subdivided as necessary or desirable, including, without limitation, easements and rights-way for utilities, sanitary and storm sewers, and refuse disposal; provided that such easements and rights-of-way do not materially impair the use of the Common Elements by the unaffected Units.

18.7 Subdivision and Consolidation. Notwithstanding anything to the contrary contained in this Declaration, the owner of a Unit or adjacent Units shall have the right and option at any time and from time to time, at such owner's sole cost and expense, to alter such owner's Unit by (i) subdividing such owner's Unit into two or more Units and/or (ii) consolidating such owner's Units into one Unit. Notwithstanding the foregoing, any alteration or additions permitted under this Section 18.7 shall be subject to the following limitations and requirements:

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a. The Units affected by such subdivision or consolidation must be owned by the same owner, and the owner shall submit to the Board a document evidencing ownership;

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

c. If such subdivision rights are exercised, then the aggregate Common Interests of the Units thereby created (the "*Subdivided Units*") shall be equal to the Common Interests described in Exhibit C hereof for the Unit prior to such subdivision;

d. If such subdivision rights are exercised, the Subdivided Units must, at a minimum, (i) extend from a wall that is adjacent to the interior common area hallway to the exterior wall of the Office Building, (ii) have a width not less than ten (10) linear feet, and contain a floor area of at least three hundred and fifty square feet (350 sf);

e. If such consolidation rights are exercised, then the Unit thereby created (the "*Consolidated Unit*") shall be equal to the aggregate Common Interests of the Units described in Exhibit C hereof for the Units prior to such consolidation;

f. If there are any alterations or improvements made to physically connect the Units through any Common Element, then the owner shall follow all of the conditions and procedures set for the in Section 18.6 above; and

g. The owner of a Unit being subdivided and/or consolidated shall, at such owner's sole expense, without the consent or joinder of any other Unit owner or lienholder thereof, execute and record in the Bureau and/or file in the Land Court an amendment to this Declaration and the Condominium Map: (A) to create the Subdivided Units or Consolidated Unit, as shown on said plans and specifications and amendment to the Condominium Map; (B) to describe the Limited Common Elements appurtenant to the Subdivided Units or Consolidated Unit; (C) if applicable, to reallocate the Common Interests and Limited Common Elements appurtenant to the Unit being divided among the Subdivided Units, as determined solely by the owner of the Unit being subdivided, but in conformity with this Section 18.7; and (D) if applicable, to allocate the Common Interests and Limited Common Elements appurtenant to the Units being consolidated to the Consolidated Unit, but in conformity with this Section 18.7; (E) when applicable, to add, delete, relocate, realign, serve and grant all Limited Common Elements appurtenant to the

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Subdivided Units or Consolidated Unit, as necessary or desirable; provided that such does not materially impair the use of the Common Elements by any unaffected Unit or any Limited Common Element appurtenant to an unaffected Unit.

18.8 **Windows and Doors.** Each Unit owner shall have the right to install, remove, change and replace the windows and entry doors located on an interior Common Element or Limited Common Element hallway. In making such improvements, such owners shall (i) comply with all Applicable Law, including the building ordinance and fire codes; (ii) not install window or door which would cause an increase in applicable fire insurance rates to the Association; (iii) ensure that such installations do not affect the structural integrity of the Office Building; and (iv) conform to architectural and aesthetic guidelines for the same which have been duly adopted by the Board.

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

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

18.11 **Amendment of Declaration and Condominium Map.** Upon completion of construction of any improvements, the owner of Unit being improved shall amend this Declaration by filing the as-built plans showing such new improvements and **Exhibit C** hereof to reflect any change in the floor area

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and configuration of such Unit, provided that no such amendment shall change the Common Interest appurtenant to such Unit.

18.12 **Consent and Joinder.** Every Unit owner and all mortgagees and holders of liens affecting any of the Units in the Project shall, if necessary or desirable to effectuate the exercise of the reserved rights described in this Section 18, join in, consent to, or execute any and all instruments and documents necessary or desirable therefor, and, by execution of this Declaration, a reservation or contract for the sale of an Unit, or by acceptance of any deed, lien, security interest or any other interest herein, such Unit owner, mortgagee and holder of a lien shall be deemed to have consented to such reserved rights and to have irrevocably appointed the owner exercising such rights its lawful and duly authorized attorney-in-fact with full right and power to join in, consent or execute all such instruments and documents for and on behalf of such Unit owner, mortgagee and lien holder.

18.13 **Access.** Every Unit owner, its employees, agents, contractors and subcontractors shall have the right to enter upon the Common Elements and the Limited Common Elements appurtenant to the Unit and to do all things reasonably necessary, desirable or useful for completing such construction, improvements or subdivision, connecting any Units, Subdivided Units and Limited Common Elements to utilities of the Project, and marketing any Subdivided Units.

18.14 **Procedure for Commencing Permitted Improvements.** Prior to commencing any improvements or alterations permitted by this Declaration, and as a condition to the Unit owner's right to undertake such improvements and alterations, the Unit owner shall provide to the Board: (i) a certification in form and content reasonably satisfactory to the Board signed by an architect or structural engineer licensed in the State of Hawaii, that such improvement or alteration will not adversely affect the structural integrity of the Common Elements or any other Unit in the Project as set forth in Section 18.1 above, (b) satisfactory evidence that all governmental approvals required for such alteration or removal have been duly obtained, and (ii) if the cost of such improvement or alteration, as reasonably determined by the Board, shall exceed the sum of Fifty Thousand and No/100 Dollars (\$50,000.00) in Constant Dollars, the Board may require that the owner provide evidence satisfactory to the Board of sufficient financing to complete such alteration or removal or, in lieu thereof, require that the owner obtain a performance and lien payment bond as set forth in Section 10.3.

18.15 **Spatial Units Improvements.** Notwithstanding anything herein to the contrary, the owners of the Spatial Units shall have the right to construct, build, install, demolish, repair, replace, improve, alter, and/or otherwise modify any building, structure and other improvements within their respective Spatial Units or any Limited Common Element appurtenant to their Spatial Unit, without

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the prior written consent of the Association or any other Unit owner or any other person, and shall have the following rights and obligations:

a. Without limitation to the generality of the foregoing, the owner of the Makai Spatial Unit may construct the Future Office Building Extension and the owner of the Mauka Spatial Unit may construct the Future Parking Structure, including, without limitation, making structural connections to such to the Office Building, connecting to existing corridors in the Office Building, relocating the stairwells on either end of the Office Building, adding elevator bays and shafts or extending the existing elevator bays, shafts and equipment to add a fourth floor stop, enclosing and adding features to the roof area of the Office Building to create additional functional space (including rentable and common area space), extending and integrating the roof of the Office Building to connect with the roof of the Future Office Building Extension, connecting to, extending or replacing common or limited common element utility lines and conduit, and reconfiguring the parking, loading and driveway areas of the Project.

b. In constructing the Future Office Building Extension and/or the Future Parking Structure, the Spatial Unit owners shall have the right, without limitation, (i) to change or remove any Common Element or Limited Common Element, including walls, floors, and/or ceilings necessary to make such connections and integrate the new buildings into the Office Building, (ii) to integrate utilities serving the New Buildings with the Office Building, (iii) to install doors, stairways, elevators, remove or relocate hallways or other openings, remove or relocate walkways, driveways, and make any other changes or additions such owners determine expedient or necessary to affect such connections; (iv) to modify exterior elevations of buildings, door and window types (open versus fixed, slider versus awning or otherwise) and the location of the same, roof types and materials, and utility locations from those reflected on the Condominium Map; (v) to convert and redesignate any portion of a Spatial Unit, Limited Common Elements appurtenant to such Spatial Unit, or any portion thereof, to Common Elements of the Project; (vi) to connect and integrate the New Buildings to the Office Building in any way it deems proper to effect the orderly development of the New Buildings and the Office Building as integrated medical and/or office facility; and/or (vii) to make such improvements to the Office Buildings as may be required by governmental authority in conjunction with the development of the New Buildings.

c. The Owner of a Spatial Unit shall have the right to create additional Office Units in the Project located in Future Office Building Extension or the Future Parking Structure and merge such units into the Project by amendment to this Declaration and the Condominium Map. In such event, upon completion of construction of such Units, the Common Interest appurtenant to all of the Office Units in the project shall be adjusted on a pro rata basis with each Office Unit's Common Interest

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being the quotient obtain by dividing the floor area of such Office Unit by the floor area of all Office Units then in the Project, expressed to the nearest hundredth.

d. The Owner of a Spatial Unit shall have the absolute right, notwithstanding the lease, sale, or conveyance of any Unit and without being required to obtain the consent or joinder of the Association, any Unit owner, lien holder, or other persons, to amend the Declaration and the Condominium Map as necessary or convenient to describe any new improvements constructed on the Property in accordance with the Declaration and to make such amendments to this Declaration as are appropriate in accordance with the rights set for in this Section 18.15.

e. Upon the completion of any such construction, demolition, repairs, replacements, improvements, alterations, and/or other modifications described in this Section 18.15, the Unit owner responsible for such improvements shall comply, at its sole cost and expense, with all provisions of the Act requiring the recording of an amendment to this Declaration describing such alteration and amending the Condominium Map to show such alteration. The consent or joinder of the Developer, Association, or any other owners or their respective mortgagees, shall not be required as a prerequisite for the recordation of such amendment (provided, however, the foregoing shall not limit the rights and remedies of any such mortgagee against or with respect to the applicable Unit owner, as contained in its loan documents with the applicable Unit owner, if any such recordation takes place without such mortgagee's consent or approval to the extent required under such loan documents).

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COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

The following Sections of the Declaration describe the Common Elements and Limited Common Elements as follows:

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

5.1. To the extent not part of a Spatial Unit, the Land in fee simple;

5.2. The air and air rights above the Project, to the extent not located with a Spatial Unit;

5.3. Any existing water lines, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, wiring, lighting equipment and poles, utility yards and equipment, telephone poles and power poles, telecommunications equipment, streetlights, fire hydrants, drainage pipelines, culverts and ditches, utility poles and transmission lines, and other central and appurtenant transmission facilities installed or to be installed on, over, under and across the Project that serve more than one Unit, whether or not located within any particular Unit for services such as but not limited to electricity, water, gas, sewer, telephone, radio, television and cable television signal distribution;

5.4. All setback areas, yards, grounds, landscaping, planters, sidewalks, walkways, walkway railings, refuse enclosures and facilities on the exterior of the Office Building located outside of the Spatial Units;

5.5. The Switch Vault, to the extent such is not owned or under the control of the Hawaiian Electric Company, or its successor;

5.6. Any and all apparatus and installations existing for common use of all Units, or necessary or convenient to its existence, maintenance and safety of the Project, or normally in common use by all Units; and

5.7. Certain parts and portions of the Common Elements have been set aside as "Limited Common Elements," which are more particularly described in Section 5.7 below.

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

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6.1. All structured components such as foundations, columns, girders, beams, floor slabs, supports, perimeter, party and load-bearing walls and partitions (excluding the finishes thereon within a Unit as specified in Section 4 above), and roofs of the Office Building shall be Limited Common Elements appurtenant to the Office Units;

6.2. All entrances, entryways and exits to the Office Building, and all interior lobby areas, stairwells, stairways and stairway landings, walkways, corridors, ramps, elevator shafts and landings, maintenance rooms, storage rooms, elevator machine rooms, mechanical rooms, electrical rooms, trash rooms, recreation rooms, mail rooms, management rooms, security rooms and common toilet facilities in the Project that are not located within the boundaries of an Office Unit shall be Limited Common Elements appurtenant to the Office Units;

6.3. All ducts, vents, shafts, sewer lines, sewage treatment equipment and facilities, electrical transformers, emergency generators, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve the Office Building, but not the Spatial Units, for services such as power, light, water, gas, cable television, air conditioning, sewer, refuse, telephone, and radio and television signal distribution shall be Limited Common Elements appurtenant to the Office Units;

6.4. The Equipment Building shall be a Limited Common element appurtenant to the Office Units;

6.5. All driveways and driveway ramps, curbs, loading and service areas, parking stalls and parking areas that are not located within the boundaries of the Spatial Units shall be appurtenant to the Spatial Units;

6.6. The mailbox corresponding to the Unit number of each Unit in the area designated by the Association for location of mailboxes, such location currently being on the Ground Floor lobby of the Office Building, as shown on Sheet A-3 of the Condominium Map;

6.7. Any chute, flue, duct, wire, conduit or any other fixture which lies partially within and partially outside the designated boundaries of a Unit serving only that Unit is a Limited Common Element appurtenant solely to that Unit;

6.8. Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, lanais, patios and all exterior doors and windows or other fixtures designed to serve a single Unit, but that are located outside the Unit's boundaries, are Limited Common Elements appurtenant exclusively to that Unit; and

6.9. The Utility Building shall be a Limited Common Element appurtenant to the Mauka Spatial Unit;

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6.10. The Parking Kiosk, if relocated outside of the Makai Spatial Unit, shall be a Limited Common Element appurtenant to the Mauka Spatial Unit; and

6.11. Any other Common Element of the Property which is rationally related to only one Unit shall be deemed a Limited Common Element appurtenant to and for the exclusive use of such Unit.

The designation of Limited Common Elements shall be subject to the rights of Unit owners to exchange or transfer appurtenant Limited Common Elements to another Unit or Units pursuant to the Act. The Limited Common Elements on each floor that are appurtenant only to the Units on that floor may be changed, relocated or reconfigured with the consent of the Unit owners on such floor.

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SPECIAL USE RESTRICTIONS

The Units and the Project are subject to various restrictions on use, as set forth in the Declaration, including, but not limited to, the following provisions of Section 9 thereof:

9.1 Units. The Office Units, and the Limited Common Elements appurtenant thereto, shall be used for healthcare related uses, including, without limitation, medical and dental offices, pharmacies, laboratories, surgical clinics, urgent care centers, physical therapy and rehab facilities, library and records storage, the sale of healthcare related products, and any use that is ancillary and supporting the foregoing permitted uses, as permitted by Applicable Law. The Board shall have the right to grant to any unit owner a variance permitting any other use not otherwise prohibited by law provided such is complimentary to and not inconsistent with the purpose of maintaining the primary use of the Project as a healthcare facility. In the event the owner of the Makai Spatial Unit develops additional floor area, such owner may designate certain space or units for the sale of food and beverage in the owner's reasonable discretion. The Spatial Units shall be used for construction of the New Buildings, and the New Buildings shall be used for the foregoing purposes and/or for parking lot and parking related uses. The Association, acting through its Board, may approve any other use if permitted by Applicable Law.

9.2 Pharmacy and Lab Units. Office Unit No. 110 shall be designated for use as a pharmacy selling items typically sold in drug stores and pharmacies in Hawaii, including the sale of prescriptions, health and beauty products, and sundries (the "*Pharmacy Unit*"). Office Unit Nos. 116 and 119 shall be used as medical laboratory facility providing laboratory services on an outpatient basis for anatomical and clinical testing, including pathology, toxicology and microbiology testing, for the medical community (the "*Laboratory Units*"). The owners of the Pharmacy Units and Laboratory Units may change the use of their respective units, and the use restrictions of this Section 9.2 shall not apply, if such owner provides to the Association sixty (60) days prior written notice of such owner's intent to change the use of the Unit. In such event, the Association shall have the option, to be exercised by delivering written notice to the Association within said sixty (60) day period, to purchase the Unit from the owner at a mutually agreed upon price, or, if the Association and the Unit owner cannot agree upon a price, then at a price which shall be the current appraised market value of the Unit, without the encumbrance of the use restrictions set forth in this Section 9.2, as determined by a qualified appraiser selected by the parties. The term "qualified appraiser," as used herein, shall mean a professional appraiser (i) duly licensed in the State of Hawaii, (ii) having at least fifteen (15) years of experience in the field of commercial real estate in the State of Hawaii, (iii) who is a member of the Appraisal Institute, or any successor to the Appraisal Institute, and (iv) who has been awarded the "MAI" designation, or any successor or

EXHIBIT E

equivalent designation which incorporates the requirements of the "MAI" designation, by the Appraisal Institute. If the parties are unable to agree upon a mutually acceptable appraiser within ten (10) days after the either party makes a request for an appraisal, either party may apply to and have such arbitrator selected and appointed by any judge of the First Circuit, State of Hawaii, and the arbitrator so appointed shall thereupon proceed to determine the fair market value of the unit, as set forth above. In the event the Association exercises its option to purchase as set forth above, then the closing of such purchase shall take place within one hundred eighty (180) days of receiving the unit owner's notice of desire to change the permitted use. This Section 9.2 shall not apply to the use of Unit 116 by the tenant currently occupying Unit 116 as of the date of this Declaration, and such tenant may continue to operate and use Unit 116 pursuant to the terms of its lease until the lease is terminated or otherwise expires.

9.3 **Common Elements.** All Common Elements shall be kept free of obstruction which interferes with ingress and egress, except as the Association shall decide. Each Unit owner may use the Common Elements in accordance with the purposes permitted under this Declaration, the Bylaws, and any other applicable rules, laws, or regulations, subject to the rights of other Unit owners to use the Common Elements, any owner's exclusive right to use of the Limited Common Elements as provided in this Declaration; the right of the owners to amend the declaration to change the permitted uses of the Common Elements or to designate any portion of the Common Elements as a limited common element; and the right of the Association to manage the Common Elements as set forth in Section 10 below.

9.4 **Nuisance.** No Unit owner shall do or suffer or permit to be done anything in any Unit or elsewhere on the Project which will: (a) injure the reputation of the Project, (b) jeopardize the safety or soundness of the Project, (c) create a nuisance or interfere with or unreasonably disturb the rights of other owners and occupants, (d) reduce the value of the Project, (e) result in the cancellation of insurance applicable to the Project or adversely affect the right of recovery thereunder or result in reputable companies refusing to provide insurance as required or permitted by this Declaration, or (f) increase the rate of insurance applicable to the Units or the contents thereof, or to the Project.

9.5 **Structural Alterations** Except as otherwise specifically provided in this Declaration or in the Bylaws, no Unit owner shall, without the prior written consent of the Board, make any structural alterations to such owner's Unit or make any alterations of or any additions to the exterior of the Unit or to any other portion or portions of the Common Elements unless otherwise specifically permitted herein, in the Bylaws, and by applicable zoning and building rules, regulations and laws.

EXHIBIT E

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

The encumbrances against title appearing in the Preliminary Report dated July 3, 2012 (the "*Title Report*") prepared by Title Guaranty of Hawaii, Incorporated, are described in this Exhibit F following the description of the land below, under the heading "SUBJECT, HOWEVER, TO THE FOLLOWING.". The land upon which said Condominium Project "MARY SAVIO MEDICAL PLAZA AT NEWTOWN" is located is covered by Tax Map Key No. (1) 9-8-008-026, and is described as follows:

The land upon which said Condominium Project "MARY SAVIO MEDICAL PLAZA AT NEWTOWN" is located is described as follows:

LOT 2-C-1, containing a total area of 124,957 square feet, more or less, as shown on map prepared by Harry K. Matsuo, Land Surveyor, with Community Planning, Inc., approved by the Department of Land Utilization, City and County of Honolulu, on April 4, 1974, comprised of the following:

-PARCEL FIRST:-

All of that certain parcel of land situate at Waimalu, District of Ewa, City and County of Honolulu, State of Hawaii, described as follows:

LOT 3-B-3-A-1, area 110,110.0 square feet, more or less, as shown on Map 13, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Consolidation No. 84 of Bishop Trust Company, Limited, Trustee under the Will and of the Estate of Edith Austin, deceased, and others.

Being land(s) described in Transfer Certificate of Title No. 1,044,426 issued to KMC PARTNERS LLC, a Hawaii limited liability company.

-PARCEL SECOND:-

All of that certain parcel of land (being a portion of the land described in and covered by Royal Patent Number 2067, Land Commission Award Number 5649 to Kuhanaipuaa) situate, lying and being at Waimalu, District of Ewa, City and County of Honolulu, State of Hawaii, being more particularly described as follows:

Beginning at the most easterly corner of this parcel of land, the coordinates of which referred to Government Survey Triangulation Station "EWA CHURCH" being 1,428.03 feet south and 9,232.75 feet east and running by azimuths measured clockwise from true South:

1. Along remainder of L. C. Aw. 5649 to Kuhanaipuaa on a curve to the left
with a radius of 296.00 feet, the
chord azimuth and distance

EXHIBIT F

being

- 32° 37' 52" 68.79 feet;
2. 115° 57' 30" 98.17 feet along remainder of L. C. Aw. 5649 to Kuhanaipuaa;
 3. 213° 30' 80.81 feet along Lot 3-B-3-A-1 of Land Court Consolidation 84 (Map 13);
 4. 302° 58' 96.26 feet along Lot 3-B-3-A-1 of Land Court Consolidation 84 (Map 13) to the point of beginning and containing an area of 7,147 square feet, more or less.

-PARCEL THIRD:-

All of that certain parcel of land (being a portion of the land described in and covered by Royal Patent Number 385, Land Commission Award Number 9356, Apana 3 to Kuheuheu), being a portion of EXCLUSION 1 of Land Court Application 950, situate, lying and being at Waimalu, District of Ewa, City and County of Honolulu, State of Hawaii, being more particularly described as follows:

Beginning at the southeast corner of this parcel of land, the coordinates of which referred to Government Survey Triangulation Station "EWA CHURCH" being 1,164.65 feet south and 9,525.43 feet east and running by azimuths measured clockwise from true South:

1. Along remainder of R. P. 385, L. C. Aw. 9356, Apana 3 to Kuheuheu on a curve to the left with a radius of 1,046.00 feet, the chord azimuth and distance being
55° 56' 59" 90.61 feet;
2. 145° 00' 128.06 feet along Lot 3-B-3-A-1 of Land Court Consolidation 84, Map 13;
3. 88° 00' 36.30 feet along Lot 3-B-3-A-1 of Land Court Consolidation 84, Map 13;
4. 157° 30' 30" 40.32 feet along Lot 3-B-3-A-1 of Land Court Consolidation 84, Map 13;
5. 294° 14' 20" 219.56 feet along remainder of R. P. 385, L. C. Aw. 9356,

EXHIBIT F

Apana 3 to Kuheuehu to the point of beginning and containing an area of 7,698 square feet, more or less.

SUBJECT, HOWEVER, TO THE FOLLOWING:

1. Real Property Taxes, if any, that may be due and owing.
2. Mineral and water rights of any nature in favor of the State of Hawaii.
3. -AS TO PARCEL FIRST:-

(A) DESIGNATION OF EASEMENT "C"

PURPOSE : Waimalu Stream maintenance
SHOWN : on Map 1, as set forth by Land Court Order No. 20284, filed July 20, 1962

(B) Easement "C" for Waimalu Stream maintenance purposes in favor of the CITY AND COUNTY OF HONOLULU, acquired by FINAL ORDER OF CONDEMNATION filed May 3, 1971, in the Circuit Court of the First Circuit, State of Hawaii, Civil No. 8199, filed as Land Court Document No. 536319.

(C) DESIGNATION OF EASEMENT "P"

PURPOSE : electrical
SHOWN : on Map 9, as set forth by Land Court Order No. 37242, filed April 6, 1973

(D) DESIGNATION OF EASEMENT "Q"

PURPOSE : utility
SHOWN : on Map 9, as set forth by Land Court Order No. 37242, filed April 6, 1973

(E) DESIGNATION OF EASEMENT "R"

PURPOSE : sanitary sewer
SHOWN : on Map 9, as set forth by Land Court Order No. 37242, filed April 6, 1973

(F) DESIGNATION OF EASEMENT "U"

PURPOSE : stream maintenance

EXHIBIT F

SHOWN : on Map 13, as set forth by Land Court Order No. 39913, filed June 5, 1974

(G) Right-of-way in favor of Lot 3-B-3-A-2 for access to Kaahumanu Street, a public road, as set forth by Land Court Order No. 39913, filed June 5, 1974.

(H) GRANT

TO : HAWAIIAN ELECTRIC COMPANY, INC.

DATED : August 29, 1974

FILED : Land Court Document No. 698269

GRANTING : an easement over Easement "P", and being more particularly described therein

(I) GRANT

TO : CITY AND COUNTY OF HONOLULU

DATED : October 2, 1973

FILED : Land Court Document No. 724626

GRANTING : an easement over Easement "Q", and being more particularly described therein

(J) GRANT

TO : CITY AND COUNTY OF HONOLULU

DATED : May 2, 1984

FILED : Land Court Document No. 1333079

GRANTING : an easement over Easement "U", and being more particularly described therein

(K) GRANT

TO : CITY AND COUNTY OF HONOLULU

DATED : May 2, 1984

FILED : Land Court Document No. 1333080

GRANTING : an easement over Easement "R", and being more particularly described therein

4. -AS TO PARCEL SECOND:-

(A) EXISTING SEWER EASEMENT and EXISTING

EXHIBIT F

EASEMENT "E" for Waimalu Stream maintenance, as shown on City and County of Honolulu, Division of Land Survey and Acquisition Parcel Map in Files 16-11-1-78 and 12-4-2-46-A, respectively, as contained in DEED dated July 1, 1975, filed as Land Court Document No. 714615, recorded in Liber 10523 at Page 333.

(B) Easement in favor of the CITY AND COUNTY OF HONOLULU for right of way over, under, through and across that certain parcel of land designated as Parcel E, containing an area of 0.997 acre, more or less, acquired by FINAL ORDER OF CONDEMNATION filed in the Circuit Court of the First Circuit of the State of Hawaii, Civil No. 8183, on October 28, 1963, recorded in Liber 4627 at Page 488.

(C) GRANT

TO : CITY AND COUNTY OF HONOLULU

DATED : October 2, 1973

RECORDED : Liber 10725 Page 382

GRANTING : an easement for sewer and drainage purposes over Easement "2-A", 16 feet wide, containing an area of 1,556 square feet, more or less, and being more particularly described therein

5. -AS TO PARCEL THIRD:-

(A) PARCEL "C" for Waimalu Stream maintenance purposes in favor of the CITY AND COUNTY OF HONOLULU, acquired by FINAL ORDER OF CONDEMNATION filed December 19, 1963, in the Circuit Court of the First Circuit, Civil No. 8182, recorded in Liber 4657 at Page 42.

(B) GRANT

TO: CITY AND COUNTY OF HONOLULU

DATED: July 24, 1971

RECORDED: Liber 7790 Page 270

GRANTING: an easement for sewer pipeline purposes over Parcel 5 containing an area of 1,805 square feet, more or less, and being more particularly described therein

(C) GRANT

EXHIBIT F

TO : CITY AND COUNTY OF HONOLULU

DATED : February 13, 1984

RECORDED : Liber 18247 Page 393

GRANTING : an easement for maintenance purposes over Easement "M-5-A" containing an area of 1,290 square feet, more or less, and being more particularly described therein

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

7. Any rights or interests which may exist or arise by reason of the following facts shown on survey map prepared by Kevin K. Kea, Land Surveyor, with ACE Land Surveying, Inc., dated June 6, 2012:

(A) Sidewalk appurtenant to adjoining lot crosses into subject lot at its greatest point of 8.9' for a distance of 16.6'.

(B) Chainlink fence appurtenant to subject lot extends 6.4' into adjoining lot.

(C) CRM wall appurtenant to subject lot crosses into adjoining lot at its greatest point of 0.5' for a distance of 121.5'.

(D) Chainlink fence appurtenant to adjoining lot crosses over subject lot at its greatest point of 2.9' for a distance of 7.2'.

8. The terms and provisions contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED WITH COVENANTS

DATED : June 29, 2012

FILED : Land Court Document No. T-8215447

RECORDED : Document No. A-45630733

9. REAL PROPERTY MORTGAGE AND FINANCING STATEMENT

MORTGAGOR : KMC PARTNERS LLC, a Hawaii limited liability company

MORTGAGEE : FIRST HAWAIIAN BANK, a Hawaii corporation

DATED : June 29, 2012

FILED : Land Court Document No. T-8215448

RECORDED : Document No. A-45630734

EXHIBIT F

AMOUNT : \$10,250,000.00

10. The terms and provisions contained in the following:

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

DATED : June 29, 2012
FILED : Land Court Document No. T-8215449
RECORDED : Document No. A-45630735
PARTIES : KMC PARTNERS LLC, a Hawaii limited liability company
and FIRST HAWAIIAN BANK, a Hawaii corporation

11. FINANCING STATEMENT

DEBTOR : KMC PARTNERS LLC

SECURED
PARTY : FIRST HAWAIIAN BANK

RECORDED : Document No. A-45630736
RECORDED ON: June 29, 2012

12. Encroachments or any other matters which a survey prepared after June 6, 2012 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 in Schedule C herein.

EXHIBIT F

EXHIBIT G

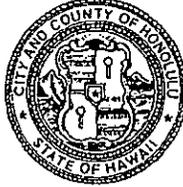
VERIFIED STATEMENT FROM A COUNTY OFFICIAL

EXHIBIT G

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.gov • CITY WEB SITE: www.honolulu.gov

PETER B. CARLISLE
MAYOR



DAVID K. TANOUE
DIRECTOR

JIRO A. SUMADA
DEPUTY DIRECTOR

2012/ELOG-728(RLK)

July 13, 2012

Ms. Elizabeth Hokada
Interim Vice President for Endowment
Trustees of the Estate of Bernice Pauahi Bishop
567 South King Street
Honolulu, Hawaii 96813-3036

Dear Ms. Hokada:

Subject: Condominium Conversion Project
98-1247 Kaahumanu Street
Tax Map Key: 9-8-008: 026

This is in response to your letter dated April 9, 2012, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the three-story office building with 193 all-weather-surface off-street parking spaces and two loading spaces met all applicable code requirements when it was constructed in 1974, on this 124,955-square-foot B-2 Community-Business-District-zoned lot.

On December 18, 1981, a Special Management Area Permit (File No. 1981/SMA-148) was approved for an exterior canvas canopy.

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

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

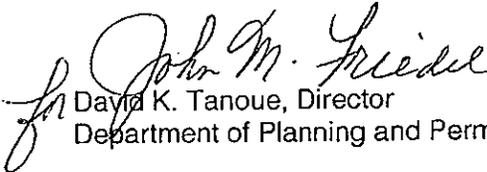
Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; it does not create separate lots of record for subdivision and zoning purposes.

RECEIVED
BERNICE PAUHAHI SCHOOLS
DIPLOMA FILES
2012 JUL 16 P 2:15

Ms. Elizabeth Hokada
Trustees of the Estate of Bernice Pauahi Bishop
July 13, 2012

If you have any questions regarding this matter, please contact Alex Sugai of our Commercial and Multi-Family Code Enforcement Branch at 768-8152.

Very truly yours,


David K. Tanoue, Director
Department of Planning and Permitting

DKT:fr
[953814]

EXHIBIT H

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

Changes to Condominium Documents:

Pursuant to the following Sections of the Declaration, Developer reserves the right to amend the Project documents as follows:

8.5 **Right to Grant and Realign Easements.** Developer and the Association (exercisable by the Association by the Board) shall have the right, to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across, or through the Common Elements for any reasonable purpose, which may include, but shall not be limited to, those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Unit or the Common Elements or any easements for utilities or for any public purpose without joinder or consent of any owner, any owner's Mortgagee, or other person; provided, however, that such right of the Association is subject to, and may not be exercised in any manner which is inconsistent with, in derogation of or which would materially limit, abrogate or materially interfere with, the exclusive use of any Limited Common Elements or any rights or easements reserved in favor of Developer or any owner. Developer and the Association shall further have the right to transfer, cancel, relocate, accept the benefit of, and otherwise deal with any easement over, under, across or through any lands adjacent to the Project, which may be appurtenant to the Land of the Project, for any reasonable purpose, which may include, but shall not be limited to, any of the same purposes set forth above or for the reason that any owner of any such lands adjacent to the Project exercises any right to require the relocation of any such easement.

* * *

8.7 **Reserved Rights and Easements of Developer.**

c. **Developer's Reserved Rights Concerning Easements.** Developer reserves a present easement over the whole of the Common Area and the Limited Common Areas of the Office Building, together with the right for itself and its successors and assigns, to designate, grant, convey, transfer, cancel, relocate, reserve or otherwise deal with any easements, licenses, and rights of way at any time for utilities, any public-type facility (mail centers, collection boxes, and the like), sanitary and storm sewers, cable television transmission facilities, party walls, refuse disposal, landscape, maintenance, driveways, parking areas, access roadways and other similar purposes, on, over, across, under and through the Common Elements of the Project. The foregoing reserved right and easement is together with the right of entry to construct, reconstruct, operate, maintain, repair and relocate such lines, facilities and

EXHIBIT H

appurtenances and to grant easements or rights of way for such purposes to Governmental Authorities, public or private utility or service companies, and the right to grant, designate, use and enjoy easements and/or rights of way for access purposes (including for vehicular and pedestrian access). Developer also reserves the right to assign or transfer the rights and obligations of any such reserved easements and rights of way to the Association, which rights and obligations shall be accepted and assumed by the Association. The easements retained in this Section and these reserved rights not be exercised in any manner which would materially limit, abrogate or interfere with the exclusive use of any Unit or Limited Common Elements. Each Owner, by purchasing a Unit, consents to any such designation, granting, conveyance, transfer, cancellation, relocation and reservation of easements and/or rights of way as provided above without the necessity of any Owner or those claiming by, through or under an Owner entering into any further agreement respecting such action or document; provided, however, that such Owner and those claiming by, through or under an Owner agrees to join in and execute such documents and instruments and do such other things as may be necessary or convenient to effect the same promptly at the request of Developer without payment of additional consideration.

* * *

e. Configuration of Units and Other Changes. Developer shall have the absolute right, notwithstanding the lease, sale, or conveyance of any Unit and without being required to obtain the consent or joinder of the Association, any Unit owner, lien holder, or other persons, to make alterations in the Project (and to amend this Declaration and the Condominium Map accordingly) which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any Unit (and the Limited Common Elements appurtenant thereto) in the Project which is not sold and the conveyance thereof Recorded, which right includes the ability to change the overall "product mix" (e.g., change the Unit types or change the configuration of Unit built on a particular floor of a building). Without limitation of the foregoing, Developer may change or remove of all or part of an intervening Common Element wall, floor, and/or ceiling separating two (2) Units owned by the Developer or Limited Common Elements controlled by the Developer, install doors, stairways, and other Improvements in such opening or openings in the intervening Common Element, seal hallways or other openings, remove Limited Common Element walkways, remove Limited Common Element driveways, create Limited Common Element driveways, and make any other reasonable related changes or additions Developer determines expedient or necessary. Further, Developer may consolidate any two (2) adjacent Units owned by the Developer into a single Unit and make any Common Element walls, floors, or ceilings between the Units part of the Unit or its Limited Common Elements. In that regard, Developer may change the designation

EXHIBIT H

of the Limited Common Elements appurtenant to any two (2) adjacent Units owned by the Developer so that one or more Limited Common Elements appurtenant to one Unit will be appurtenant to the other Unit or to both of the Units. Without limitation of the foregoing, Developer reserves the right to modify exterior elevations of buildings, door and window types (open versus fixed, slider versus awning or otherwise) and the location of the same, roof types and materials, and utility locations from those reflected on the Condominium Map.

* * *

g. Developer's Right to File Amendments to Declaration and Condominium Map. Developer shall have the absolute right, notwithstanding the lease, sale, or conveyance of any Unit and without being required to obtain the consent or joinder of the Association, any Unit owner, lien holder, or other persons, to amend the Declaration and the Condominium Map as necessary or convenient to describe any new Improvements constructed on the Property in accordance with the Declaration and to make such amendments to this Declaration as are appropriate in accordance with this Section 8.7.

h. Developer's Reserved Right to Convert Limited Common Elements to Common Elements. Developer shall have the reserved right to convert and redesignate any Units, Limited Common Elements appurtenant to such Units, or any portion thereof, that it owns to Common Elements of the Project. Notwithstanding anything to the contrary herein contained, Developer may amend this Declaration (and when appropriate the Condominium Map) without the approval, consent and joinder of the Association, any Unit owner or any mortgagee, lienholder, or any other person who may have an interest in the Project or in any Unit in any manner required to convert and redesignate any Limited Common Elements that are appurtenant to Developer owned Units to Common Elements. Such reassignment is hereby specifically declared not to constitute the material amendment of this Declaration or when appropriate the Condominium Map. All costs of such reassignment shall be borne as determined by Developer.

* * *

k. Developer's Reserved Right to Modify Project to Comply with Law. Developer shall have the reserved right, to effect such modifications to the Units and Common Elements in the Community and/or to execute, record and deliver any amendments to this Declaration, the Condominium Map as well as the Bylaws and rules and regulations promulgated thereunder, as may be necessary or required to effect compliance of the Project, and by the Association or by Developer, with laws which apply to the Project, including, without limitation, the

EXHIBIT H

Americans With Disabilities Act, as amended, 42 U.S.C. §§ 12101 et seq., including any and all rules and regulations promulgated thereunder.

* * *

18.11 **Amendment of Declaration and Condominium Map.** Upon completion of construction of any improvements, the owner of Unit being improved shall amend this Declaration by filing the as-built plans showing such new improvements and **Exhibit C** hereof to reflect any change in the floor area and configuration of such Unit, provided that no such amendment shall change the Common Interest appurtenant to such Unit.

* * *

22.4 **Right to Modify Project to Comply with Law.** Developer shall have the reserved right, to effect such modifications to the Units, Common Elements, and Limited Common Elements and/or to execute, record and deliver any amendments to this Declaration, the Condominium Map, and Bylaws and any rules and regulations promulgated thereunder, as may be necessary or required to effect compliance by the federal, state and local laws and regulations, including the Act and any and all rules and regulations promulgated thereunder. Without limitation, Developer may amend this Declaration (and, when appropriate, the Condominium Map) in any manner required to retrofit any parking stalls so they are suited for use by persons with disabilities and to assign or license such stalls to any one or more of the Units intended for use by persons with disabilities upon substitution therefor of an alternate parking stall. Such assignment may be made to Units, the owners of which Developer, in its sole judgment, determines require an accessible parking stall to persons with disabilities. Such assignment is hereby specifically declared not to constitute a material amendment of this Declaration or the Condominium Map. All costs of such assignment shall be borne as determined by Developer. Notwithstanding the foregoing, Developer also reserves the right, but does not hereby undertake any obligation, to interchange standard parking stalls and handicapped-accessible parking stalls to accommodate owners in need of such parking. The rights of Developer under this **Section 22.4** may be assigned to the Association, without the consent of joinder of, or notice to, the Board.

22.5 **Amendment of Developer's Reserved Rights.** This Declaration cannot be amended to modify or eliminate the easements or other rights reserved to Developer by this or any other section without the prior written consent of Developer, and any attempt to do so shall have no effect.

Changes to Project:

Developer intends to further develop the Project by building a multi-story parking structure and new office building within the spatial units. The right to further develop the spatial units is reserved to the Developer or any owner of the spatial units. Developer's plan for further development are subject to many risks related to real estate development including lack of funding, unanticipated costs, construction delays related to weather, materials, equipment,

EXHIBIT H

injuries and death, environmental risks, and regulatory requirements. Should any of these risks come to pass, Developer may be unable to pursue its development plans. As such, Developer does not warrant or represent that such further development will succeed on a timely basis or at all.

The Declaration provides that the Project may be further developed as follows:

3.4 **New Buildings.** There may be new buildings containing additional commercial condominium Units and/or parking stalls which may be constructed within the Spatial Units, more particularly described in Section 4 below. The Spatial Unit located on the *mauka* (mountain) side of the Project (the “*Mauka Spatial Unit*”) is intended to be used for a parking structure and may include an extension of the Office Building with additional commercial condominium Units (the “*Future Parking Structure*”), and the Spatial Unit located on the *makai* (ocean) side of the Project (the “*Makai Spatial Unit*”) is intended to be used for an extension of the Office Building with additional commercial condominium Units (the “*Future Office Building Extension*”) (the Future Parking Structure and the Future Office Building are collectively referred to as the “*New Buildings*”).

The Developer is the owner of the Spatial Units and may improve such units pursuant to Section 18 of the Declaration (which is also set forth in Exhibit C of this Public Report.)

EXHIBIT I

SCHEDULE OF ESTIMATED MAINTENANCE FEES

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

CERTIFICATE

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

1. I am the Senior Vice President for Hawaiiana Management Company, Ltd., a Hawaii corporation, designated by the Developer of The Mary Savio Medical Plaza at Newtown condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

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

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

DATED: Honolulu, Hawaii, this 18th day of September 2012.

Kevin Cole

Name: KEVIN COLE
Title: SENIOR VICE PRESIDENT

Subscribed and sworn to before me
this 18th day of September, 2012.

State of Hawaii
City & County of Honolulu
September 18, 2012 # of Pages: 4

Doc. Description: Certificate of Managing Agent & Estimated
Annual Disbursements for: The Mary Savio Medical Plaza at Newtown

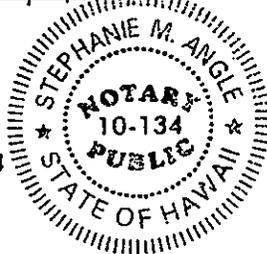
Stephanie M. Angle

9/18/2012

Notary Signature
Name: Stephanie M. Angle

No. & Expiration: 10-134

My commission expires: 6/13/2014
First Circuit, State of Hawaii



NOTARY CERTIFICATION

ESTIMATED FEE DISBURSEMENTThe Mary Savio Medical
Plaza at Newtown
(62 units)

Utilities and Services	Monthly	Annually
Electricity	\$45,000.00	\$540,000.00
Refuse	\$1,100.00	\$13,200.00
Water	\$5,400.00	\$64,800.00
Sewer	\$7,800.00	\$93,600.00
Telephone	\$180.00	\$2,160.00
Maint, Repairs, Supplies		
Repairs	\$500.00	\$6,000.00
Carpet Cleaning	\$320.00	\$3,840.00
Building/Supplies/Repairs	\$4,000.00	\$48,000.00
Window Washing	\$500.00	\$6,000.00
Grounds	\$3,250.00	\$39,000.00
Elevator	\$1,200.00	\$14,400.00
Fire Systems	\$300.00	\$3,600.00
Equipment	\$750.00	\$9,000.00
Air Conditioners	\$1,745.00	\$20,940.00
Pest Control	\$225.00	\$2,700.00
Electrical/Lighting	\$900.00	\$10,800.00
Plumbing	\$900.00	\$10,800.00
Parking Area	\$400.00	\$4,800.00
Management		
Security	\$6,850.00	\$82,200.00
Audit/Tax fees	\$100.00	\$1,200.00
Legal Fees	\$500.00	\$6,000.00
Management Fees	\$5,055.00	\$60,660.00
Admin. Services/Supplies	\$250.00	\$3,000.00
GET/Other	\$100.00	\$1,200.00
Condo Registration	\$30.00	\$360.00
State/City/Federal Fees	\$30.00	\$360.00
Payroll & Benefits		
Onsite Manager	\$3,000.00	\$36,000.00
Workers Compensation	\$250.00	\$3,000.00
TDI	\$20.00	\$240.00
Health Care	\$400.00	\$4,800.00
Payroll Taxes	\$235.00	\$2,820.00
Payroll Prep	\$150.00	\$1,800.00
Insurance		
Property	\$1,470.00	\$17,640.00
Comp. General Liability	\$615.00	\$7,380.00
Umbrella	\$400.00	\$4,800.00
Directors and Officers	\$125.00	\$1,500.00
Bond	\$125.00	\$1,500.00
SUBTOTAL	\$94,175.00	\$1,130,100.00
Other		
Reserves	\$9,871.00	\$118,452.00
TOTAL	\$104,046.00	\$1,248,552.00

Estimated Maintenance Fees

The Mary Savio Medical
Plaza at Newtown
(62 units)

Unit Number	Common Interest	Monthly Fee	Yearly Total
101	1.50%	\$1,560.69	\$18,728.28
102	1.22%	\$1,269.36	\$15,232.33
103	1.47%	\$1,529.48	\$18,353.71
104	1.26%	\$1,310.98	\$15,731.76
105	1.35%	\$1,404.62	\$16,855.45
106	1.82%	\$1,893.64	\$22,723.65
107/107A	1.34%	\$1,394.22	\$16,730.60
108A	0.92%	\$957.22	\$11,486.68
109B	0.84%	\$873.99	\$10,487.84
109/111	2.34%	\$2,434.68	\$29,216.12
110	2.61%	\$2,715.60	\$32,587.21
113/115	2.72%	\$2,830.05	\$33,960.61
114	1.20%	\$1,248.55	\$14,982.62
116	1.55%	\$1,612.71	\$19,352.56
117A	0.66%	\$686.70	\$8,240.44
117B	0.67%	\$697.11	\$8,365.30
118A	3.48%	\$3,620.80	\$43,449.61
118B	1.50%	\$1,560.69	\$18,728.28
119	1.52%	\$1,581.50	\$18,977.99
122	3.32%	\$3,454.33	\$41,451.93
202	1.61%	\$1,675.14	\$20,101.69
203	2.24%	\$2,330.63	\$27,967.56
204	1.09%	\$1,134.10	\$13,609.22
205	1.81%	\$1,883.23	\$22,598.79
206/208/210	4.08%	\$4,245.08	\$50,940.92
207/209/211	2.70%	\$2,809.24	\$33,710.90
212	1.36%	\$1,415.03	\$16,980.31
213	1.36%	\$1,415.03	\$16,980.31
214	1.35%	\$1,404.62	\$16,855.45
215	1.82%	\$1,893.64	\$22,723.65
216/218	2.69%	\$2,798.84	\$33,586.05
217A	1.87%	\$1,945.66	\$23,347.92
219B/219C	2.59%	\$2,694.79	\$32,337.50
220	1.03%	\$1,071.67	\$12,860.09
222	1.65%	\$1,716.76	\$20,601.11
223	1.81%	\$1,883.23	\$22,598.79
224	1.35%	\$1,404.62	\$16,855.45
301	1.67%	\$1,737.57	\$20,850.82
302	1.35%	\$1,404.62	\$16,855.45
303	1.03%	\$1,071.67	\$12,860.09
304	1.34%	\$1,394.22	\$16,730.60

Estimated Maintenance Fees

The Mary Savio Medical
 Plaza at Newtown
 (62 units)

Unit Number	Common Interest	Monthly Fee	Yearly Total
305	1.34%	\$1,394.22	\$16,730.60
306/306A	1.34%	\$1,394.22	\$16,730.60
307	1.34%	\$1,394.22	\$16,730.60
308	0.78%	\$811.56	\$9,738.71
309	0.85%	\$884.39	\$10,612.69
310A	1.34%	\$1,394.22	\$16,730.60
310B	0.55%	\$572.25	\$6,867.04
311	1.84%	\$1,914.45	\$22,973.36
312	0.80%	\$832.37	\$9,988.42
312A	0.55%	\$572.25	\$6,867.04
314	1.36%	\$1,415.03	\$16,980.31
315	2.71%	\$2,819.65	\$33,835.76
316	1.35%	\$1,404.62	\$16,855.45
318/320A	1.91%	\$1,987.28	\$23,847.34
319	1.34%	\$1,394.22	\$16,730.60
320/322/322A	2.13%	\$2,216.18	\$26,594.16
321	2.70%	\$2,809.24	\$33,710.90
324	1.33%	\$1,383.81	\$16,605.74
325	1.35%	\$1,404.62	\$16,855.45
S-1	1.00%	\$1,040.46	\$12,485.52
S-2	1.00%	\$1,040.46	\$12,485.52
	100.00%	\$104,046.00	\$1,248,552.00

EXHIBIT J

SUMMARY OF SALES CONTRACT

A specimen Sales Contract and Deposit Receipt ("*Contract*") has been submitted to the Real Estate Commission. The Sales Contract, among other things, covers in more detail the following items:

1. AS-IS Condition. THE UNIT IS BEING SOLD "AS IS, WHERE IS" WITH ALL FAULTS. SELLER MAKES NO WARRANTIES OR PROMISES OF ANY KIND, EXPRESS OR IMPLIED, ABOUT THE UNIT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT), OR ABOUT ANY FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE UNIT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT), INCLUDING ANY WARRANTIES OR PROMISES OF MERCHANTABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE OR PURPOSE.

2. Disclosures. Buyer specifically acknowledges and accepts certain enumerated conditions regarding the Project and various rights reserved by Seller, including on-going development and marketing of the Project stated in the Contract as well as any inconvenience or annoyance which Buyer may experience as a result of such conditions, and expressly waives any rights, claims or action which Buyer might otherwise have against Seller or third parties as a result of such circumstances. These conditions and reserved rights are more specifically set forth in the Contract.

3. Conditions for Binding Agreement. This Agreement will not become a binding Agreement upon Seller and Buyer unless and until: (i) Buyer has received for or is deemed to have received for the Developer's Public Report, which shall include the Developer's Public Report itself, the recorded Declaration and Bylaws, House Rules, Condominium Map, and all amendments (collectively, the "*Public Report*"), and a Notice of Right to Cancel Sales Contract; and (ii) Buyer has waived or is deemed to have waived Buyer's right to cancel this Agreement as more particularly provided in Section 514B-86 of the Act. Buyer may cancel this Agreement at any time up to midnight of the thirtieth (30th) day after the Public Report is delivered to Buyer. Buyer may waive Buyer's right to cancel, or shall be deemed to have waived Buyer's right to cancel, by (A) checking the waiver box on the Notice of Right to Cancel Sales Contract and delivering it to Seller, (B) letting the thirty (30) day period expire without taking any action to cancel, or (C) closing the purchase of the Unit before the cancellation period expires.

4. Seller's Lender Has Priority. Seller has entered into a loan agreement with First Hawaiian Bank, a Hawaii corporation (the "*Lender*") for the purpose of obtaining a loan to pay for the acquisition and development of the Project and related costs. The documents and other instruments evidencing, securing and otherwise relating to the Lender's loan to Seller (the "*Loan*") are herein called the "*Loan Documents*". The Loan Documents may cover Seller's

EXHIBIT J

ownership rights in the Project, including the Property to be sold to Buyer. All of the rights and interests owned by Lender under the Loan Documents, including that certain Real Property Mortgage and Financing Statement dated June 29, 2012, and recorded in the Bureau of Conveyances for the State of Hawaii as Document No. A-45630734, and filed with the Assistant Registrar with the Land Court of the State of Hawaii as Land Court Document No. T-8215448, will have priority over Buyer's rights and interests under this Agreement. This applies to any changes to the Loan or the Loan Documents (including, among other things, extensions, renewals and other changes). BUYER WAIVES AND SUBORDINATES THE PRIORITY OF BUYER'S RIGHTS AND INTERESTS UNDER THIS AGREEMENT IN FAVOR OF THE RIGHTS AND INTERESTS OF THE LENDER UNTIL THE CLOSING DATE AND DELIVERY OF A SIGNED UNIT DEED TO BUYER.

5. Buyer's Inspection and Acceptance of the Property. At reasonable hours (to be arranged by Buyer and Seller) during the Inspection Period (which ends at 5:00 p.m., Hawaii Standard Time, on the fifth (5th) day following the Acceptance Date, unless extended by Seller in Seller's sole discretion), Buyer (or Buyer's agent or representative) may inspect Buyer's Unit. Such inspection may include evaluation and testing by licensed professionals with respect to the physical and environmental conditions in the Unit and the Project, provided such inspection does not cause unreasonable interference with the use and enjoyment of the Project by the occupants or cause any property damage. Buyer gives up all rights to inspect if Buyer (or Buyer's agent or representative) does not inspect Buyer's Unit on the date and at the time set by Buyer and Seller.

6. Financing of Purchase. Any personal financial information that Buyer gives to Seller will be true and accurate. Unless Buyer is purchasing the Unit with all cash funds, BUYER AND SELLER UNDERSTAND AND AGREE THAT BUYER'S OBLIGATION TO CLOSE IS CONTINGENT UPON BUYER OBTAINING MORTGAGE FINANCING. If Buyer needs financing, Buyer must provide Seller with evidence satisfactory to Seller that Buyer has received pre-approval for a mortgage loan to finance Buyer's purchase of the Property. No later than three (3) business days after Buyer signs this Agreement (unless Seller, in Seller's sole discretion, elects to extend this period), Buyer will give Seller written proof of Buyer's ability to pay the balance of the purchase price at closing.

7. Late Charges. If any required payments are not made by Buyer when due, then, in addition to Seller's rights under the Contract, Seller may impose a late charge of one percent (1%) per month on the unpaid amount, until the unpaid amount and all late charges are paid.

8. Default by Buyer. If Buyer fails to make any payment when it is due or fails to keep any of Buyer's other promises or agreements contained in this Agreement, then Seller will have the right, at Seller's sole option to: (a) cancel the Contract by giving Buyer written notice of cancellation and keep all sums paid by Buyer under this Agreement as liquidated damages; (b) file a lawsuit for damages; (c) file a lawsuit for "specific performance" (in other words, a lawsuit to make Buyer keep all of Buyer's promises and agreements); and/or (d) take advantage of any other rights which the law allows or which Seller may have under the Contract. In the event of default by Buyer, Buyer shall pay for all costs, including Seller's reasonable attorneys' fees and the escrow cancellation fee, which are incurred because of Buyer's default.

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

10. Closing Date. The Closing Date will be set by Seller alone and may be changed at any time in Seller's sole discretion.

11. Closing Costs; Additional Sums. Buyer will pay all closing costs, including, but not limited to, escrow fees, conveyance taxes, the cost of disclosure documents, document drafting fees, notary fees and title insurance costs. Buyer will also be required to deposit with Escrow Agent a Project start-up fee for the Association of Unit Owners. This start-up fee is an initial contribution to the Association common expenses reserve. The minimum amount of the start-up fee will be equal to two (2) months of estimated assessments for the common expenses reserve. In addition, Buyer must deposit two (2) months of estimated assessments for common expenses. These amounts are separate from the purchase price and closing costs for the Unit.

12. No Assignment by Buyer. Buyer may not transfer the Contract or any of Buyer's rights or interests under the Contract for any reason.

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

EXHIBIT K

SUMMARY OF ESCROW AGREEMENT

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

1. Sales Contracts Deposited in Escrow. As and when Seller shall enter into a sales contract for the sale of a unit ("*Sales Contract*"), Seller shall deliver an executed copy of such sales contract and any amendments thereto to Escrow. Each sales contract shall contain the correct names and addresses of the purchasers, shall identify the unit number to be conveyed, shall require that all payments to be made thereunder shall be made to Escrow, and shall be accompanied by the initial deposit required thereunder.

2. Deposit of Funds by Seller. Seller shall pay over to Escrow any monies received by Seller from purchasers under sales contracts covering units in the Project, including all disbursements made on loan commitments, if any, from lending institutions to individual purchasers. Escrow shall receive and hold in escrow and disburse as herein set forth: (1) all payments received by Escrow under sales contracts made by Seller; (2) all sums received by Escrow hereunder from Seller; (3) all funds from any lending institution pursuant to a mortgage loan for the purchase of any unit by individual purchasers; and (4) all sums received by Escrow from any other source on account of this Project. In accordance with written instructions from Seller that are acceptable to Escrow, Escrow shall deposit all funds so received, within a reasonable time of their receipt by Escrow and in reasonably convenient sums, in a federally insured, interest-bearing account at any bank, savings and loan association, financial services loan company or credit union authorized to do business in the State of Hawaii.

3. Disbursement of Purchaser's Funds. No disbursements of funds held in escrow shall be made unless and until the following conditions have been fulfilled: (a) Seller shall have delivered to purchaser a true copy of the Public Report; (b) purchaser has waived any right to cancel or rescind the Sales Contract; (c) Seller shall have delivered to Escrow a legal opinion that each purchaser's Sales Contract has become effective and that: (i) the requirements of Hawaii Revised Statutes ("*HRS*") Section 514B-82 thru 514B-93 have been satisfied, (ii) all conditions contained in the Escrow Agreement that must be met prior to disbursement of purchaser funds have been satisfied, (iii) all sales contracts delivered to Escrow are binding upon purchasers, and (iv) if the Project is a conversion, that the requirements of HRS Section 521-38 have been satisfied; and (d) Seller shall have given Escrow a written waiver of any option reserved by Seller to cancel the Sales Contract.

4. Return of Purchaser's Funds. Each purchaser shall be entitled to a return of such purchaser's funds and Escrow shall pay such funds to purchaser, together with any interest which may have accrued to the credit of such purchaser, if any one of the following has occurred: (a) Seller and purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow, (b) Seller shall have notified Escrow of Seller's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller, (c) purchaser shall have notified Escrow of purchaser's exercise of purchaser's right to cancel the sales contract pursuant to HRS Section 5148-86 (30-day right to cancel); or (d) purchaser shall have notified Escrow of

EXHIBIT K

purchaser's exercise of purchaser's right to rescind the sales contract pursuant to HRS Section 5148-87, by a valid rescission signed by all purchasers of the affected unit and postmarked no later than midnight of the 30th calendar day after the date that the purchasers received the notice of rescission from Seller, in which case the purchasers shall be entitled to a prompt and full refund of any moneys paid. Upon the cancellation of any Sales Contract as specified above, Escrow shall be entitled to a cancellation fee up to a maximum of \$250, which shall be paid by the Buyer, except that no cancellation fee to Escrow shall be paid by purchaser for any rescission pursuant to HRS Section 514B-87.

5. Unclaimed Funds. Escrow shall give each purchaser entitled to a return of funds notice thereof by registered, certified or regular mail, postage prepaid, addressed to such purchaser at the purchaser's address shown on the sales contract or any address later made known in writing to Escrow by such purchaser. If such purchaser shall not have claimed such refund within 60 days, Escrow shall deposit such funds into a special account in a bank or other depository selected by Escrow, in the name of Seller, as trustee for the benefit of such purchaser. After notifying the purchaser of all such facts at the purchaser's address as described herein, Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

6. Purchaser Default. If purchaser fails to make such payment to Escrow on or before the due date thereof or if the purchaser fails to perform in any matter that is being handled by Escrow, Escrow shall promptly notify Seller of any such failure on the part of the purchaser. If Seller subsequently certifies in writing to Escrow that Seller has terminated the sales contract in accordance with the terms thereof and provides to Escrow copies of all such notices of termination sent to the purchaser, Escrow shall thereafter treat all funds of the purchaser paid on account of such purchaser's sales contract as funds of Seller and not as funds of the purchaser. Thereafter, such funds shall be free of the escrow established by this Agreement and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such funds to Seller, less any escrow cancellation fee. Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

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

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EXHIBIT L

DEVELOPER'S STATEMENTS REGARDING THE PROJECT

This Exhibit L contains summaries of the various reports and inspections in the Developer's possession concerning the Project. The following summaries are summaries only and do not contain all of the information in the referenced Attachment. As such, prospective purchasers are encouraged to obtain and carefully review copies of all the Attachments referenced in this Exhibit L.

KMC Partners LLC, a Hawaii limited liability company (the "*Developer*"), is the Developer of the Mary Savio Medical Plaza at Newtown condominium project (the "*Project*"), and makes the following disclosure statements regarding the Project, including without limitation, matters relating to hazardous materials; state of the electrical, mechanical, and structural improvements; plumbing; soil; and American's With Disabilities Act compliance. This disclosure is made as of the date the Project was created by the recordation of the Declaration of Condominium Property Regime and the Condominium Map in the Bureau of Conveyances of the State of Hawaii and filed with the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

The numerical Attachments referred to in this Exhibit L and listed in the table below are not attached but are on file with the Real Estate Commission, and are available to prospective purchasers upon written request of the Project Broker.

1. Developer. Developer is not the original developer of the Project and was not involved in (and is not responsible for) the Project's original planning or construction or any subsequent operation or maintenance of the Project preceding Developer's ownership of the Project. Developer acquired the Project "as-is" from the prior owner and intends to further develop portions of the Project by building a multi-story parking structure and new office building. These improvements are intended to be constructed within the Spatial Units (as defined in the Declaration), pursuant to the development rights granted to the Spatial Unit owner. These rights are set forth in Section 18.15 of the Declaration and further described in Exhibit C, and further described in Section 10 below.

Developer's plan for further development are subject to many risks related to real estate development including lack of funding, unanticipated costs, construction delays related to weather, materials, equipment, injuries and death, environmental risks, and regulatory requirements. Should any of these risks come to pass, Developer may be unable to pursue its development plans. As such, Developer does not warrant or represent that such further development will succeed on a timely basis or at all.

2. Use of Units. The Declaration provides that each Unit in the Project shall be occupied and used only as for healthcare related uses, including, without limitation, medical and dental offices, pharmacies, laboratories, surgical clinics, urgent care centers, physical therapy and rehab facilities, library and records storage, the sale of healthcare related products, and any use that is ancillary and supporting the foregoing permitted uses, as permitted by applicable

zoning and other applicable ordinances and laws. Subject to restrictions described in the Declaration, Unit owners in the Project shall have the absolute right to lease the same, provided that such lease covers an entire unit, is in writing and is made subject to the covenants and restrictions contained in the Declaration and in the Bylaws.

The Declaration provides that Office Unit No. 110 is designated for use as a pharmacy selling items typically sold in drug stores and pharmacies in Hawaii, including the sale of prescriptions, health and beauty products, and sundries (the "*Pharmacy Unit*"). In addition, Office Unit Nos. 116 and 119 shall be designated for use as medical laboratory facilities providing laboratory services on an outpatient basis for anatomical and clinical testing, including pathology, toxicology and microbiology testing, for the medical community (the "*Laboratory Units*"). The owners of the Pharmacy Units and Laboratory Units may change the use of their respective units, upon written consent by the Association, pursuant to the procedures set forth in the Declaration.

3. Developer's Statements Regarding the Project. Developer has provided information regarding the condition of the Property to prospective purchasers in the Developer's Statements Regarding the Project, attached to the Developer's Public Report for the Project as Exhibit L. Prospective purchasers should carefully review the Developer's Statements Regarding the Project prior to signing this Agreement as it contains information on the various reports and inspections concerning the Project. Prospective purchasers are encouraged to obtain and carefully review copies of all the Attachments referenced in Exhibit L. While the Attachments are not attached to the Developer's Public Report, the Attachments are on file with the Real Estate Commission, and are available to prospective purchasers upon written request of the Project Broker.

4. Hazardous Materials. Developer has made no independent investigation as to asbestos or other hazardous substances in the Units or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws, except for the following: Limited Fungal Investigation (Revised) conducted by ENPRO Environmental, dated June 7, 2012; Limited Asbestos Investigation and Assessment prepared by ENRPO Environmental, dated June 20, 2012; Limited Asbestos and Lead Paint Survey Report prepared by Muranaka Environmental Consultants, Inc., dated September 7, 2012. In addition, the previous owner provided Developer with that certain Phase I Environmental Site Assessment that was conducted by The Orin Group dated June 27, 2011. The foregoing reports are summarized in the Public Report and are available for review by prospective purchasers upon written request of the Project Broker. In light of the age of the Units, there may be hazardous substances in the Units or in, under or around the Project. Because of the possible presence of such substances, prospective purchasers should have his or her respective Unit inspected to determine the extent (if any) of such contamination and any necessary remedial action. Developer will not correct any defects in the Units or in the Project or anything installed or contained therein and purchasers shall expressly release Developer from any liability if any

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hazardous materials are discovered. Purchasers shall have five (5) days from the Acceptance Date to perform a risk assessment or inspection, at purchaser's option and expense, for the presence of hazardous materials in the Property.

5. Mold/Mildew. Prospective purchasers are hereby advised that tropical climates with warm temperatures, high humidity and frequent precipitation are conducive to the propagation of mold, mildew, fungus and other types of bacterial growths. Though the buildings and other improvements that are a part of the Project may be cleaned to satisfactory appearance, Developer cannot guarantee that mold, mildew, fungus and other types of bacterial growths can be completely eliminated. The buildings are old and may have had incidences of leaking and water exposure which may have resulted in the introduction of mold, mildew, fungus and other types of bacterial growths. Prospective purchasers should be aware that, as with all properties, the buildings may have hidden, enclosed and unreachable areas where growths can occur and cannot be detected and that there may in the future be mold and mildew growth in the Project if the Association and occupants of the units do not properly maintain the Project. If purchaser or any person who will visit the Property has respiratory, skin or other health ailments or conditions that can be affected by mold, mildew, fungus or other types of bacterial growths they should seek professional advice before completing this purchase. Neither the Developer nor its agents associated with the Project have the requisite knowledge to provide advice as to the presence of mold, mildew, fungus and other types of bacterial growth in the Project, or the likelihood of conditions conducive to propagation of mold, mildew, fungus and other type of bacterial growths in the Project or as to the effect the aforementioned conditions can have with respect to their health, welfare and continued enjoyment of the Property. Individuals who may be capable of providing such advice are professional home inspectors, medical professionals, scientific research professionals, certified industrial hygienists or other environmental specialists and/or others who have requisite knowledge in matters of detection and lab analysis services. Purchasers shall have five (5) days from the Acceptance Date to perform or engage a professional consultant to perform a risk assessment or inspection in the Unit and the Project, at purchaser's option and expense, for the presence of mold, mildew, fungus or other types of bacterial growths in the Unit and the Project.

6. Lead-Based or Lead-Containing Paint. Prospective purchasers are hereby notified that the Project may present exposure to lead from lead-based or lead-containing paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. Developer has provided prospective purchasers with any information on lead-based or lead-containing paint hazards from risk assessments or inspections in the Developer's possession and notified prospective purchasers of any known lead-based or lead-containing paint hazards. A risk assessment or inspection for possible lead-based or lead-containing paint hazards is recommended prior to purchase.

7. Asbestos. Prospective purchasers are hereby notified that the Project may present exposure to asbestos materials. Asbestos materials are hazardous to one's health, particularly if asbestos are released into the air and inhaled. In the past (before 1979, but possibly since) asbestos was a commonly used insulation material in heating facilities and in certain types of

floor and ceiling materials, shingles, plaster products, cement and other building materials. Each prospective purchasers shall make appropriate inquiry into the possible existence of asbestos on the Property. Structures having “popcorn” or “cottage cheese” type ceilings may contain asbestos fibers or asbestos-containing material. Such ceilings should not be disturbed because it could release asbestos fibers in the air. Any disturbance should be done only by licensed abatement contractors.

8. Condition of Property. The Property may be subject to exterior spalling and weathering, rust, earthquake, fire, floods, tsunami, erosion, high water table, dangerous underground soil conditions and similar occurrences or conditions which may alter the Property’s condition or affect its suitability for any proposed use. Developer shall have no responsibility or liability for or with respect to any such occurrence or condition. Developer has made no independent investigation as to such conditions other than: Electrical Engineer’s Report by RR Consulting, Inc., dated March 19, 2012; Mechanical Engineer’s Report by Sanford Haseyama Inc., dated March 23, 2012; Civil Engineer’s Report by Hawaii Engineering Group, Inc., dated March 23, 2012, revised April 23, 2012; Structural Engineer’s Report by Hawaii Engineering Group, Inc., dated March 23, 2012; Architect’s Report by E.Y. Aczon Architects, dated March 22, 2012; Barrier Identification Survey prepared by Paul Sheriff, Inc., dated June 2012, regarding recommendations pursuant to the Americans With Disabilities Act; and Summary of Plumbing Inspection prepared by Security Plumbing, dated June 2012.

9. Compliance with Building and Zoning Ordinances and Codes. The Project is zoned B-2, community business district, under the Honolulu Land Use Ordinance of the City and County of Honolulu. According to a letter from the City and County of Honolulu Department of Planning and Permitted, dated July 13, 2012 (the “**DPP Letter**”) the “three-story office building with 193 all-weather-surface off-street parking spaces and two loading spaces met all applicable code requirements when it was constructed in 1974, on this 124,955-square-foot B-2 Community-Business-District-zoned lot.” On December 19, 1981, a Special Management Area Permit (File No. 1981/SMA-148) was approved for an exterior canvas canopy. Except as described above, according to the DPP Letter, no variances or other permits were granted to allow deviations from any applicable codes.

10. New Buildings. There may be new buildings containing additional commercial condominium Units and/or parking stalls which may be constructed within the Spatial Units, as more particularly described in the Declaration. The Spatial Unit located on the *mauka* (mountain) side of the Project (the “**Mauka Spatial Unit**”) is intended to be used for a parking structure and may include an extension of the Office Building with additional commercial condominium Units (the “**Future Parking Structure**”), and the Spatial Unit located on the *makai* (ocean) side of the Project (the “**Makai Spatial Unit**”) is intended to be used for an extension of the Office Building with additional commercial condominium Units (the “**Future Office Building Extension**”) (the Future Parking Structure and the Future Office Building are collectively referred to as the “**New Buildings**”). In constructing the Future Office Building Extension and/or the Future Parking Structure, the Spatial Unit owners shall have the right, without limitation, (i) to change or remove any Common Element or Limited Common Element, including walls, floors, and/or ceilings necessary to make such connections and integrate the new buildings into the Office Building, (ii) to integrate utilities serving the New Buildings with the

Office Building, (iii) to install doors, stairways, elevators, remove or relocate hallways or other openings, remove or relocate walkways, driveways, and make any other changes or additions such owners determine expedient or necessary to affect such connections; (iv) to modify exterior elevations of buildings, door and window types (open versus fixed, slider versus awning or otherwise) and the location of the same, roof types and materials, and utility locations from those reflected on the Condominium Map; (v) to convert and redesignate any portion of a Spatial Unit, Limited Common Elements appurtenant to such Spatial Unit, or any portion thereof, to Common Elements of the Project; (vi) to connect and integrate the New Buildings to the Office Building in any way it deems proper to effect the orderly development of the New Buildings and the Office Building as integrated medical and/or office facility; and/or (vii) to make such improvements to the Office Buildings as may be required by governmental authority in conjunction with the development of the New Buildings. The currently proposed designs of the multi-story parking structure and new office building are attached hereto as Attachment 13. Please note that Attachment 13 shows a design that is only proposed and the actual design may change. The Developer or Spatial Unit owners have sole discretion about what to build in the Spatial Units and are not obligated to construct the improvements shown in Attachment 13 or any improvements at all within the Spatial Units.

Overview: Attachments 1 to 13 to Exhibit L

Attachments 1 to 13 in support of this Exhibit L to the Developer's Public Report have been submitted to the Real Estate Commission. Copies of the Attachments in their entirety are also on file with and are available from the Project Broker upon request. The Attachments are incorporated by reference into this Exhibit L in their entirety, and are summarized below.

The Project, Common Elements, Limited Common Elements, Units and all structures, improvements and anything else installed or contained therein are being sold in "As Is" condition "with all faults" by the Developer, without any warranties whatsoever, express or implied. Except as otherwise specifically provided in the Declaration, it shall be the responsibility of the Association and/or the Unit owners (and not the Developer) to repair, rebuild and/or remedy, any discrepancies or shortcomings in the Project that are described in Attachments 1 to 13.

PLEASE NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ ATTACHMENTS 1 TO 13 IN FULL AS THE FOLLOWING SUMMARIES ARE NOT ALL-INCLUSIVE AND DO NOT CONTAIN A COMPLETE DESCRIPTION OF ALL STATEMENTS, CONCLUSIONS AND/OR RECOMMENDATIONS IN EACH ATTACHMENT. THESE SUMMARIES ARE INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE ATTACHMENTS, AND DO NOT ALTER OR AMEND THE ATTACHMENTS IN ANY MANNER.

TABLE OF ATTACHMENTS

ATTACHMENT NO.	TITLE
ATTACHMENT 1	Reserve Study
ATTACHMENT 2	Zoning and Building Code Compliance Letter
ATTACHMENT 3	Phase I Environmental Site Assessment
ATTACHMENT 4	Limited Fungal Investigation and Fungal Remediation and Post-Remediation Evaluation
ATTACHMENT 5	Electrical Engineer's Report
ATTACHMENT 6	Mechanical Engineer's Report
ATTACHMENT 7	Civil Engineer's Report
ATTACHMENT 8	Structural Engineer's Report
ATTACHMENT 9	Architect's Report
ATTACHMENT 10	Barrier Identification Survey
ATTACHMENT 11	Plumbing Inspection Summary
ATTACHMENT 12	Asbestos Assessment
ATTACHMENT 13	Limited Asbestos and Lead Paint Survey Report
ATTACHMENT 14	Illustration of Proposed Possible Configuration of New Buildings

Attachment 1: Reserve Study

Attachment 1 is the 2012 Reserve Study for The Mary Savio Medical Plaza at Newtown dated August 13, 2012, prepared by Armstrong Consulting, Inc. (the "*Reserve Study*").

The Reserve Study contains (1) information about the physical status and repair or replacement cost of the Project's major common area components the Association is obligated to maintain (such as roadways, street lights, and common parking areas), and (2) an evaluation and analysis of the Association's financial information (such as the Association's reserve fund balance, and income and expenses). The Reserve Study determines the present condition of the various Project components and their remaining useful life and estimated replacement costs. Based on this information, the Reserve Study sets a minimum level of annual reserve fund contributions to be made by the Unit owners and evaluates whether such contributions will provide adequate funds for any significant repair or replacement of the Project's components.

According to the Reserve Study, the total current cost of the components covered by the analysis as of January 1, 2012 is \$3,084,750. The total future cost of the Project components is \$4,958,621, the bulk of which is made up of work mostly for elevator modernization mechanical systems, painting, window replacement and roofing work. The Reserve Study uses an initial reserve fund balance of \$162,000 as of January 1, 2012, which will be provided by the Developer. The analysis is also based on a 20-year period starting on January 1, 2012, with an average rate of return on invested reserve funds estimated at 1.5%, and the inflation rate estimated at 3.0% per year.

Based on these assumptions, the Reserve Study recommends an annual starting reserve contribution of \$117,000 for the year 2012 with a 3.0% annual increase throughout the time horizon of the study. The Developer's initial estimate of maintenance fees for each Unit owner set forth in Exhibit I to the Developer's Public Report, is based on the estimates provided in the Reserve Study.

Attachment 2: Zoning and Building Code Compliance Letter

Attachment 2 is a letter from the Department of Planning and Permitting of the City and County of Honolulu (“*DPP*”) dated July 13, 2012 (the “*DPP Letter*”).

The DPP Letter states that the “three-story office building with 193 all-weather-surface off-street parking spaces and two loading spaces met all applicable code requirements when it was constructed in 1974, on this 124,955-square-foot B-2 Community-Business-District-zoned lot.” The DPP Letter further provides that on December 19, 1981, a Special Management Area Permit (File No. 1981/SMA-148) was approved for an exterior canvas canopy.

Except as described above, according to the DPP Letter, no variances or other permits were granted to allow deviations from any applicable codes.

Attachment 3: Phase I Environmental Site Assessment

Attachment 3 is a Phase I Environmental Site Assessment that was conducted by The Orin Group dated June 27, 2011 ("*Phase I Report*").

The purpose of the Phase I Report was to identify the presence or absence of recognized environmental conditions on the Project land. The assessment was performed in general accordance with the scope of services outline in the American Society for Testing and Materials, Standard Practice for Environmental Site Assessments. The scope of the assessment included a review of relevant and readily available public records, visual inspection of the property and driving reconnaissance of the neighboring properties, interviews with persons who have relevant knowledge of the current and past uses of the property, and review of relevant documents and information provided by the current owners. The Orin Group also performed a cursory evaluation for suspect asbestos-containing materials, mold and lead-based paint

The assessment revealed no evidence of recognized environmental conditions in connection with the Project land. Based on the date of construction of the building, 1974, it is possible that lead-based paint exists on the property. It is also possible, based on the date of construction, that asbestos containing building materials are located on the property. National Emission Standards for Hazardous Air Pollutants regulations require sampling potential asbestos containing building materials prior to demolition or extensive renovation, regardless of the date of construction; therefore, if such activities are planned, it may be required to conduct a survey of the entire facility, or that portion slated for renovation or demolition, before initiating such destructive activities.

Based on the scope of work performed for this assessment, it is The Orin Group's professional opinion that no recognized environmental conditions have been identified in connection with the subject property that would warrant further environmental study at this time.

**Attachment 4: Limited Fungal Investigation and
Fungal Remediation and Post-Remediation Evaluation**

Attachment 4 contains a Limited Fungal Investigation that was conducted by ENPRO Environmental (“*ENRPO*”), dated June 7, 2012 (the “*Fungal Investigation*”), and a Fungal Remediation and Post-Remediation Evaluation conducted by ENPRO, dated July 13, 2012 (the “*Remediation Evaluation*”).

On May 31, 2012, ENPRO conducted a visual inspection of the interior of the two rooftop air handlers for indications of visible suspect mold growth and moisture intrusion. Visual mold growth was observed in the northeast air handler unit and southwest air handler unit. Tape lift surface samples were taken and analyzed.

The Fungal Investigation concluded that the primary source of moisture contributing to mold growth appeared to be condensate water being pulled away from the coil and settling on the nearby pipe insulation. A secondary source may be condensation on the paper labels attached to the cold bare metal of the fan ductwork.

The Fungal Investigation makes the following recommendations: (1) all sources of water intrusion should be mitigated using splashguards or by reducing the force of air flow across the coil, (2) additional spore trap air sampling within the air handler units and within the offices and ductwork connected to the air handler units to determine whether airborne mold spore concentrations are significantly elevated when compared to outdoor mold spore concentrations, and (3) insulation material and paper-backed labels exhibiting visible mold growth within the air handler units be removed, (4) cleaning the non-porous surfaces within the air-handling units.

Pursuant to the Fungal Investigation, fungal remediation activities were performed in the rooftop air conditioner units from Saturday June 30, 2012 to Tuesday July 3, 2012. The Remediation Evaluation contains details regarding the fungal remediation activities performed and recommendations regarding maintenance of the air conditioner system.

On July 2, 2012, ENPRO performed a thorough visual post-remediation evaluation of the remediated areas. The Remediation Evaluation states that, based on the visual inspection, it is ENPRO’s opinion that the remediation has been successfully completed.

Attachment 5: Electrical Engineer's Report

Attachment 5 is a report by RR Consulting, Inc., dated March 19, 2012, regarding the electrical systems at the property. The cursory inspection was limited to observations of exposed electrical devices, equipment, lighting, wiring, and compliance to the present Electrical Code.

Regarding the electrical service, the following observations were made: (1) the equipment appears to be in fair condition, (2) the yoke used to measure the unbalanced power had its insulation melted off.

Regarding the fire alarm system, the following observations were made: (1) unable to locate the duct smoke detectors, (2) duct smoke detectors were not wired into the fire alarm panel.

The report made the following recommendations: (1) replace transformer yoke as soon as possible as it represents a situation that could lead to serious injury, (2) duct smoke detectors, if not already installed, should be installed and connected to the fire alarm panel as required by National Fire Protection Association NFPA 90A (Standard for the Installation of Air-Conditioning and Ventilating Systems), (3) although not required in a commercial building, consideration should be given to installing smoke detectors in the electrical and mechanical rooms, (4) exit signs should be added to the second and third floor elevator lobbies at the stair entrances, (5) replace light fixtures at stair ways with emergency fixtures, and (6) add additional pole light to makai driveway and at least three pole fixtures to the front of the building.

The report found that the electrical system for the facility is in relatively good condition. There are several locations noted that are in violation of the National Electric Code. These include exposed wiring, missing covers and rusting. An in depth study should be conducted to identify all of these problems and there should be a development of a maintenance procedure to improve the condition of the electrical system.

Attachment 6: Mechanical Engineer's Report

Attachment 6 is a report by Sanford Haseyama Inc., dated March 23, 2012, regarding the mechanical systems at the property.

The report makes the following general observations: (1) the irrigation appears to be missing a separate backflow preventer, and (2) there is no fire sprinkler system in the building, (3) the air conditioning chillers seem to be in good condition and the condenser coils are well maintained, and (4) the roof drain seems to be adequate.

Regarding the plumbing, the following observations were made: (1) plumbing plans are available for the building and the plumbing seems to be in accordance with the Plumbing Code; (2) there is no hot water to the lavatories, and (3) bathroom plumbing fixtures were replaced with the low flow faucet and low flush valves.

The report includes the following recommendations: (1) the backflow preventer needs to have some maintenance work done to the exterior due to rusting, (2) the lavatory supply and drain needs to have a protective cover around the pipe to comply with the requirements of the Americans With Disabilities Act, (3) some of the air compressors need to have some maintenance work done to the exterior due to rusting, and (4) scuppers should be installed on the roof to prevent rain water build up if the roof drain is clogged.

Attachment 7: Civil Engineer's Report

Attachment 7 is a report by Hawaii Engineering Group, Inc., dated March 23, 2012, revised April 23, 2012, regarding the civil design of the Project pursuant to a cursory, visual-only observation of the Project site. The site visit involved a walk-through inspection of available and accessible interior and exterior components of the building site.

The report concludes that, in general, the site's civil elements are in good condition. The drainage is in good shape as no areas of severe ponding were noted and appears to be functioning as design.

It is recommended that the revised approved parking lot layout be retrieved from the Building Department or from another source to verify the parking lot layout is in conformance with approved plans. It is also recommended that the asphalt concrete parking area be resurfaced, pot holes repaired, and parking stalls should be clearly striped and labeled. All parking and signage that is missing or damaged should be replaced. The handicap vehicle standing spaces, access aisles, and curb ramps are recommended to be repaired, if necessary, to conform to the current Americans With Disabilities Act guidelines.

Attachment 8: Structural Engineer's Report

Attachment 8 is a report by Hawaii Engineering Group, Inc., dated March 23, 2012, regarding the building structures within the Project pursuant to a cursory, visual-only observation of the existing structures. The site visit involved a walk-through inspection of available and accessible interior and exterior components of the building structure.

The observations noted in the report indicate that the building is in structural good condition, noting only minor signs of deterioration, thus having no impact on the integrity of the overall structure. All damages observed and documented in this report are minor in nature and do not impact the structural integrity of the buildings.

The report makes the following recommendations: (1) all concrete spalling should be repaired with proper repair materials, (2) all CMU wall cracks should be investigated for corrosion of reinforcement and repaired with proper repair procedures and materials, and (3) repair of all corroded hand railings on the ground floor.

Attachment 9: Architect's Report

Attachment 9 is a report by E.Y. Aczon Architects, dated March 22, 2012, pursuant to a cursory visual only observation visit to observe the architectural features within the Project. The report covers that which was observed in a sampling of typical apartment and common areas, and assumes that the general observations made are pertinent to the building as a whole.

Detailed recommendations regarding units and also regarding the Project's common areas and parking areas are contained in the report. For example, specific recommendations regarding the units include the following: entry door at corridor must have 20 minutes fire resistance and label visible, electrical convenience outlets that are within 6 inches of water source must be GFI, and window air conditioning units should not be allowed because there is no condensate drains. With respect to the common areas and parking areas, the architect noted, for example, that parking stalls may not have the 22 foot clearance in front required by the zoning code, there are no loading stalls, exist signs are not lighted and are lacking in many areas, and all guardrails must be 42 inches high with a maximum 4-inch openings.

Other specific observations and items recommended for correction are listed in the report. Overall, the building has been well maintained and suits the intended use very well. As the building ages, increased maintenance and replacement costs should be expected.

Attachment 10: Barrier Identification Survey

Attachment 10 is a Barrier Identification Survey prepared by Paul Sheriff, Inc., dated June 2012, regarding recommendations pursuant to the Americans With Disabilities Act.

Detailed recommendations regarding the Project are identified in the report. For example, repairing the transition from the walkway to the parking lot to provide a smooth and level surface, relocate the stalls and access aisle or repair the curb ramp, and resurface the stalls and access aisle or relocate the accessible parking stalls and access aisle to a level area located on an accessible route to the building entrance.

Other specific observations and recommendations are listed in the survey. The obligation to remove any existing barrier is an ongoing one and depends on whether such removal is readily achievable. Over time, barrier removal that initially was not readily achievable may later be required because of changed circumstances. Where removal of all barriers is not readily achievable, a place of public accommodation is required to make its goods or services accessible through any alternative method that is readily achievable.

Attachment 11: Plumbing Inspection Summary

Attachment 11 is a Summary of Inspection prepared by Security Plumbing, dated June 2012. The inspection included a physical inspection and camera drain inspection of the common area restroom facilities and all units with restrooms.

The observations regarding the facilities contained in the summary are as follows:

Unit No:	Observations
Men's Restroom Ground Floor	Found sag in line at 7 feet, 16 feet, and also a separation at 26 feet. ADA and standard drains rusting. Urinal vacuum breaker, spud and p-trap leaking.
Women's Restroom Ground Floor	ADA drain cracked and both drains rusting.
Men's Restroom Second Floor	ADA cold water supply rusting.
Women's Restroom Second Floor	ADA hot water line rusting and standard drain rusting.
Men's Restroom Third Floor	Standard flush valve type tailpiece leaks and drain rusting. Right side of urinal spud, tail piece and p-trap leaking.
Women's Restroom Third Floor	Standard vacuum breaker and tailpiece leaks. Both drains rusting need to replace.
101/102	Found hole in pipe approximately 40 feet from women's toilet. Women's toilet not working.
103	OK
106A	Found separation in pipe approximately 15 feet from toilet.
114	Found sag in drain line 10 feet and 30 feet from toilet.
113/115	Need to replace toilet fill valve.
118	OK
205A/B	OK
223	OK
301	OK
304	OK
311	OK
320/322A	Need to replace toilet fill valve.
321	OK
325	OK

Attachment 12: Asbestos Assessment

Attachment 12 is a Limited Asbestos Investigation and Assessment prepared by ENRPO Environmental (“*ENRPO*”), dated June 20, 2012.

The purpose of the investigation was to assess the presence of identifiable suspect asbestos containing materials (“*ACM*”), and the location, condition and quantity of the ACM. The scope was limited to a site investigation of the common areas of the building and of eleven (11) vacant units, as more specifically described in the report, and does not address any other suspect ACM at the Project site.

Samples were collected from eighty-seven (87) suspect homogenous materials. Fifteen (15) of the eighty-seven (87) analyzed materials were determined to contain asbestos. The ACM consisted of interior and exterior window caulking, vinyl floor tile and mastic, carpet mastic, cove base mastic, and sink coat. The materials were all found to be in fair or good condition and were non-friable.

Based on results of the assessment, ENPRO made several recommendations including the following: (1) prepare an operations and management plan to manage the asbestos containing building materials in place and (2) prior to and during demolition and renovation, any fibrous or suspected ACM uncovered that were not analyzed should be sampled and analyzed.

Attachment 13: Limited Asbestos and Lead Paint Survey Report

Attachment 13 is a Limited Asbestos and Lead Paint Survey Report prepared by Muranaka Environmental Consultants, Inc. (“MEC”), dated September 7, 2012.

MEC was retained to conduct a limited asbestos-containing materials (“ACM”) and lead-containing paint survey as part of the renovation and construction of the multi-story parking structure and new office building. The scope was limited to the areas that may be affected by the construction which included the common areas on the interior of the building, exterior fire escape, and partial upstairs to the roof. MEC also inspected and tested building materials that were suspected of containing asbestos in flooring material on all three floors in the common area and mastic/glue behind the glass mirrors.

For the asbestos testing, samples were collected from fifty-seven (57) locations. Three (3) samples were determined to contain asbestos. The ACM consisted of black mirror mastic found on the ground floor and were determined to be non-friable. MEC’s report provided that “when asbestos containing materials are disturbed during demolition or renovation, compliance with EPA, OSHA, State of Hawaii-Department of Health, and HIOSH State of Hawaii-Department of Labor, Division of Occupational Safety and Health regulations, is required.”

For the lead paint testing, an XRF spectrum analyzer was used to screen the paints for lead in thirty-four (34) locations. Wherever MEC encountered “nondetect” levels on the XRF, a paint film sample was collected and analyzed to determine if lower concentrations below the XRF detection limit existed. Lead paint was detected in twelve (12) locations. Based on lead paint results, MEC’s report stated:

When affected surfaces are disturbed during demolition or renovation, compliance with EPA, OSHA, State of Hawaii-Department of Health, and HIOSH State of Hawaii Department of Labor, Division of Occupational Safety and Health regulations, is required. A sample of the waste will need to be collected and analyzed for toxicity characteristic procedure (TLCP), Resource Conservation and Recovery Act (RCRA) eight (8) metals. If the analytical results are below their respective EPA regulatory limits, the waste can be disposed of as general construction debris. If the analytical results are less than the regulatory limits, then the debris can be disposed of as nonhazardous waste. If the metal panels are going to be removed during the renovations, they should be recycled at a recycling facility that accepts lead.

Attachment 14: Illustration of Proposed Possible Configuration of New Buildings