



REAL ESTATE COMMISSION
 STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
 PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
 1010 Richards Street - P. O. Box 3469
 Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

THE QUEEN VICTORIA RESIDENCES
 1080 South Beretania Street
 Honolulu, Hawaii 96814

Registration No. 2181

Issued: November 30, 1990
 Expires: December 30, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of November 8, 1990, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
- SUPPLEMENTARY:** (pink) Updates information contained in the
 Prelim. Public Report dated _____
 Final Public Report dated _____
 Supp. Public Report dated _____
- And Supersedes all prior public reports
 Must be read together with _____
- This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made. A Preliminary Public Report for this Project was issued on March 14, 1990.

No prior reports have been issued by the Commission.

Changes made are as follows: While there are no material changes to the Report itself (with the exception of an update of Exhibit J), the Developer has submitted to the Commission new materials which are required for the issuance of this Final Public Report.

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Condominium Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

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

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment 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 an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely 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 buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

- 1. New Building(s) Conversion
 Both New Building(s) and Conversion
- 2. Residential Commercial
 Mixed Residential and Commercial
 Other _____
- 3. High Rise (5 stories or more) Low Rise
- 4. Single or Multiple Buildings
- 5. Apartment Description See attached Exhibit "A"

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
There are 15 different types of apartments in the project with areas ranging from 710 sq. ft. to 3339 sq. ft.				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Apartments: <u>51</u>				

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>102</u>
Guest Stalls	<u>8</u>
Unassigned Stalls	<u>0</u>
Extra Stalls Available for Purchase	<u>3</u>
Other: _____	<u>0</u>
Total Parking Stalls	<u>113</u>

7. Recreational amenities:

The project will have a recreation area consisting of a swimming pool and a whirlpool. The project will also have an entertainment room with catering kitchen, and exercise room, all located on the lobby level of the building.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: VICTORIA GROUP, LTD. Phone: 531-6984
Name (Business)
130 Merchant Street, Suite 1000
Business Address
Honolulu, Hawaii 96813

Names of officers or general partners of developers who are corporations or partnerships:

RICHARD K. M. ING, President
SHERIDAN C. F. ING, Vice President
LOUISE ZWALD, Secretary
LAURA BAKER, Treasurer

Real Estate Sales Agent: QUEEN VICTORIA PROPERTIES, LTD. Phone: 531-6984
Name (Business)
130 Merchant Street, Suite 1000
Business Address
Honolulu, Hawaii 96813

Also: Worrall-McCarter, Inc. and Dolman Associates, Inc. See Part IV for additional information on these real estate agents.

Escrow: FIRST HAWAIIAN BANK, ESCROW DEPARTMENT Phone: 525-7116
Name (Business)
165 South King Street, 8th Floor
Business Address
Honolulu, Hawaii 96813

Managing Agent: HAWAIIANA MANAGEMENT COMPANY, LTD. Phone: 528-3800
Name (Business)
1270 Ala Moana Boulevard
Business Address
Honolulu, Hawaii 96814

Attorney for Developer: DAVID A. JOHNSON, ESQ.
BRUCE S. NOBORIKAWA, ESQ.
PAUL, JOHNSON, ALSTON & HUNT
Name
Suite 1300, Pacific Tower
Business Address
1001 Bishop Street
Honolulu, Hawaii 96813

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

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

The Declaration for this condominium is:

Proposed Document No. 90-167834
 Recorded - Bureau of Conveyances - Book _____ Page _____
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyance Condo Map No. 1399
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed Document No. 90-167835
 Recorded - Bureau of Conveyances - Book _____ Page _____
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. 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.

The House Rules for this condominium are:

- Proposed Adopted
- Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	The Board of Directors has the power to <u>adopt, amend</u> or repeal the House Rules.

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

See Exhibit "B"

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple:** Individual apartments and the common elements which includes the underlying land will be in fee simple.
- Leasehold or Subleasehold:** Individual apartments and the common elements which includes the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations.

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
 Month Year.

Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners - tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations.

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
 Month Year.

Other:

For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 - Cancelled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: 1080 South Beretania Street Tax Map Key: 2-4-13:3
Honolulu, Hawaii 96814 (TMK)

[] Address [] TMK is expected to change because _____

Land Area: 36,767 [X] square feet [] acre(s) Zoning: BMX-3

Fee Owner: VICTORIA GROUP, LTD.
Name
130 Merchant Street, Suite 1000
Address
Honolulu, Hawaii 96813

Sublessor: n/a
Name
Address

C Buildings and Other Improvements:

1. [X] New Building(s) [] Conversion of Existing Building(s)
[] Both New Building(s) and Conversion

2. Buildings: 1 Floors Per Building 15 plus two
[] Exhibit _____ contains further explanations. basement floors

3. Principal Construction Material:

[X] Concrete [] Hollow Tile [] Wood
Reinforced concrete for load bearing walls, columns, beams
[X] Other and floors; gypsum boards and studs for non-load bearing
walls; wooden doors and wooden frames; metal doors and

4. Permitted Uses: metal frames; aluminum frames for glass windows. Some
load bearing and non-load bearing walls will be of concrete
block. No. of Apts. No. of Apts.

[] Commercial _____ [] Industrial _____
[X] Residential 51 [] Agricultural _____
[] Timeshare/Hotel _____ [] Recreational _____
[] Other: _____

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. ~~Restrictions for this condominium project include but are not limited to: A cat, a small bird and fish are allowed. One hand-held dog weighing no more than 40 pounds may be kept with the prior written approval of the Board of Directors, and~~
 ~~Pets if registered with the resident manager. Not more than one(1) pet, with the exception of fishes, may be kept in any apartment.~~
 ~~Number of Occupants: Not more than four (4) permanent residents for two (2) bedroom apartments, and not more than six (6) permanent residents for three (3) bedroom apartments.~~
 ~~Other: Timesharing, short term (less than 30 days) or hotel rental uses are prohibited. See Section IV for additional information.~~
 There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 51

Elevators 4 Stairways 2* Trash Chutes 2

* There is a third stairway from basement to lobby level.

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
See Exhibit "A".	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

See Exhibit "C".

Permitted Alterations to Apartments;

See Exhibit "D".

7. Parking Stalls:

Total Parking Stalls: 113

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>100</u>	<u>-0-</u>	<u>2</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>102</u>
Guest	<u>8</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>8</u>
Unassigned		<u>-0-</u>		<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	
Extra Available for Purchase	<u>3*</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>3</u>
Other:		<u>-0-</u>		<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>113</u>
Total							
Covered & Open	<u>111</u>		<u>2</u>		<u>-0-</u>		

* These stalls are shown as appurtenant to Apartment 102 in the Declaration

Each apartment will have the exclusive use of at least two parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit "E" contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities.

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: The project will have a recreation area consisting of a swimming pool and a whirlpool. The project will also have an entertainment room with catering kitchen, and exercise room, all located on the lobby level of the building.

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

N/A

b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

N/A

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>X</u>	<u> </u>	<u> </u>
Structures	<u>X</u>	<u> </u>	<u> </u>
Lot	<u>X</u>	<u> </u>	<u> </u>

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. **Common Elements, Limited Common Elements, Common Interest:**

1. **Common Elements:** Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit "F" describes the common elements.

As follows:

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which may use them are:

described in Exhibit "G"

as follows:

3. **Common Interest:** Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit "H" describes the common interests for each apartment.

As follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property.

Exhibit "I" describes the encumbrances against the title contained in the title report dated October 30, 1990 and issued by Title Guaranty of Hawaii.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage Lien	If the developer defaults after the apartment is conveyed to buyer, buyer's interest in the apartment will not be affected. If the developer defaults before the apartment is conveyed to buyer, the mortgagee may or may not decide to sell the apartment to buyer pursuant to the Sales Contract. If the mortgagee decides <u>not</u> to sell the apartment to buyer, buyer will be entitled to a refund of buyer's deposit from developer pursuant to the Sales Contract.

F. Management of the Common Elements: The Association of Apartment 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 managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

[X] not affiliated with the Developer.

[] the Developer or the Developer's affiliate.

[] self-managed by the Association of Apartment Owners.

[] other _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and 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 to each apartment.

Exhibit "J" contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

Electricity

Television Cable

Gas

Water & Sewer

Other electricity for the common areas and refuse collection, central air conditioning basic maintenance.

Not applicable NOTE: There is a separately billed user charge based upon the amount of air conditioning used by each apartment owner.

I. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. **Building and Other Improvements:** The Developer has entered into a construction contract with G.W. Murphy Construction Company, Inc., the general contractor for the Project, which contains a warranty clause in Section 12.2.2 of AIA Document A201 (1987 edition). See Part IV for the text of such contractor's warranty.

The Developer makes no warranties itself, but, if a purchaser of an apartment in the Project shall give the Developer written notice of any such condition promptly after discovery thereof, and during the unexpired term of the contractor's warranty, the Developer will forward such notice together with its written notice to the contractor to correct such condition.

2. **Appliances:** The Developer will attempt to assign to buyers the unexpired term, if any, of any manufacturer's or dealer's warranties covering any fixtures or appliances in the apartment. By such assignment, the Developer will be merely passing through to buyers any such manufacturer's or dealer's warranties, and the Developer will not be adopting any such warranties or acting as co-warrantor.

J. **Status of Construction and Estimated Completion Date:**

Construction of the Project commenced on or about July 11, 1990. It is estimated that the Project will be completed on or before December 31, 1991, assuming there are no delays.

K. **Project Phases:**

The developer has has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

L. **Sales Documents Filed With the Real Estate Commission:**

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit "K" contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated January 19, 1990

Exhibit "L" contains a summary of the pertinent provisions of the escrow contract.

Other Affidavit of Intent to Purchase a Residence Designated for Owner-Occupant and Receipt for Deposit, Reservation by Owner-Occupant, Receipt for Public Report(s) and Notice of Right to Cancel, Apartment Deed

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

A. Additional Information from Part I "People Connected with the Project".

Real Estate Agents for the Project:

Worrall-McCarter, Inc.
1030 Kapahulu Avenue
Honolulu, Hawaii 96816
Telephone: 735-2411

Dolman Associates, Inc.
210 Ward Avenue, Suite 100
Honolulu, Hawaii 96814
Telephone: 522-7100

B. Additional Information from Part III, Paragraph C.5 "Special Use Restrictions":

1. Hotel Use Prohibited. The apartments shall be occupied and used only as dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartments are provided customary hotel services on a daily basis, such as room service for food and beverages, maid service, laundry and linen or bellboy service. Except for such transient or hotel purposes the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration and the Bylaws. Any lease or rental agreement must be in writing, and the leasing of less than the whole of a residential apartment is prohibited.

2. Time-Sharing Prohibited. The apartments or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so called "vacation license", "transient vacation rentals", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a specific, discernible, fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, membership agreement, partnership or otherwise.

C. Additional Information from Part III, Paragraph I. "Construction Warranties", paragraph 1 "Building and Other Improvements":

General contractor's construction warranty:

"If, within one year after the date of Substantial Completion of the Work or designated portion thereof, or after the date for commencement of warranties established under Subparagraph 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of a written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. This period of one year shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work. This obligation under this Subparagraph 12.2.2 shall survive acceptance of the Work under the Contract and termination of the Contract. The Owner shall give such notice promptly after discovery of the condition."

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
 - a. Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report;
AND
 - b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other Apartment Deed

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 2181 filed with the Real Estate Commission on January 30, 1990.

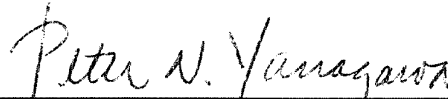
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Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.



PETER N. YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, City & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration
Escrow Agent

EXHIBIT "A"

APARTMENT DESCRIPTION

Rooms Listing. Numbers shown in the column entitled Apartment Rooms Listing correspond to the key numbers shown below which identify the rooms in each of the respective apartments. For example, Type A apartments would have in the Room Listing column the key numbers "2, 5, 7, 11, 15, 17, 19." Reference to the key numbers shows that the rooms described would be two bedrooms, foyer, two bathrooms, living-dining room, kitchen, laundry room and walk-in closet.

<u>Key No.</u>	<u>Room</u>
1	One Bedroom
2	Two Bedrooms
3	Three Bedrooms
4	Four Bedrooms
5	Foyer
6	One Bathroom
7	Two Bathrooms
8	Three Bathrooms
9	Four Bathrooms
10	Powder
11	Living-Dining Room
12	Living Room
13	Dining Room
14	Family Room
15	Kitchen
16	Breakfast Nook
17	Laundry
18	Elevator Foyer
19	Walk-in Closet

Floor Area. The floor areas of the apartment spaces are hereinafter set forth in square feet and in terms of "net living area" and "gross floor area." Net living area represents the approximate area of the space within the interior finished surfaces of the perimeter non-party walls and party walls of the apartment space. It includes the space occupied by all partitions and walls (load-bearing and nonload-bearing), all air shafts, and all plumbing, mechanical and electrical chases within such perimeter and party walls. The net living area is the area of the apartment measured in accordance with the regulations of the Real Estate Commission of the State of Hawaii.

Gross floor area represents the approximate area of the apartment space, measured not in accordance with the above-mentioned regulations, but in accordance with local

EXHIBIT "A"

architectural practice and represents the space within the exterior face of the perimeter non-party walls and the interior half of the party walls of the apartment space, and the space occupied by all partitions and walls (load-bearing and nonload-bearing), all air shafts, and all plumbing, mechanical and electrical chases within such perimeter and party walls. Gross floor areas of the apartment spaces are set forth for comparison purposes only.

ALL AREAS SET FORTH HEREINAFTER ARE APPROXIMATE ONLY. THE AREAS OF THE APARTMENT SPACES UPON COMPLETION ARE LIKELY TO VARY SOMEWHAT. EVEN APARTMENTS OF THE SAME TYPE MAY DIFFER SLIGHTLY.

<u>Apt Type</u>	<u>Apt No(s).</u>	<u>Net Living Area</u>	<u>Gross Living Area</u>	<u>Apt Rooms Listing</u>	<u>Percentage Common Interest</u>
TH 1***	101	2,438.79 1,196.68**	2,725	2, 5, 7, 10, 11, 14, 15, 17, 19	2.2556%
QV-M	102	710 276.15**	767	1, 6, 11 15, 17	.6927%
QV-D 1	104	1,895 273.00**	2,057	3, 5, 7, 10, 12, 13, 15, 17, 19	1.7808%
QV-A	301, 401, 501, 601, 701, 801, 901	1,539.79	1,678	2, 5, 7, 11, 15, 17, 19	1.5829%
QV-B	202, 302, 402, 502, 602, 702, 802, 902	1,609.26	1,753	2, 5, 7, 10, 11, 15, 17, 19	1.5829%
QV-C	203, 303, 403, 503, 603, 703, 803, 903	1,794.22	1,971	2, 5, 7, 10, 11, 15, 17, 19	1.6818%
QV-D	204, 304 404, 504, 604, 704, 804, 904	1,975.33	2,129	3, 5, 7, 10, 12, 13, 15, 17, 19	1.9786%

EXHIBIT "A"

QV-E	1001, 1101, 1201, 1401	2,283.83 208.27*	2,712	3, 5, 8, 10, 11, 15, 17, 18, 19	2.4733%
QV-F	1003, 1103, 1203, 1403	2,519.07	2,625	3, 5, 8, 10, 11, 15, 16, 17, 19	2.3744%
QV-G	1004, 1104, 1204 1404	2,239.58	2,415	3, 5, 7, 10, 12, 13, 15, 16, 17, 19	2.3744%
PH 1	PH 1	1,906.66 208.27*	2,308	3, 5, 8, 10, 11, 15, 17, 18, 19	2.3744%
PH 2	PH 2	2,297.82	2,487	3, 5, 8, 10, 11, 15, 16, 17, 19	2.3744%
PH 3	PH 3	1,881.49	2,032	2, 5, 7, 12, 13, 15, 17, 19	2.2754%
GPH 1	GPH 1	2,994.21 197.00*	3,402	4, 5, 9, 10, 11, 15, 16, 17, 18, 19	3.1658%
GPH 2	GPH 2	3,339.47 196.00*	3,751	3, 8, 10, 12, 13, 14, 15, 16, 17, 18, 19	3.1658%
					100.0000%
	* Private Elevator Foyer Net Living Area			TOTAL	
	** Private Yard Area (Limited Common Element)				
	*** TH1 is a two story apartment				

END OF EXHIBIT "A"

3280G(3)/kp

EXHIBIT "B"

RIGHTS RESERVED BY DEVELOPER

The Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

1. The right to file "as built" plans, thereby amending the Condominium Map. [Declaration, paragraph Q.1]
2. The right to amend the Declaration to assign and reassign parking stalls. [Declaration, paragraph C.3(a)]
3. The right to amend the Declaration and other Condominium Documents to comply with the requirements of any law, title insurance company, mortgage lender or government agency. [Sales Contract, paragraph 15.b.]
4. The right, prior to the time any contract for an apartment in the Project becomes a binding contract, to change the Project and to modify the Condominium Map, Declaration, Bylaws or any condominium documents, in any way or for any reason, including the right to cancel or terminate the Project. [Sales Contract, paragraph 15.a.]
5. The right to convert the elevator lobby or hallway, or portions thereof, on certain floors which are Common Elements, into Limited Common Elements in those situations where a single owner owns all of the apartments served by a single elevator lobby or hallway on that floor. [Declaration, paragraph C.2(c)]
6. The right to conduct sales activities in the Project until all apartments are sold, including the right to use one or more apartments as model apartments (regardless of whether such apartment is subject to a Sales Contract). [Declaration, paragraph E.4.]
7. The right to enter upon the Project pursuant to an easement as may be reasonably necessary for the completion of improvements or the correction of defects in the Project. [Declaration, paragraph E.5.]

END OF EXHIBIT "B"

3280G(6)/kp

EXHIBIT "C"

BOUNDARIES OF EACH APARTMENT

An apartment space will not be deemed to include the perimeter or party walls or the interior load-bearing walls or the floors and ceilings surrounding the apartment space (except in each such case for the interior decorated or finished surfaces of such perimeter or party walls, load-bearing walls, floors and ceilings), or any pipes, wires, conduits or other utility or service lines running through such apartment space which are utilized for another apartment space or serve more than one apartment space, the same being deemed common elements. Each apartment space shall be deemed to include (i) all walls and partitions which are not load bearing within its perimeter or party walls, (ii) the interior decorated or finished surfaces of all perimeter or party walls and load-bearing walls, floors and ceilings, the entry doors and door frames, including the exterior unfinished surfaces thereof and all floor coverings, (iii) all windows, window glass and frames, and (iv) all fixtures contained or installed in each apartment space. For those apartments with an elevator foyer such apartment space includes such elevator foyer, and the elevator foyer is defined as that space circumscribed by the perimeter or load-bearing walls, the floors and ceilings surrounding such elevator foyer, the entry door and door frame to the apartment, the interior unfinished surface of the metal door and door frame to the building stairway, the unfinished surface of the elevator doors, the unfinished interior surface of the wood door and door frame to the trash chute room, and the window, window glass and frame of such elevator foyer. The elevator foyer is deemed not to include the double doors immediately adjacent to the elevators, the metal door and door frame to the building stairway, the wood door and door frame to the trash chute room, and the electrical panel within the wall adjacent to the elevator.

END OF EXHIBIT "C"

3280G(7)/kp

EXHIBIT "D"

PERMITTED ALTERATIONS TO APARTMENTS

1. Non-Material Structural Additions To Common Elements. "Non-material structural additions to the common elements" as such phrase is defined in Section 514A-89, Hawaii Revised Statutes, as amended, including, without limitation, the installation of solar energy devices as defined therein shall be undertaken by the Association or any apartment owner only pursuant to the written approval thereof by the Board and a majority of the apartment owners. Upon completion of such non-material structural additions to the common elements, the Association or the apartment owner shall duly record an amendment to the Declaration, together with the approved plans showing only such non-material structural addition.

2. Alterations or Additions Solcely Within Apartment or Limited Common Element. Any alterations or additions solely within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment, or of certain apartments, shall be undertaken by the apartment owner or owners only pursuant to the written approval thereof, including the plans therefor, by the holders of mortgages affecting such apartment, the Board, and all other apartment owners thereby directly affected (as determined by the Board). Upon completion of such alterations or additions the apartment owners directly affected shall duly record and file of record an amendment to the Declaration together with the approved plans showing only such alterations or additions within an apartment space or within a limited common element as aforesaid. Such amendment to the Declaration need only be executed by the apartment owners directly affected and their mortgagees. Notwithstanding the foregoing, (i) an apartment owner(s) shall not at any time modify, alter, remove or add to the electrically controlled "smoke" doors or the metal door leading to the stairway within the elevator foyer or corridors without the express written consent of the Fire Chief of the City and County of Honolulu and the Board of Directors of the Association; (ii) an apartment owner shall not at anytime construct, alter or add anything within an area of fifteen (15) inches from either side and three (3) feet in front of the electrical panel located in the elevator foyer or corridors; and (iii) an apartment owner shall not alter or amend the area within the elevator foyer without the prior written approval of the Building Department of the City and County of Honolulu.

EXHIBIT "D"

3. Party Walls or Doors. An apartment owner owning two or more apartments, which apartments are separated only by common elements which are walls or doors, may alter or remove all or portions of such intervening walls or doors and make other alterations or additions solely within such apartments and convert such apartments into a single apartment or into two apartments with modified floor plans; provided that the structural integrity of the building or the soundness and safety of the Project shall not be thereby affected and such alteration, removal and restoration will not reduce the value of the Project or impair any easement or hereditament thereof, and the finish of the common element then remaining shall be restored to a condition substantially comparable to that common element prior to such alteration. Notwithstanding the foregoing, the walls separating Type B apartments from Type C apartments, Type E apartments from Type F apartments, PH 1 apartment from PH 2 apartment and GPH 1 apartment from GPH 2 apartment are fire rated safety walls, and may not be altered or removed without express prior written approval of the Building Department of the City and County of Honolulu. All such alterations, removal or additions, including the plans thereof which shall be prepared by a licensed architect, shall be subject only to the approval of the holders of mortgages affecting such apartments, the Board, and all other apartment owners thereby directly affected (as determined by the Board); and upon completion of such alteration, removal or addition, the apartment owners directly affected shall duly record and file of record an amendment to this Declaration, together with the approved plans showing only such alteration, removal or addition, which amendment need only be executed by the apartment owner or owners directly affected and their mortgagees. Prior to the termination of the common ownership of any such adjacent apartments, if the intervening wall shall have been altered or removed pursuant to this Section 3, and/or any entry to hallways sealed, the owner of such apartments shall be obligated to restore such intervening wall and/or hallway entries to substantially the same condition in which the same existed prior to such alteration or removal. To secure such owner's obligation to restore such intervening wall and/or hallway entries, such owner shall obtain a performance and lien payment bond, naming as obligees the Board, the Association, and the mortgagees of such apartments, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such restoration.

If the net living areas of the apartments resulting from such alteration, removal or additions (herein called the "modified apartments") shall not be the same as the net living areas of the original apartments to which such alterations, removal or additions were made (herein called the "original apartments"),

EXHIBIT "D"

then the common interests appurtenant to the original apartments shall be reallocated among the modified apartments in proportion to the ratio that the net living areas of the respective modified apartments bear to the sum of the net living areas of all of the original apartments, and such reallocation of the common interest shall be included in said amendment to this Declaration, and further, the apartment deeds for such original apartments shall be amended to reflect the aforesaid reallocation of the common interests. Notwithstanding the alterations or removals allowed by this Section 3, the total number of apartment spaces within the Project shall remain as provided in Part C, Section 1 of the Declaration for all purposes. In addition, all apartment spaces shall continue as separate apartment spaces irrespective of the alterations or removals allowed by this Section 3.

4. Window Coverings. In order that the building will have an attractive exterior appearance, a standard or consistent color as the Board may determine, will be used for all surfaces or interior drapes, curtains, mini-blinds or other window dressings visible from the exterior of the building. Apartment owners may use window coverings of any color of their choice; provided that if any color other than the standard color determined by the Board is used, a standard color lining or backing with adequate thickness shall be used to prevent the non-standard color of the window coverings from being viewed from the exterior. Until the first annual meeting of the Association and the election of the Board of Directors, Victoria Group, Ltd., the developer of the Project, shall exercise the powers of the Board provided in this provision.

5. Floor Covering. Apartment owners may use any type of floor covering for their apartments; provided that no apartment owner shall install wood or hard tile floor covering in an apartment unless the plans therefor are first submitted to and approved by the Board. Such plans for wood or hard tile floor covering shall provide for the installation of adequate soundproofing material between the concrete floor and the floor covering in order to minimize, to the extent reasonably practicable, the noise and disturbance to the apartments on the floor below. Until the first annual meeting of the Association and the election of the Board of Directors, Victoria Group, Ltd., the developer of the Project, shall exercise the powers of the Board provided in this provision.

END OF EXHIBIT "D"

3280G(8)/kp

EXHIBIT "E"

PARKING STALL ASSIGNMENT

<u>APT. NO.</u>	<u>PARKING STALL NO.</u>
101	11C, 123
102	21C, 243, 137, 146, 22
104	237, 238
202	201, 202
203	244, 245
204	239, 240
301	209, 210
302	203, 204
303	241, 242
304	213, 214
401	207, 208
402	211, 212
403	246, 247
404	135, 136
501	103, 104
502	205, 206
503	248, 249
504	254, 255
601	113, 114
602	101, 102
603	147, 148
604	235, 236
701	111, 112
702	215, 216
703	250, 251
704	233, 234
801	105, 106
802	115, 116
803	252, 253
804	149, 150
901	107, 108
902	109, 110
903	227, 228
904	153, 154
1001	221, 222
1003	231, 232
1004	151, 152
1101	217, 218
1103	132, 133

EXHIBIT "E"

<u>APT. NO.</u>	<u>PARKING STALL NO.</u>
1104	225, 226
1201	121, 122
1203	130, 131
1204	230, 229
1401	124, 125
1403	128, 129
1404	223, 224
PH 1	219, 220
PH 2	117, 118
PH 3	12, 134
GPH 1	126, 127
GPH 2	119, 120

NOTE: There are eight (8) guest parking stalls designated as follows: 138, 139, 140, 141, 142, 143, 144, 145.

NOTE: The letter "C" indicates a compact stall.

END OF EXHIBIT "E"

3280G(11)/kp

EXHIBIT "F"

COMMON ELEMENTS

The Common Elements include, but are not limited to:

1. The Land (as described in Section III, paragraph B of this public report) in fee simple;

2. All foundations, beams, floors, slabs, supports, perimeter walls, party walls, load-bearing walls, floors and ceilings (except for the decorated or finished interior surfaces of such perimeter walls, party walls, load-bearing walls, floors and ceilings within each apartment space and except as expressly provided otherwise), and roofs and stairways of the building;

3. All areas, structures or facilities of the Project, within or outside of the building, which are for common use or which serve more than one apartment space, such as electrical rooms, machine, mechanical and equipment rooms and the equipment and facilities therein, surveillance system and facilities, if any, hallways, lobbies, walkways and common ways, planters, fountains, landscaping, yards, storage areas, mail area, entertainment room, exercise room, pool, whirlpool, security office, manager's office, social and recreational areas and facilities, fences, retaining walls, refuse collection areas, driveways, parking structure and the parking stalls therein, and the guest parking stalls.

3280G(13)/kp

END OF EXHIBIT "F"

EXHIBIT "G"

LIMITED COMMON ELEMENTS

Certain of the common elements are designated as "limited common elements" and are set aside and reserved for the use of certain apartment spaces, which apartment spaces shall have appurtenant thereto an exclusive easement for the use of such limited common elements. The limited common elements so set aside and so reserved are as follows:

1. Parking Stalls. The parking stalls and the apartment space to which the same appertain are set forth in Exhibit E to this public report and made a part hereof. The Developer hereby reserves the right to designate some of said parking stalls as common elements and/or to reassign parking stalls to other apartment spaces in the Project as and when sales of apartment spaces are effected to the intent and purpose that when such reassignment of parking stalls is completed, each apartment space will have two or more parking stalls for the exclusive use of such apartment space. Subject to the limitation that each apartment space shall at all times have at least two parking stalls appurtenant to it, apartment space owners will have the right to change the assignment (but not the numbering) of parking stalls by amendment to the Declaration and the respective apartment deeds involved, such amendment to the Declaration and apartment deeds to be in writing and executed only by the owners of the apartment spaces seeking such change (and their respective mortgagees, if any) and to be effective only upon recording the same in the Bureau of Conveyances of the State of Hawaii (herein "Bureau of Conveyances").

2. Mailboxes. The mailbox assigned to an apartment space shall be limited to the use of such apartment space. Each residential apartment space shall at all times have at least one mailbox appurtenant to it.

3. Private Yard. The private yard areas as shown on the Condominium Map adjoining apartment spaces numbered 101, 102 and 104 shall be for the exclusive use of the respective apartment spaces to which such private yard areas adjoin.

EXHIBIT "G"

4. Apartment Air Conditioning System. Each of the apartment spaces will have an air conditioning system consisting of one or more fan coil units and chilled water pipelines running within the perimeter or party walls or partitions of such apartment spaces, and vents. Each such apartment air conditioning system will be a limited common element for the exclusive use of the apartment space which such air conditioning system serves. The drain lines and chilled water pipelines for the apartment air conditioning systems are not included herein as limited common elements, the same being deemed to be a part of the common elements as hereinbefore provided.

5. Other. All other common elements of the Project which are rationally related to less than all of the apartment spaces shall be limited to the use of such apartment space or apartment spaces to which the same are related.

END OF EXHIBIT "G"

3280G(14)/kp

EXHIBIT "H"

COMMON INTERESTS FOR EACH
APARTMENT AND MAINTENANCE FEE PROJECTIONS

<u>APARTMENT NO.</u>	<u>PERCENTAGE COMMON INTEREST</u>	<u>MAINTENANCE FEE PER MONTH</u>	<u>PER ANNUM</u>
101	2.25560%	\$570.00	\$6,840.00
102	.69270%	\$175.00	\$2,100.00
104	1.78080%	\$450.00	\$5,400.00
202	1.58290%	\$400.00	\$4,800.00
203	1.68180%	\$425.00	\$5,100.00
204	1.97860%	\$500.00	\$6,000.00
301	1.58290%	\$400.00	\$4,800.00
302	1.58290%	\$400.00	\$4,800.00
303	1.68180%	\$425.00	\$5,100.00
304	1.97860%	\$500.00	\$6,000.00
401	1.58290%	\$400.00	\$4,800.00
402	1.58290%	\$400.00	\$4,800.00
403	1.68180%	\$425.00	\$5,100.00
404	1.97860%	\$500.00	\$6,000.00
501	1.58290%	\$400.00	\$4,800.00
502	1.58290%	\$400.00	\$4,800.00
503	1.68180%	\$425.00	\$5,100.00
504	1.97860%	\$500.00	\$6,000.00

EXHIBIT "H"

<u>APARTMENT NO.</u>	<u>PERCENTAGE COMMON INTEREST</u>	<u>MAINTENANCE FEE</u>	
		<u>PER MONTH</u>	<u>PER ANNUM</u>
601	1.58290%	\$400.00	\$4,800.00
602	1.58290%	\$400.00	\$4,800.00
603	1.68180%	\$425.00	\$5,100.00
604	1.97860%	\$500.00	\$6,000.00
701	1.58290%	\$400.00	\$4,800.00
702	1.58290%	\$400.00	\$4,800.00
703	1.68180%	\$425.00	\$5,100.00
704	1.97860%	\$500.00	\$6,000.00
801	1.58290%	\$400.00	\$4,800.00
802	1.58290%	\$400.00	\$4,800.00
803	1.68180%	\$425.00	\$5,100.00
804	1.97860%	\$500.00	\$6,000.00
901	1.58290%	\$400.00	\$4,800.00
902	1.58290%	\$400.00	\$4,800.00
903	1.68180%	\$425.00	\$5,100.00
904	1.97860%	\$500.00	\$6,000.00
1001	2.47330%	\$625.00	\$7,500.00
1003	2.37440%	\$600.00	\$7,200.00
1004	2.37440%	\$600.00	\$7,200.00
1101	2.47330%	\$625.00	\$7,500.00
1103	2.37440%	\$600.00	\$7,200.00

EXHIBIT "H"

<u>APARTMENT NO.</u>	<u>PERCENTAGE COMMON INTEREST</u>	<u>MAINTENANCE FEE</u>	
		<u>PER MONTH</u>	<u>PER ANNUM</u>
1104	2.37440%	\$600.00	\$7,200.00
1201	2.47330%	\$625.00	\$7,500.00
1203	2.37440%	\$600.00	\$7,200.00
1204	2.37440%	\$600.00	\$7,200.00
1401	2.47330%	\$625.00	\$7,500.00
1403	2.37440%	\$600.00	\$7,200.00
1404	2.37440%	\$600.00	\$7,200.00
PH 1	2.37440%	\$600.00	\$7,200.00
PH 2	2.37440%	\$600.00	\$7,200.00
PH 3	2.27540%	\$575.00	\$6,900.00
GPH 1	3.16580%	\$800.00	\$9,600.00
GPH 2	3.16580%	\$800.00	\$9,600.00

TOTAL = 100%

END OF EXHIBIT "H"

3280G(16)/kp

EXHIBIT "I"

ENCUMBRANCES AGAINST TITLE

1. The property is subject to real property assessments by the City and County of Honolulu. As of October 30, 1990 no real property taxes were due and owing. An updated title report, showing any real property taxes due, will be prepared at the time of closing the sale of each Apartment.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. REAL PROPERTY MORTGAGE AND FINANCING STATEMENT

MORTGAGOR: VICTORIA GROUP, LTD., a Hawaii corporation
MORTGAGEE: FIRST HAWAIIAN BANK, a Hawaii corporation
DATED: July 5, 1990
RECORDED: Document No. 90-101624
AMOUNT: \$31,000,000.00

Said above mortgage was amended by instrument dated August 21, 1990 recorded in the Bureau of Conveyances as Document No. 90-127924.

4. Encroachment of mortar topping along the northeasterly boundary as shown on sketch prepared by Richard K. Kawasaki, Registered Professional Land Surveyor, with Sam O. Hirota, Inc., dated August 1, 1990.
5. SECOND MORTGAGE

MORTGAGOR: VICTORIA GROUP, LTD., a Hawaii corporation
MORTGAGEE: SHERIDAN ING PARTNERS HAWAII, a Hawaii limited partnership
DATED: August 21, 1990
RECORDED: Document No. 90-127926
AMOUNT: \$2,000,000.00

By SUBORDINATION AGREEMENT dated August 21, 1990, recorded as Document No. 90-127927, said above mortgage was subordinated to the lien of that certain Mortgage recorded as Document No. 90-101624.

EXHIBIT "I"

6. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Condominium Property Regime of The Queen Victoria Residences, dated October 18, 1990, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-167834, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1399).
7. By-Laws of the Association of Apartment Owners of the Condominium Project known as "THE QUEEN VICTORIA RESIDENCES" dated October 18, 1990, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 90-167835, as the same may hereafter be amended.
8. The terms and conditions contained in that certain instrument entitled DECLARATION OF RESTRICTIVE COVENANTS (PRIVATE PARK), dated August 8, 1990, recorded as Document No. 90-167836, by Victoria Group, Ltd., a Hawaii corporation, "Declarant".
9. Condominium Map No. 1399.

END OF EXHIBIT "I"

EXHIBIT "J"

SCHEDULE OF ESTIMATED MAINTENANCE FEES
AND
MAINTENANCE FEE DISBURSEMENTS

OPERATING BUDGET

		Monthly Expenses
1.	<u>Electricity</u> (Common Area Only)	\$ 1,750.00
	Based upon sub-metering of residential apartments. Estimated monthly consumption (common elements) 25,000 KWH	
	Cost per KWH* x <u>\$.07</u>	
	\$1,750.00	
	(Note: Resident's electric consumption for lighting, fan coil, kitchen appliances, etc. is on individual meter.)	
	(* .065 cost trended schedule J Master Meter from Power company - sub meters within building)	
2.	<u>Television Cable</u>	
	(With one for one installation, cable installed by Oceanic Co. gratis, and, owners are billed on individual basis)	\$ -0-
3.	<u>Water</u>	\$ 550.00
	Estimated monthly consumption 430 mgals	
	*Cost per 1,000 gallons <u>\$ 1.28</u>	
	\$550.00	
	(*Cost trended 5%)	
4.	<u>Sewer</u>	\$ 637.00
	\$8.82* x 52 = \$459.00 plus	
	\$.57/1,000 gallons x 52 x 6,000 = \$178.00	
	(*Cost trended 5%)	
5.	<u>Telephone</u>	\$ 84.00
	Resident Manager Office \$ 42.00	
	Security <u>\$ 42.00</u>	
	\$ 84.00	

EXHIBIT "J"

6. Air Conditioning/Mechanical \$ 800.00
- First year equipment is under warranty;
therefore, repairs are made at no charge.
But warranty requires on-going maintenance.
- Chillers/equipment maintenance \$400.00
Water treatment \$200.00
(In unit) fan coil maintenance
(semi-annual \$1,200 ÷ 6) = \$200.00
7. Cleaning Service \$ 380.00
- Quarterly Cleaning Exterior Glass (600 ÷ 3 = \$200.00)
Annual Cleaning Trash Chutes (2 x 120 ÷ 12 = \$20.00)
Carpet Cleaning/Semi-Annual (480 ÷ 6 = \$80.00)
Garage Cleaning = \$80.00
8. Janitorial Service \$ 1,132.00
- Labor \$1,032.00
Supplies \$ 100.00
\$1,132.00
9. Communications \$ 303.00
- Elevator Phones (4 @ 48) = \$168.00
Security System Cameras/Screens = \$ 50.00
Enter Phone Jack = \$ 45.00
Pagers (3) = \$ 40.00
\$303.00
10. Electrical \$ 50.00
- Miscellaneous Repair.
11. Lighting \$ 50.00
- Bulb Replacement.
12. Elevators \$ 1,620.00
- 4 Cars to be geared elevators (T.3)
(350 feet per minute, 2500 # Capacity)
Although 1991 maintenance is partially
under warranty, budget for full year to
build reserve in this item.

EXHIBIT "J"

13.	<u>Grounds</u>	\$	80.00
	Estimated cost for chemicals, sprinkler parts, periodic tree trimming.		
14.	<u>Plumbing</u>	\$	50.00
	Plumbing repairs and periodic drain cleaning.		
15.	<u>Pool</u>	\$	200.00
	Pool chemicals for pool, jaccuzzi, fountains.		
16.	<u>Miscellaneous Repairs & Purchases</u>	\$	200.00
	Routine consummables and miscellaneous expense.		
17.	<u>Painting</u>	\$	50.00
	Touch up work as preventative maintenance.		
18.	<u>Pest Control</u>	\$	193.00
	Quarterly common area pest control = \$100.00		
	Quarterly in-unit service 48 x 10 = \$480.00		
			<u>\$580.00</u>
	580/3 = \$193.00 monthly		
19.	<u>Security Service</u>	\$	6,480.00
	(one guard, 24 hours daily x \$9.00 = 216 x 30 = \$6,480)		
20.	<u>Landscape Service</u>	\$	900.00
21.	<u>Pump and Ventilation</u>	\$	150.00
	Monthly maintenance of roof fans, hi-rise pumps, sump pumps, and various mechanical equipment.		
22.	<u>Refuse</u>	\$	753.00
	Service contract (6 per week)		
23.	<u>Maintenance Service</u>	\$	1,032.00
	One multi skilled mechanic @ \$12/hour (Building Maintenance) 12 x 20 x 4.3		

EXHIBIT "J"

24.	<u>Management Service</u>	\$	1,000.00
25.	<u>Payroll - Manager</u>	\$	2,100.00
26.	<u>Payroll Taxes</u>	\$	193.00
	Total Payroll:		\$2,100.00
	FICA	7.51%	
	FUTA	.8%	
	SUI*	.9%	
	(*Value of lodging included: \$1,000.00)		
27.	<u>Payroll - Insurance</u>	\$	281.00
	Workers' compensation @ \$7.40 per \$100 wages = \$155.00		
	TDI @ \$.46 per \$100 wages = \$10.00		
	HMSA @ 1 x \$116.00* = \$116.00		
	(*Cost trend current \$101.00 x 15%)		
28.	<u>Insurance</u>	\$	1,402.00
	Fire (building value only)	\$15 mm	
	Liability	\$ 1 mm	
	Umbrella	\$ 1 mm	
	D & O	\$ 1 mm	
29.	<u>Legal</u>	\$	50.00
30.	<u>Audit</u>	\$	50.00
	Annual Expense (in April) \$600 ÷ 12)		
31.	<u>Apartment Rental - (Resident Manager)</u>	\$	820.00
	Includes:		
	Utilities	- \$ 100.00	
	Rent	- \$ 500.00	
	R.P.T	- \$ 50.00	
	M/F	- \$ 170.00	
32.	<u>Miscellaneous Expenses</u>	\$	70.00
	Secretarial fees, Board of Directors' meetings, annual meeting expenses, and other miscellaneous.		

EXHIBIT "J"

33.	<u>Office Supplies/Admin.</u>	\$	80.00
	Postage, xerox, printing, office equipment, maintenance, supplies.		
34.	<u>Uninsured Expense</u>	\$	50.00
35.	<u>Taxes - Gross Income</u>	\$	50.00
36.	<u>Taxes - Other</u>	\$	100.00
	Estimated Federal income tax Liability		
37.	<u>Reserves</u>	\$	1,580.00
			<hr/>
	Total Operating Expenses:	\$	25,270.00 (monthly)
	Total Annual Expenses:	\$	303,240.00 (yearly)

EXHIBIT "J"

QUEEN VICTORIA CONDOMINIUM
LONG RANGE FINANCIAL PLAN (PRELIMINARY)

ITEMS	TODAY'S PROJECT COST	EFFECTIVE LIFE	ANNUAL CNTRB SINKING FUND
ROOFING	30,000	15 YEARS	2,000
PAINTING	40,000	8 YEARS	5,000
POOL (REPLASTER)	10,000	10 YEARS	1,000
MECHANICAL EQUIP.	25,000	10 YEARS	2,500
CARPETS	24,000	8 YEARS	3,000
EMERGENCY RESERVE	4,000	1 YEAR	4,960
PAVING/SEALING	5,000	10 YEARS	500

			18,960
			or \$1580 MONTHLY

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

It is hereby certified that the foregoing estimate of the Monthly Common Expense and the Estimate of Initial Maintenance Fees set forth in Exhibit "H" to this Final Condominium Public Report of The Queen Victoria Residences have been based on generally accepted accounting principles.

VICTORIA GROUP, LTD.,
a Hawaii corporation

By: Ree KJ
Its PRESIDENT

Dated: 11/7/90

NOTE: Maintenance fees on a monthly and annual basis per apartment are shown on Exhibit "H".

EXHIBIT "K"

SUMMARY OF THE RESERVATION AGREEMENT,
SALES CONTRACT AND RECEIPT ("SALES CONTRACT")

The unexecuted Sales Contract, filed with the Commission, provides for, among other things, a description of the apartment to be sold, the purchase price, the time, manner and place of payment, the Purchaser's obligations regarding mortgage financing, Developer's warranties and disclaimers regarding the construction, fixtures and appliances, and the remedies of Developer and of Purchaser in the event of a default under the Contract.

Among other provisions, the specimen Sales Contract provides:

1. That said Sales Contract is only a reservation agreement until (i) a true copy of the Final Public Report (with all then issued Supplementary Public Reports, if any) is delivered to the Purchaser, the Purchaser has an opportunity to read the report(s) and executes and gives the Developer a receipt/notice for the report(s) waiving Purchaser's right to cancel, provided that if Purchaser does not execute and return the receipt/notice within thirty (30) days from the date of delivery of the report(s) and receipt/notice, or if Purchaser's apartment is conveyed to Purchaser prior to the expiration of said thirty (30) day period, then Purchaser shall be deemed to have receipted for the report(s) and waived his right to cancel, and if (and only if) there is a material change affecting (i) Purchaser's apartment or appurtenant limited common elements, or (ii) amenities of the Project available for Purchaser's use, and Purchaser executes and returns to Developer the written approval or acceptance of material change, provided that if Purchaser does not execute and return such written approval or acceptance of material change within thirty (30) days of delivery of such written approval or acceptance, or if Purchaser's apartment is conveyed to Purchaser prior to the expiration of said thirty (30) day period, then Purchaser shall be deemed to have accepted and approved such material change. Until the Sales Contract becomes binding and effective as described above, and in accordance with Chapter 514A, Hawaii Revised Statutes, the Sales Contract may be unconditionally cancelled at any time by either the Developer or the Purchaser.

EXHIBIT "K"

Upon such cancellation, Developer shall direct Escrow Agent to refund to Purchaser, with interest (if any), a full refund of all deposits paid, less any escrow cancellation fee and other costs associated with the purchase of Purchaser's apartment. So long as the cancellation occurs prior to the time the Sales Contract becomes a binding contract, the escrow cancellation fee and other costs will not exceed a maximum of \$250.00.

2. The Sales Contract allows the Purchaser to assign Purchaser's rights under the Sales Contract, subject to Seller's prior written consent which shall not be unreasonably withheld. Notwithstanding the assignment of the Sales Contract, and Seller's prior written consent, Purchaser shall remain primarily liable to perform the Sales Contract, and no assignment shall release Purchaser of Purchaser's obligations or alter the primary liability of Purchaser to pay the total sale price and other payments required, and to perform all other obligations to be performed by Purchaser, including but not limited to purchase of the Residence on the date of final closing. A specific condition of the Seller's consent, if Purchaser shall utilize mortgage financing for the purchase of the Residence, shall be that Purchaser have applied for mortgage financing, have obtained a mortgage loan commitment, have such mortgage loan commitment approved by Seller, and maintain the effectiveness of such mortgage loan commitment, irrespective of the assignment of the Sales Contract, until the date of final closing. The primary liability of Purchaser shall be released only upon the date of final closing.

3. Developer has made no representations and has not authorized any representations to be made by any sales agent concerning any services or arrangements relating to the rental or sale or management of the Purchaser's apartment.

4. Interest is payable on Purchasers' deposits except as follows: no interest on any deposits held less than sixty (60) days; and no interest where the Purchaser's deposit is retained by Developer based upon Purchaser's default under the Sales Contract. The rate of interest paid to Purchaser shall be as determined by First Hawaiian Bank for its Maximizer Account. Developer may by an Addendum to the Sales Contract provide that a percentage of the interest to accrue on Purchasers' deposits (as determined by Developer in its sole discretion) shall be payable to Purchaser, or may provide that a specified portion of Purchasers' deposits (as determined by Developer in its sole discretion) shall accrue interest for the benefit of Purchaser, or may provide that interest shall accrue until funds are disbursed by Escrow pursuant to the Escrow Agreement.

EXHIBIT "K"

5. Prior to the time the Sales Contract becomes binding, the Developer has the right to increase the purchase price, provided that in order to exercise this right Developer must mail or deliver a notice of the price increase not later than the time of mailing or delivery of the Final Public Report.

6. In the event of the enactment of new laws or other events beyond Developer's control which occur after the Sales Contract becomes binding, Developer will have the option to cancel the Project or increase the price of apartments (in which case the Purchaser will have thirty (30) days to agree to the price increase or rescind the contract).

7. The Sales Contract is subject to the provisions of the Declaration, Bylaws, and other condominium documents.

8. The purchase of an apartment in the Project is subject to ongoing sales and construction activity by the Developer with respect to completing the sales of the Project and construction of the apartments, which may result in noise, dust and other annoyance.

9. The Sales Contract (and also the Escrow Agreement) provides that Purchaser's deposits may be used (along with Developer's funds and any construction lender's funds) to finance the construction of the Project. However, no Purchaser's funds may be disbursed from Escrow to finance construction prior to the time the Sales Contract becomes effective (see paragraph 1, above for a discussion of when the Sales Contract becomes effective). Purchasers shall look solely to the Developer for refunds of Purchaser's deposits used to finance the construction of the Project.

10. Purchaser shall pay for all closing costs, including but not limited to the cost of drafting the Apartment Deed, the State of Hawaii Conveyance Tax, all recording fees, all escrow fees, the acknowledgments of signatures on all documents, the cost of credit reports, the drafting of Purchaser's mortgage, mortgage insurance premiums (if any), financing and other fees in connection with Purchaser's mortgage and title insurance.

11. The Purchaser agrees to inspect the Purchaser's apartment at such time set by the Developer or the Contractor, and after such inspection to sign a sheet listing all the defects. If Purchaser fails to make such inspection, Purchaser waives his right to inspect and his rights to the Developer's assistance with any contractor or other persons. Inspection of the apartment is not a requisite for closing to take place, and Purchaser agrees to

EXHIBIT "K"

close the sale of his apartment and accept possession even if there are defects, as long as the apartment is livable. Further, even if construction of certain parts of the common areas of the Project may still be going on, so long as a temporary or permanent certificate of occupancy is issued covering Purchaser's apartment, Purchaser will be required to closed.

12. Developer has obtained a mortgage loan from First Hawaiian Bank to finance the cost of the development and construction of the project. First Hawaiian Bank may loan an aggregate of approximately \$31,000,000 at a floating interest rate of one percent over the prime rate charged by First Hawaiian Bank from time to time, and for a term expiring January, 1992, which may be extended from time to time, but not past July, 1992. The Purchaser agrees that his rights under the Sales Contract is subordinated to such mortgage from First Hawaiian Bank. This does not mean that the Purchaser is or will be in any way responsible for the payment of such loan. It merely means that if the Developer defaults under the construction loan mortgage before the apartment is conveyed to the Purchaser (i.e., before final closing of the Sales Contract) and the mortgagee forecloses the mortgage, the Sales Contract which the Purchaser has signed for the purchase of an apartment may or may not be honored by the mortgagee. If the Developer defaults after the apartment is conveyed to the Purchaser (i.e., after final closing of the Sales Contract), Purchaser's interest in the apartment will not be affected at all.

13. The Purchaser is advised that the Developer intends to pre-close Sales Contracts by having all documents and funds necessary for final closing signed and deposited with Escrow prior to the date set for final closing and the Purchaser agrees to sign all necessary documents, including escrow instructions, and deposit all monies (except proceeds from Purchaser's first mortgage loan) required for final closing. If Purchaser does not sign all documents and deposit the necessary monies in escrow as aforesaid within five (5) days from the date of the notice to pre-close, the Developer will have the option to (i) assess the Purchaser for all costs and damages arising out of such delays; or (ii) cancel the Sales Contract; or (iii) constitute such failure as a default of the Sales Contract and exercise its remedies pursuant to paragraph 27 of the Sales Contract.

IT IS INCUMBENT ON THE PURCHASER THAT HE READ THE FULL TEXT OF THE SALES CONTRACT.

END OF EXHIBIT "K"

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EXHIBIT "L"

SUMMARY OF EXECUTED ESCROW AGREEMENT

A copy of the executed Escrow Agreement dated January 19, 1990 between First Hawaiian Bank, a Hawaii corporation, as Escrow Agent, and Developer has been filed with the Commission. The Escrow Agreement provides for the deposit of Purchaser's funds pursuant to the Sales Contract and also provides for the retention or disbursement of the funds. The Escrow Agreement provides in part that any interest earned on money on deposit shall be paid to the parties in accordance with the terms of the Sales Contract. In the event that the Sales Contract or Hawaii Revised Statutes Chapter 514A entitle a Purchaser to a refund of Purchaser's deposits held by the Escrow Agent, then Escrow Agent, upon instruction from Developer, will refund Purchaser's deposits, together with such interest as is provided under the Sales Contract, less certain cancellation fees and costs (e.g., escrow cancellation fees, loan processing fees, cost of credit reports, etc.) as provided in the Sales Contract and Chapter 514A, Hawaii Revised Statutes, as amended.

By law the total amount of such cancellation fees shall not exceed TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$250.00) so long as the cancellation occurs prior to the time the Sales Contract becomes effective (following issuance of the Final Public Report). Under the Escrow Agreement no disbursement of funds can be made to the Developer until the Sales Contract becomes effective under the provisions of Chapter 514A, Hawaii Revised Statutes.

It is incumbent upon a prospective Purchaser to read the executed Escrow Agreement with care.

END OF EXHIBIT "L"

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EXHIBIT "M"

MISCELLANEOUS MATTERS; ARBITRATION OF DISPUTES

Developer makes the following disclaimers regarding the Project. The fact that Developer is making the following disclaimers does not relieve the Purchaser of his obligation to investigate the Project and the Project documents and to determine whether the Project is suitable for the Purchaser:

a. Air Conditioning. Individual consoles for the central air conditioning for each individual apartment are not equipped with "on/off" switches activated by the opening of exterior doors or windows. If the exterior doors (ground floor apartments) or windows of the apartment are left open and the air conditioning is at the same time allowed to run continuously, condensation is likely to form on the consoles and/or air ducts with the probable result of staining, corrosion or other damage. Such damage is chargeable under the Condominium Documents to the individual apartment owner. It is the owner's responsibility to change the filters and clean the coils of the air conditioning unit; failure to do so may result in a loss in efficiency and an increase in operating cost to Purchaser.

b. Water Leakage from Washer Hoses and Sprinkler System. Water leakage from the rubber hoses leading to the washer will occur if such hoses fail due to age or continual pressure because water valves are left open after use. Accordingly, each apartment owner should shut off the water valves leading to the washer during the time such appliance is not in use and should arrange to have hoses replaced periodically. Sprinkler systems will be installed in the Project as required by governmental codes and ordinances. Accidental heating or touching of the sprinkler heads or malfunctioning of the system may cause activation of the system resulting in water damage which would not have occurred but for the inclusion of the system as required by law.

c. Emergency Generator. An emergency generator is provided for the Project, the operation of which for emergency and monthly testing causes noise and vibration.

d. Cracks in Concrete. It is in the nature of concrete to develop hairline cracks, which must be accepted as a normal characteristic of the material.

EXHIBIT "M"

e. Private Park. The Project is subject to a private park declaration which requires that a portion of the Project at street level and certain facilities be constructed and landscaped for use only by owners, occupants and lessees of the Project. These areas include the pool deck, swimming pool and the whirlpool.

f. Public Open Space. A portion of the Project located at the Diamond Head end, street level, constitutes public space as defined and required by the Land Use Ordinance of the City and County of Honolulu, and enforced by the Department of Land Utilization. Such public open space must be accessible to the public at all times.

g. Telephone and Television Wiring. Wiring is provided to telephone jacks and television jacks in the living/dining room and master bedroom; pulling of wiring to other locations in the apartment is the responsibility of the Purchaser. Different types of apartments may have additional locations for telephone and/or television jacks.

h. Caution to Parents with Young Children. Parents are cautioned that the play of children in the Project must be supervised at all times. In addition to the risks normally associated with a high rise building, the Project may contain foliage containing sharp spines or foliage that is poisonous when ingested.

i. Security System. The Project is to be provided with a professionally designed security system which is intended to discourage access to the Project by unauthorized persons without undue inconvenience to authorized residents and guests. Despite the security system, unauthorized persons and intruders may gain access to the Project with possible result of annoyance, personal injury or property loss.

j. Separate Air Conditioning Charge. In addition to separate utility charges for electricity, telephone and cable television, Purchaser will be responsible for a separate air conditioning charge, based upon the amount of usage of chilled water drawn through the Purchaser's individual air conditioning consoles. This separate air conditioning charge is distinct from the central air conditioning expense which is for the general maintenance and operation of the central air conditioning system and which is a part of the common expense shown in the Public Reports and disclosure abstracts (if any). Because the degree and

EXHIBIT "M"

manner of usage and maintenance of the system by individual Purchasers may vary significantly, Seller makes no warranty or representation as to the amount of the Purchaser's individual air conditioning charge or that there will be uniformity of the charge among either the different parts of the Project or different Purchasers.

k. Storage Closets. An apartment owner has the right, but is not required to, construct within one of the storage rooms on either of the two basement levels of the Project as shown on the Condominium Map, a storage closet for his exclusive use and benefit. The construction of such storage closet shall be in accordance with plans approved by the Board.

l. Thermal Insulation (16 CFR Part 460). The plans and specifications for the Project do not call for the incorporation of thermal insulation materials in the structure.

Under the Sales Contract Purchaser will be required to agree to accept the foregoing and other conditions as well as any inconvenience or annoyance which Purchaser may suffer as a result of such conditions and Purchaser will be required in the Sales Contract to expressly waive any rights, claims or actions which Purchaser might otherwise have against Developer as a result of such conditions.

All disputes by or between Developer and any Purchaser or the Association as to any matters concerning the Project, must be submitted to binding arbitration pursuant to American Arbitration rules of arbitration in the City and County of Honolulu, State of Hawaii.

END OF EXHIBIT "M"

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