

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer Waldron Ventures
Address 1141 Waimanu Street, No. 290, Honolulu, HI 96814

Project Name(*): 1133 Waimanu
Address: 1133 Waimanu Street, Honolulu, HI 96814

Registration No. 3335

Effective date: October 5, 1995

Expiration date: November 5, 1996

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

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

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

___ PRELIMINARY: 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 by the developer when complete information is filed.
(yellow)

XX FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
[] No prior reports have been issued.
[X] This report supersedes all prior public reports.
[] This report must be read together with _____

___ SUPPLEMENTARY: This report updates information contained in the:
(pink)
[] Preliminary Public Report dated: _____
[] Final Public Report dated: _____
[] Supplementary Public Report dated: _____

And [] Supersedes all prior public reports.
[] Must be read together with _____
[] This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report 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.

No prior reports have been issued by the developer.

Changes made are as follows:

1. At § II of this Report, the Condominium Declaration, Bylaws and Map now filed with Land Court.
2. At § II.E.1, the percentage of common interest required to vote to amend the bylaws has been changed from 67% to 65%
3. At § III.B, resubdivision of underlying land has now been ordered by Land Court.
4. At § III.B, the latest date developer intends to exercise its option to purchase the fee simple interest has been changed from December 31, 1995 to the date of the first apartment conveyance in the Project.
5. At § III.C.2, description of buildings, Exhibit B, Section 1, second ¶, 10th line was changed by replacing the words "a storage room" with "an electrical room".
6. At § III.C.5, clarification that occupancy limits are required by the Hawaii Community Development Authority.
7. At § III.C.6, changes in Exhibit C: lanai areas for apartment 104, 106, 108, 110 were all changed to 120 sq. ft. and the total area for the same units were changed to 769, 667, 677 and 772 respectively.
8. At § III.C.6, Exhibit D has minor grammatical changes.
9. At § III.C.7, the four compact guest parking stalls previously reported as covered shall be open, and the parking stall assignments in Exhibit C have been corrected as follows: stall no. 261 is appurtenant to Apt. no. 606; stall no. 262 is appurtenant to Apt. no. 607.
10. At § III.D.1, Exhibit E has minor grammatical changes and the clarification in ¶ 2 that the accessory use area appurtenant to Manager's apartment is an accessory use/office area.
11. At § III.E, the Preliminary Title Report is now dated August 22, 1995 and revised September 18, 1995. Encumbrances listed in Exhibit F reflect the new report.
12. At § III.G, the estimated completion date has been changed from July 31, 1996 to June 30, 1996.
13. At § V.C.1, changes have been made in Exhibit L as required by HCDA to clarify the deed restrictions, for an explanation of changes, see Exhibit L.1.
14. At § V.C.3, this section has been added pursuant to a negotiated Cable TV easement agreement with Oceanic Cable.

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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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. 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 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 owners/tenants) 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 at the lessee's expense. 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.

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 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 project's 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.

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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Waldron Ventures Phone: (808) 592-0440
Name (Business)
1141 Waimanu Street, No. 290
Business Address
Honolulu, Hawaii 96814

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

<u>C.J.K., INC.,</u>	<u>Marshall Affordables, Inc.,</u>
<u>General Partner</u>	<u>General Partner</u>
<u>Michael M. Kimura, President</u>	<u>Marshall W. Hung, President,</u>
<u>Carol J. Kimura, Vice President,</u>	<u>Secretary and Treasurer</u>
<u>Secretary and Treasurer</u>	<u>Robert A.H. Hung, Vice President</u>

Real Estate Broker: McCormack Real Estate, Inc., d/b/a
Coldwell Banker McCormack Real Estate Phone: (808) 539-9600
Name (Business)
841 Bishop Street, PH 2301
Business Address
Honolulu, Hawaii 96813

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)
235 Queen Street, First Floor
Business Address
Honolulu, Hawaii 96813

General Contractor: Hawaiian Dredging Construction Company Phone: (808) 735-3211
Name (Business)
614 Kapahulu Avenue
Business Address
Honolulu, Hawaii 96815

Condominium Managing Agent: City Properties, Inc. Phone: (808) 524-1455
Name (Business)
1520 Liliha Street, Suite 706
Business Address
Honolulu, Hawaii 96817

Attorney for Developer: Chun, Kerr, Dodd, Beaman & Wong Phone: (808) 528-8200
Name (Business)
745 Fort Street, 9th Floor
Business Address
Honolulu, Hawaii 96813
Attn: Andrew R. Bunn, Esq.

**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. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

- 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
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2259415

The Declaration referred to above has been amended by the following instruments [state name of document, date 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 Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. 1103

The Condominium Map has been amended by the following instruments [state name of document, date 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 manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2259416

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

D. House Rules. The Board of Directors may adopt 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.

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	---	<u>majority</u> of Board of Directors

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/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 regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled 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 canceled or foreclosed.
- Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

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 at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 1133 Waimanu Street Tax Map Key: (1) 2-3-04: Por. 25
Honolulu, Hawaii 96814 (TMK)

[] Address [] TMK is expected to change because current TMK represents larger parcel which has recently been consolidated and resubdivided. City & County consolidation and resubdivision approval was granted February 2, 1995. Land Court Order #121131 granted petition to consolidate and resubdivide filed on July 11, 1995.

Land Area: 80,000 [X] square feet [] acre(s) Zoning: MUZ-R
(mixed-use zone residential)

Lessor

(Fee Owner): Waimanu Investment Venture

Name
745 Fort Street, 9th Floor, Hawaii Bldg.

Address
Honolulu, Hawaii 96813

* Waldron Ventures intends to exercise its option to purchase the fee interest, as provided for in the lease option agreement dated November 2, 1994, prior to or concurrently with the conveyance of the first apartment in the Project.

Sublessor: Waldron Ventures

Name
1141 Waimanu Street

Address
Honolulu, Hawaii 96814

C. Buildings and Other Improvements:

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

2. Number of Buildings: 2 Floors Per Building Residential Tower: 26

Parking Structure: 5

Exhibit B contains further explanations.

3. Principal Construction Material:

Concrete [] Hollow Tile [] Wood

Other concrete masonry, glass, steel, aluminum, appropriate trim

4. Permitted Uses by Zoning:

	<u>No. of</u>	<u>Use Permitted</u>	<u>No. of</u>	<u>Use Determined</u>
	<u>Apts.</u>	<u>By Zoning</u>	<u>Apts.</u>	<u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>282</u>	<input checked="" type="checkbox"/> Yes [] No [] Ohana	<u> </u>	[] Yes [] No
[] Commercial	<u> </u>	[] Yes [] No [] Industrial	<u> </u>	[] Yes [] No
[] Mix Res/Comm	<u> </u>	[] Yes [] No [] Agricultural	<u> </u>	[] Yes [] No
[] Hotel	<u> </u>	[] Yes [] No [] Recreational	<u> </u>	[] Yes [] No
[] Timeshare	<u> </u>	[] Yes [] No [] Other: <u> </u>	<u> </u>	[] Yes [] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes [] No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

No pets allowed in any apartment or any other part of the Project

- [X] Pets: (restriction found in the House Rules).
- [X] Number of Occupants: For 1 bedroom apt., min. of 1, max. of 3; For a 2 bedroom apt., min. of 2, max. of 5 (required by H.C.D.A.).
- [X] Other: Owner-Occupancy requirement for ten years (required by H.C.D.A.). See § V.C. on page 20 hereof.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Res. Twr.: 3 Res. Twr.: 2
 Elevators: Pkg. Struc.: 1 Stairways: Pkg. Struc.: 2 Trash Chutes: Res. Twr.: 1

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	SEE ATTACHED	EXHIBIT C	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 282

*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:

Permitted Alterations to Apartments:

7. Parking Stalls:

Total Parking Stalls: 325

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)	<u>111</u>	<u>40</u>	<u>107</u>	<u>35</u>	<u> </u>	<u> </u>	<u>293</u>
Guest	<u> </u>	<u>10*</u>	<u> </u>	<u>4</u>	<u> </u>	<u> </u>	<u>14</u>
Unassigned	<u>12</u>	<u>1</u>	<u>5</u>	<u> </u>	<u> </u>	<u> </u>	<u>18**</u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>174</u>	<u> </u>	<u>151</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Each apartment will have the exclusive use of at least 1 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 C 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: Outdoor picnic area, yards, grounds, planting area, walkways

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

There are no violations. Violations will not be cured.

Violations and cost to cure are listed below. Violations will be cured by _____

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

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

N/A

* Including (1) marked handicapped stall

** Including (7) stalls designated as handicapped

*** The use of parking stalls is subject to the Parking Pool system established by the 1133 Waimanu House Rules

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted. (See below)

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

This Project is being developed pursuant to (1) the Kakaako Community Development District Plan and Rules and (2) the Planned Development Permit (PD 2-84) dated November 7, 1984, issued to the Nauru Phosphate Royalties Trust by the Hawaii Community Development Authority, as amended on October 1, 1986, October 19, 1988, April 11, 1989, February 4, 1991, October 14, 1991 and October 20, 1994.

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	X	_____	_____
Structures	X	_____	_____
Lot	X	_____	_____

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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit E .

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 use them, as described in the Declaration, are:

described in Exhibit E.

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 used to determine each apartment'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 apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit E.

as follows:

E. **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 an apartment in the project.

Exhibit F describes the encumbrances against the title contained in the title report dated August 22, 1995 and issued by Title Guaranty of Hawaii, Incorporated, and revised September 18, 1995.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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.
- 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage lien(s) of Developer's Lender(s)	Buyer's interest is specifically made subject and subordinate to such liens.

Note: Developer has notified the Commission that at the time of the first conveyance of each apartment, each of Developer's lender(s)' lien(s) will be paid and satisfied of record, or the apartment being conveyed and its common interest shall be released therefrom.

F. 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: SEE EXHIBIT G

2. Appliances: SEE EXHIBIT G

G. Status of Construction and Estimated Completion Date:

The Project has been under construction continuously since December 8, 1994.

The estimated completion date of the Project is June 30, 1996.

H. Project Phases:

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

SEE EXHIBIT H.

IV. CONDOMINIUM MANAGEMENT

A. **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 condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium 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 condominium managing agent for this project, named on page five (5) of this report, is:

- not affiliated with the Developer
- self-managed by the Association of Apartment Owners
- the Developer or the Developer's affiliate.
- other _____

B. **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.

Exhibit I contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **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:

- None
- Electricity
- Gas
- Water
- Sewer
- Television Cable
- Other refuse collection, telephone
(common elements only)

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- [X] Notice to Owner Occupants
- [X] Specimen Sales Contract
Exhibit J contains a summary of the pertinent provisions of the sales contract.
- [X] Escrow Agreement dated February 9, 1995
Exhibit K contains a summary of the pertinent provisions of the escrow agreement.
Project information package distributed to prospective owner-occupants,
- [X] Other including owner-occupant affidavit, reservation agreement, instruction sheet, check list, seminar information, information sheet.

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales 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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

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

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
- B) 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 a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime.
 - C) Bylaws of the Association of Apartment Owners.
 - D) House Rules.
 - E) Condominium Map.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other Hawaii Community Development Authority ("HCDA") restrictions

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 3335 filed with the Real Estate Commission on 4/20/95.

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C. Additional Information Not Covered Above

1. This Project is a "reserved housing" project, as defined by H.R.S. §206E-101, which is subject to certain restrictions imposed by the Hawaii Community Development Authority, as described in Exhibit L attached hereto.
2. Developer has reserved certain buy-back rights described in Exhibit L attached hereto.
3. The Land will be subject to an easement for cable television and telecommunication services in favor of Oceanic Cable, a division of the Time Warner Entertainment Co., L.P., a Delaware limited partnership, which easement will be granted by a Grant of Easement to be executed and filed in the Land Court of the State of Hawaii in September or October of 1995 and governed by an unrecorded Easement Agreement of even date therewith by and between Developer and Oceanic Cable. The easement will grant Oceanic Cable the right, which right expires five years from the date of filing, to use certain conduits leading from the street to each unit of the Project and to use certain spaces within electrical rooms of the Project for cable television and telecommunications equipment. The Easement Agreement shall also provide for certain discount programs available to all units of the Project, and require each occupant of a unit of the Project to agree not to use any cable for five years from the date the easement is filed.
4. Specimen copies of the Declaration and Bylaws were made available to buyers and perspective buyers prior to the filing of the Declaration and Bylaws with the Land Court. Other than those changes already covered in this report, minor grammatical changes and clarifications were made to the Declaration and Bylaws and the following subparagraph 8.i was added to the Declaration prior to filing:

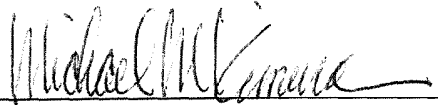
The Declarant shall have, incidental to the development and construction of the Project, including, without limitation, any expansion of the Project as herein provided, the right to designate and grant easements, exclusive or nonexclusive, for electrical, gas, telephone, cable television, communications and other utility purposes, and easements for sanitary sewer, drainage and drainline, waterline, and flowage purposes over, under, across, along, upon and through the Land, and together also with the rights of reasonable access thereto in connection with the exercise of said easement rights; provided however, that such easement rights must be exercised in such manner as to not reasonably interfere with the use of the Land by the apartment owners and those claiming by, through or under the apartment owners, in connection with the installation, maintenance or repair of any facilities pursuant to any of said easements of the Land shall be promptly restored by and at the expense of the person owning and exercising such easement rights to substantially the same condition as was the Land immediately prior to the exercise thereof.

D. 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 buyers 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.

WALDRON VENTURES,
a Hawaii general partnership

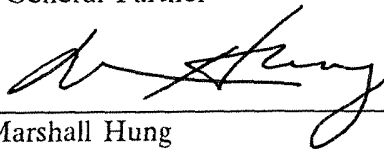
By C.J.K. Inc.,
a Hawaii corporation
Its General Partner

Dated: September 22, 1995

By 
Michael M. Kimura
Its President

By Marshall Affordables, Inc.,
a Hawaii corporation
Its General Partner

Dated: September 22, 1995

By 
Marshall Hung
Its President

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu
Federal Housing Administration

DEVELOPER'S RIGHTS TO AMEND CONDOMINIUM DOCUMENTS

1. Paragraph 20 of the Declaration provides in part:

"Amendment of Declaration. . . .[A]t any time prior to the issuance of an effective date for the Final Public Report by the Real Estate Commission of the State of Hawaii, Declarant may amend this Declaration and the Bylaws in any manner and provided, further, that no amendment of the Declaration, the Bylaws, the House Rules, or Condominium Map shall, without Declarant's prior written consent, limit, affect or impair the reserved rights of Declarant under this Declaration; . . . Notwithstanding the foregoing and notwithstanding the sale and conveyance of any of the apartments, this Declaration (including the Bylaws and, when applicable, the Condominium Map) may be amended by Declarant (a) by filing the verified statement of a registered architect or professional engineer (with plans, if applicable) required by Section 514A-12 of the Act, certifying that the final plans theretofore recorded, or being recorded simultaneously with such statement, fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built; or (b) to effect any change or amendment required by an administrative agency of any county, state, or federal government or by any territory, possession, or foreign country or other foreign jurisdiction or a mortgagee of the fee or leasehold interests in the Land as a condition to governmental approvals, marketing the Project or making a loan to finance the construction and/or the sales of the Project."

2. Paragraph 23.c(4) of the Declaration provides in part that in the event of a consolidation or merger of the Project:

"Declarant expressly reserves the right to so amend the Declaration and Condominium Map as provided in this paragraph 23 at any time or times prior to December 31, 2003, notwithstanding the lease, sale or conveyance of any or all of the apartments in any of the increments being consolidated/merged, and Declarant may, without being required to obtain the consent or joinder of any apartment owner, lien holder or other persons, execute and file amendments to the Declaration and Condominium Map and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers, or privileges herein reserved to Declarant. Any such action shall be deemed taken by Declarant as the true and lawful attorney-in-fact of the respective apartment owners and the holder of any interest in the Project, including, without limitation, the holders of mortgages on the interests of apartment owners. Each and every party acquiring an interest in the Project, by such acquisition, consents to all such consolidations and/or mergers of increments, and to the recording of such documents as may be necessary to effect the same; agrees to execute such documents and do such other things as may be necessary or convenient to effect the same; and appoints Declarant and its assigns as such party's attorney-in-fact with full power of substitution to execute such documents and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights and shall not be affected by disability of any such party. . . ."

DESCRIPTION OF BUILDINGS

Generally. The Project consists of two (2) buildings: a twenty-six (26) story residential tower (the "Residential Tower") containing two hundred eighty-two (282) residential apartments and a five (5) level parking structure (the "Parking Structure") containing three hundred eleven (311) parking stalls. The Residential Tower and the Parking Structure will be constructed primarily of reinforced concrete, masonry, glass, steel, aluminum and appropriate trim.

1. Residential Tower. The Residential Tower shall contain twenty-six (26) floors and a total of two hundred eighty-two (282) residential apartments, one hundred twenty-eight (128) of which shall have one bedroom and one bathroom, one hundred fifty (152) of which shall have two bedrooms and one bathroom, and two (2) of which shall have one bedroom, one bathroom and one storage room.

The first floor of the Residential Tower, designated as the Ground Floor on the Condominium Map, shall have a total of seven (7) residential apartments (three (3) one bedroom and one bathroom apartments, two (2) two bedrooms and one bathroom apartments, and two (2) one bedroom, one bathroom, and one storage room apartments), a common hallway, a mechanical room, a transformer vault room, an electrical room, an elevator lobby, three (3) elevator stops, two (2) stairways, a mailroom, a lobby, a trash collection room, and a security/manager's office with a toilet room, storage room and a kitchen/lounge. Floors 2 through 26 (designated as Floors 2 through 27, omitting the thirteenth floor on the Condominium Map) shall each have a total of eleven (11) residential apartments (five (5) one bedroom and one bathroom apartments, and six (6) two bedrooms and one bathroom apartments), a common hallway, an electrical room, an elevator lobby, three elevator stops, a room with a trash chute, and two (2) stairways. The roof level includes a stairway, a storage room, and an elevator machinery room. The Residential Tower will not have a basement.

2. Parking Structure. The Parking Structure shall contain a total of three hundred eleven (311) parking stalls (one hundred fifty-seven (157) standard stalls, one hundred forty-seven (147) compact stalls, and seven (7) handicapped stalls, which handicapped stalls shall be used as standard stalls until such time as an apartment owner presents sufficient proof of need for a handicapped stall and a stall is designated and marked accordingly). The Parking Structure shall contain five levels connected by sloping floors rising from the first level to the fifth level as shown on the Condominium Map. The first level of the Parking Structure, designated as the ground level on the Condominium Map, shall have forty (40) parking stalls (fifteen (15) standard stalls and twenty-five (25) compact stalls), two (2) stairways, one elevator stop, an elevator maintenance room, a recreation/meeting room with a kitchen and two toilet rooms, and an accessory use room, and an electrical room. Levels 2 through 4 of the Parking Structure shall each have seventy-seven (77) parking stalls (thirty-nine (39) standard stalls, thirty-six (36) compact stalls, and two (2) handicapped stalls), two (2) stairways, and one elevator stop. Level 5 of the Parking Structure shall have forty (40) parking stalls (twenty-five (25) standard stalls, fourteen (14) compact stalls, and one (1) handicapped stall), one stairwell, and one elevator stop. Stalls numbered 236 through 311 on the fourth and fifth levels of the Parking Structure, as shown on the Condominium Map, shall be uncovered stalls. The Parking Structure will not have a basement.

APARTMENT DESCRIPTION

A. Apartment Description Generally.

There are established in the Project two hundred eighty-two (282) residential apartments, as shown on the Condominium Map. Each apartment is designated as a separate freehold estate. Each residential apartment consists of the spaces within the perimeter walls, floors and ceilings of the respective residential apartment as shown on the Condominium Map.

Each residential apartment is designated on the Condominium Map by an apartment number consisting of either a three or four digit number. Each residential apartments as so designated and identified by apartment number is located in the Project as shown on the Condominium Map.

Each type A, A1, AG1, B, B1, C, C1 and CG1 apartment shall have two bedrooms, one bathroom, a living room, a kitchen and a lanai.

Each type BG and BG1 apartment shall have one bedroom, one bathroom, a storage room, a living room, a kitchen and a lanai.

Each type D, D1, DG, DG1, E, E1, F and FG apartment shall have one bedroom, one bathroom, a living room, a kitchen and a lanai.

Each residential apartment will have the number of rooms (exclusive of lanais), approximate net living floor area in square feet (exclusive of lanais) and approximate net lanai floor area in square feet as set forth below. Each apartment shall also have appurtenant to it a parking stall located in the Parking Structure as set forth below.

The approximate net living floor areas set forth below are based on measurements taken from the interior surface of all perimeter walls, except that no reduction has been made to account for interior walls, ducts, vents, shafts and the like located within the perimeter walls. All approximate net lanai floor areas set forth below are based on measurements taken from the interior surface of all perimeter walls which do not separate the interior of the apartments from the lanais, from the exterior surface of all perimeter walls which separate the interior of the apartments from the lanais, and from the interior edge of the exterior railings or other boundaries of the lanais. All floor areas set forth below are not exact but are approximations based on the floor plans of each type of apartment. All floor areas set forth below 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.

Each residential apartment will have immediate access to the walkways, corridors, stairways and/or elevators of the Residential Tower which lead to the lobby areas and other common areas of the Project.

Notwithstanding the floor areas set forth below and the manner in which such floor

such floor areas have been measured, the respective apartments 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 apartment, 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 apartment which are utilized for or serve more than one apartment, all of which are deemed common elements as hereinafter provided. Each apartment 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, roofs and ceilings all glass windows, window frames, louvers (if any), shutters (if any), panels, doors and door frames along its perimeter; the lanais shown on the Condominium Map to the inner decorated or finished surfaces of the exterior perimeter walls of such lanais and to the exterior edge of the exterior railings or other boundaries of such lanais; and all of the fixtures and appliances (if any) originally installed therein.

B. Specific Identification of Apartments:

Ground Floor

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
104	BG	5	649	120	769	0.3144	1,2,3, 4,5,6, 13,14, 15,16, 17,18
106	DG	4	547	120	667	0.3125	277
107	FG	4	553	42	595	0.3125	278
108	DG1	4	557	120	677	0.3125	279
109	CG1	5	712	67	779	0.3906	304
110	BG1	5	652	120	772	0.3144	305
111	AG1	5	694	41	735	0.3906	306

Floor 2

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
201	C	5	712	67	779	0.3906	307
202	A	5	694	41	735	0.3906	30
203	E	4	534	42	576	0.3125	280
204	B	5	747	69	816	0.3906	309
205	E1	4	534	42	576	0.3125	281
206	D	4	556	43	599	0.3125	282
207	F	4	553	42	595	0.3125	283
208	D1	4	556	43	599	0.3125	284
209	C1	5	712	67	779	0.3906	310
210	B1	5	751	69	820	0.3906	311
211	A1	5	694	41	735	0.3906	285

Floor 3

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
301	C	5	712	67	779	0.3906	292
302	A	5	694	41	735	0.3906	293
303	E	4	534	42	576	0.3125	264
304	B	5	747	69	816	0.3906	294
305	E1	4	534	42	576	0.3125	265
306	D	4	556	43	599	0.3125	266
307	F	4	553	42	595	0.3125	267
308	D1	4	556	43	599	0.3125	268
309	C1	5	712	67	779	0.3906	295
310	B1	5	751	69	820	0.3906	296
311	A1	5	694	41	735	0.3906	297

Floor 4

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
401	C	5	712	67	779	0.3906	298
402	A	5	694	41	735	0.3906	299
403	E	4	534	42	576	0.3125	272
404	B	5	747	69	816	0.3906	300
405	E1	4	534	42	576	0.3125	273
406	D	4	556	43	599	0.3125	274
407	F	4	553	42	595	0.3125	275
408	D1	4	556	43	599	0.3125	276
409	C1	5	712	67	779	0.3906	301
410	B1	5	751	69	820	0.3906	302
411	A1	5	694	41	735	0.3906	303

Floor 5

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
501	C	5	712	67	779	0.3906	244
502	A	5	694	41	735	0.3906	245
503	E	4	534	42	576	0.3125	254
504	B	5	747	69	816	0.3906	246
505	E1	4	534	42	576	0.3125	255
506	D	4	556	43	599	0.3125	256
507	F	4	553	42	595	0.3125	257
508	D1	4	556	43	599	0.3125	258
509	C1	5	712	67	779	0.3906	269
510	B1	5	751	69	820	0.3906	270
511	A1	5	694	41	735	0.3906	271

Floor 6

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
601	C	5	712	67	779	0.3906	286
602	A	5	694	41	735	0.3906	287
603	E	4	534	42	576	0.3125	259
604	B	5	747	69	816	0.3906	288
605	E1	4	534	42	576	0.3125	260
606	D	4	556	43	599	0.3125	261
607	F	4	553	42	595	0.3125	262
608	D1	4	556	43	599	0.3125	263
609	C1	5	712	67	779	0.3906	289
610	B1	5	751	69	820	0.3906	290
611	A1	5	694	41	735	0.3906	291

Floor 7

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
701	C	5	712	67	779	0.3906	29
702	A	5	694	41	735	0.3906	233
703	E	4	534	42	576	0.3125	206
704	B	5	747	69	816	0.3906	234
705	E1	4	534	42	576	0.3125	207
706	D	4	556	43	599	0.3125	208
707	F	4	553	42	595	0.3125	247
708	D1	4	556	43	599	0.3125	248
709	C1	5	712	67	779	0.3906	235
710	B1	5	751	69	820	0.3906	236
711	A1	5	694	41	735	0.3906	237

Floor 8

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
801	C	5	712	67	779	0.3906	238
802	A	5	694	41	735	0.3906	239
803	E	4	534	42	576	0.3125	249
804	B	5	747	69	816	0.3906	240
805	E1	4	534	42	576	0.3125	250
806	D	4	556	43	599	0.3125	251
807	F	4	553	42	595	0.3125	252
808	D1	4	556	43	599	0.3125	253
809	C1	5	712	67	779	0.3906	241
810	B1	5	751	69	820	0.3906	242
811	A1	5	694	41	735	0.3906	243

Floor 9

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
901	C	5	712	67	779	0.3906	220
902	A	5	694	41	735	0.3906	221
903	E	4	534	42	576	0.3125	196
904	B	5	747	69	816	0.3906	222
905	E1	4	534	42	576	0.3125	197
906	D	4	556	43	599	0.3125	198
907	F	4	553	42	595	0.3125	199
908	D1	4	556	43	599	0.3125	200
909	C1	5	712	67	779	0.3906	223
910	B1	5	751	69	820	0.3906	224
911	A1	5	694	41	735	0.3906	225

Floor 10

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
1001	C	5	712	67	779	0.3906	226
1002	A	5	694	41	735	0.3906	227
1003	E	4	534	42	576	0.3125	201
1004	B	5	747	69	816	0.3906	228
1005	E1	4	534	42	576	0.3125	202
1006	D	4	556	43	599	0.3125	203
1007	F	4	553	42	595	0.3125	204
1008	D1	4	556	43	599	0.3125	205
1009	C1	5	712	67	779	0.3906	229
1010	B1	5	751	69	820	0.3906	230
1011	A1	5	694	41	735	0.3906	28

Floor 11

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
1101	C	5	712	67	779	0.3906	194
1102	A	5	694	41	735	0.3906	209
1103	E	4	534	42	576	0.3125	183
1104	B	5	747	69	816	0.3906	210
1105	E1	4	534	42	576	0.3125	184
1106	D	4	556	43	599	0.3125	185
1107	F	4	553	42	595	0.3125	186
1108	D1	4	556	43	599	0.3125	187
1109	C1	5	712	67	779	0.3906	211
1110	B1	5	751	69	820	0.3906	212
1111	A1	5	694	41	735	0.3906	213

Floor 12

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
1201	C	5	712	67	779	0.3906	214
1202	A	5	694	41	735	0.3906	215
1203	E	4	534	42	576	0.3125	188
1204	B	5	747	69	816	0.3906	216
1205	E1	4	534	42	576	0.3125	189
1206	D	4	556	43	599	0.3125	190
1207	F	4	553	42	595	0.3125	191
1208	D1	4	556	43	599	0.3125	195
1209	C1	5	712	67	779	0.3906	217
1210	B1	5	751	69	820	0.3906	218
1211	A1	5	694	41	735	0.3906	219

Floor 14 (NO 13TH FLOOR)

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
1401	C	5	712	67	779	0.3906	160
1402	A	5	694	41	735	0.3906	161
1403	E	4	534	42	576	0.3125	173
1404	B	5	747	69	816	0.3906	162
1405	E1	4	534	42	576	0.3125	174
1406	D	4	556	43	599	0.3125	175
1407	F	4	553	42	595	0.3125	176
1408	D1	4	556	43	599	0.3125	177
1409	C1	5	712	67	779	0.3906	163
1410	B1	5	751	69	820	0.3906	164
1411	A1	5	694	41	735	0.3906	165

Floor 15

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
1501	C	5	712	67	779	0.3906	166
1502	A	5	694	41	735	0.3906	167
1503	E	4	534	42	576	0.3125	178
1504	B	5	747	69	816	0.3906	168
1505	E1	4	534	42	576	0.3125	179
1506	D	4	556	43	599	0.3125	180
1507	F	4	553	42	595	0.3125	181
1508	D1	4	556	43	599	0.3125	182
1509	C1	5	712	67	779	0.3906	169
1510	B1	5	751	69	820	0.3906	192
1511	A1	5	694	41	735	0.3906	193

Floor 16

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
1601	C	5	712	67	779	0.3906	148
1602	A	5	694	41	735	0.3906	149
1603	E	4	534	42	576	0.3125	125
1604	B	5	747	69	816	0.3906	150
1605	E1	4	534	42	576	0.3125	126
1606	D	4	556	43	599	0.3125	127
1607	F	4	553	42	595	0.3125	128
1608	D1	4	556	43	599	0.3125	129
1609	C1	5	712	67	779	0.3906	151
1610	B1	5	751	69	820	0.3906	152
1611	A1	5	694	41	735	0.3906	153

Floor 17

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
1701	C	5	712	67	779	0.3906	26
1702	A	5	694	41	735	0.3906	27
1703	E	4	534	42	576	0.3125	130
1704	B	5	747	69	816	0.3906	156
1705	E1	4	534	42	576	0.3125	131
1706	D	4	556	43	599	0.3125	170
1707	F	4	553	42	595	0.3125	171
1708	D1	4	556	43	599	0.3125	172
1709	C1	5	712	67	779	0.3906	157
1710	B1	5	751	69	820	0.3906	158
1711	A1	5	694	41	735	0.3906	159

Floor 18

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
1801	C	5	712	67	779	0.3906	136
1802	A	5	694	41	735	0.3906	137
1803	E	4	534	42	576	0.3125	112
1804	B	5	747	69	816	0.3906	138
1805	E1	4	534	42	576	0.3125	113
1806	D	4	556	43	599	0.3125	114
1807	F	4	553	42	595	0.3125	118
1808	D1	4	556	43	599	0.3125	119
1809	C1	5	712	67	779	0.3906	139
1810	B1	5	751	69	820	0.3906	140
1811	A1	5	694	41	735	0.3906	141

Floor 19

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
1901	C	5	712	67	779	0.3906	142
1902	A	5	694	41	735	0.3906	143
1903	E	4	534	42	576	0.3125	120
1904	B	5	747	69	816	0.3906	144
1905	E1	4	534	42	576	0.3125	121
1906	D	4	556	43	599	0.3125	122
1907	F	4	553	42	595	0.3125	123
1908	D1	4	556	43	599	0.3125	124
1909	C1	5	712	67	779	0.3906	145
1910	B1	5	751	69	820	0.3906	146
1911	A1	5	694	41	735	0.3906	147

Floor 20

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
2001	C	5	712	67	779	0.3906	88
2002	A	5	694	41	735	0.3906	89
2003	E	4	534	42	576	0.3125	102
2004	B	5	747	69	816	0.3906	90
2005	E1	4	534	42	576	0.3125	103
2006	D	4	556	43	599	0.3125	104
2007	F	4	553	42	595	0.3125	105
2008	D1	4	556	43	599	0.3125	106
2009	C1	5	712	67	779	0.3906	91
2010	B1	5	751	69	820	0.3906	92
2011	A1	5	694	41	735	0.3906	115

Floor 21

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
2101	C	5	712	67	779	0.3906	116
2102	A	5	694	41	735	0.3906	117
2103	E	4	534	42	576	0.3125	107
2104	B	5	747	69	816	0.3906	132
2105	E1	4	534	42	576	0.3125	108
2106	D	4	556	43	599	0.3125	109
2107	F	4	553	42	595	0.3125	110
2108	D1	4	556	43	599	0.3125	111
2109	C1	5	712	67	779	0.3906	133
2110	B1	5	751	69	820	0.3906	134
2111	A1	5	694	41	735	0.3906	135

Floor 22

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
2201	C	5	712	67	779	0.3906	76
2202	A	5	694	41	735	0.3906	24
2203	E	4	534	42	576	0.3125	54
2204	B	5	747	69	816	0.3906	25
2205	E1	4	534	42	576	0.3125	93
2206	D	4	556	43	599	0.3125	94
2207	F	4	553	42	595	0.3125	95
2208	D1	4	556	43	599	0.3125	96
2209	C1	5	712	67	779	0.3906	79
2210	B1	5	751	69	820	0.3906	80
2211	A1	5	694	41	735	0.3906	81

Floor 23

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
2301	C	5	712	67	779	0.3906	82
2302	A	5	694	41	735	0.3906	83
2303	E	4	534	42	576	0.3125	97
2304	B	5	747	69	816	0.3906	84
2305	E1	4	534	42	576	0.3125	98
2306	D	4	556	43	599	0.3125	99
2307	F	4	553	42	595	0.3125	100
2308	D1	4	556	43	599	0.3125	101
2309	C1	5	712	67	779	0.3906	85
2310	B1	5	751	69	820	0.3906	86
2311	A1	5	694	41	735	0.3906	87

Floor 24

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
2401	C	5	712	67	779	0.3906	64
2402	A	5	694	41	735	0.3906	65
2403	E	4	534	42	576	0.3125	44
2404	B	5	747	69	816	0.3906	66
2405	E1	4	534	42	576	0.3125	45
2406	D	4	556	43	599	0.3125	46
2407	F	4	553	42	595	0.3125	47
2408	D1	4	556	43	599	0.3125	48
2409	C1	5	712	67	779	0.3906	67
2410	B1	5	751	69	820	0.3906	68
2411	A1	5	694	41	735	0.3906	69

Floor 25

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
2501	C	5	712	67	779	0.3906	70
2502	A	5	694	41	735	0.3906	71
2503	E	4	534	42	576	0.3125	49
2504	B	5	747	69	816	0.3906	72
2505	E1	4	534	42	576	0.3125	50
2506	D	4	556	43	599	0.3125	51
2507	F	4	553	42	595	0.3125	52
2508	D1	4	556	43	599	0.3125	53
2509	C1	5	712	67	779	0.3906	73
2510	B1	5	751	69	820	0.3906	74
2511	A1	5	694	41	735	0.3906	75

Floor 26

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
2601	C	5	712	67	779	0.3906	40
2602	A	5	694	41	735	0.3906	39
2603	E	4	534	42	576	0.3125	31
2604	B	5	747	69	816	0.3906	38
2605	E1	4	534	42	576	0.3125	32
2606	D	4	556	43	599	0.3125	33
2607	F	4	553	42	595	0.3125	34
2608	D1	4	556	43	599	0.3125	35
2609	C1	5	712	67	779	0.3906	55
2610	B1	5	751	69	820	0.3906	56
2611	A1	5	694	41	735	0.3906	57

Floor 27

<u>Apt. No.</u>	<u>Unit Type</u>	<u>No. of Rooms</u>	<u>Approx. Net Living Floor Area in Sq. Ft.</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>	<u>Approx. Net Total Floor Area in Sq. Ft.</u>	<u>Common Interest</u>	<u>Parking Stall No.</u>
2701	C	5	712	67	779	0.3906	58
2702	A	5	694	41	735	0.3906	59
2703	E	4	534	42	576	0.3125	36
2704	B	5	747	69	816	0.3906	60
2705	E1	4	534	42	576	0.3125	37
2706	D	4	556	43	599	0.3125	41
2707	F	4	553	42	595	0.3125	42
2708	D1	4	556	43	599	0.3125	43
2709	C1	5	712	67	779	0.3906	61
2710	B1	5	751	69	820	0.3906	62
2711	A1	5	694	41	735	0.3906	63

PERMITTED ALTERATIONS TO APARTMENTS

Paragraph 9 of the Declaration states as follows:

"a. Except as otherwise provided in this Declaration or the Act or as otherwise required by law, neither the Association nor any apartment owner shall perform any of the following acts except pursuant to plans and specifications therefor approved in writing by the Board of Directors or the Declarant: (i) repairing, replacing or rebuilding any apartment or any of the common and limited common elements in a manner different in any material respect from the Condominium Map, (ii) engaging in any alterations which will affect the structural integrity of any apartment or the common and limited common elements, (iii) constructing on the common and limited common elements any new building or structure, or (iv) enclosing any lanai or enclosing any parking stall. Upon the completion of any such work, there shall be filed with the Board a final "as built" set of the plans and specifications for such work, and if any such work should constitute a material alteration to the Project as shown on the Condominium Map (as determined by the Board), the Association or apartment 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 registered architect and engineer, certifying that the plans showing such alterations accurately reflect such alterations, as built. Such amendment shall be signed by the Association or the apartment owner, as the case may be, and approved by the Board of Directors or the Declarant, and no consent or joinder of any other apartment owner or person shall be required. Except as otherwise provided in this Declaration, the Bylaws and the House Rules, each apartment owner shall be free, with the consent of all mortgagees of record of any interest in such apartment owner's apartment, to make such alterations and improvements within such apartment owner's apartment or within or on the limited common elements appurtenant thereto, without the consent or joinder of the Board of Directors, the Association, any apartment owner, the Declarant or any other person.

"b. Certain Work Prohibited. Notwithstanding anything to the contrary in this Declaration, no apartment owner (a) shall do any work which could jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement or hereditament; (b) shall add any material structure or excavate any basement or cellar, or (c) 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 seventy-five percent (75%) of the apartment owners, together with the prior written consent of all mortgagees of record and apartment owners whose apartments or limited common elements appurtenant thereto are directly affected; provided that nonmaterial structural additions to the common elements, including "solar energy devices" as defined in Section 514A-89 of the Act, or additions to or alterations of an apartment made within such apartment or within a limited common element appurtenant to and for the exclusive use of the apartment, shall require approval only by the Board of Directors and such percentage, number, or group of apartment owners or other parties as may be required by this Declaration or the Bylaws. As used in this subparagraph, "nonmaterial structural additions to the common elements" means a structural addition to the common elements which does not jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement or hereditament, detract from the

appearance of the Project, interfere with or deprive any nonconsenting apartment owner of the use or enjoyment of any part of the Project or directly affect any nonconsenting apartment owner.

"c. Connection between Apartments.

(i) The owner of any two or more adjacent apartments separated by a common element which is a wall may, with the consent of all mortgagees of record of any interest in such owner's apartments, alter or remove all or any portion of the intervening wall (and, if the owner so desires, install a door within the opening created by such removal), if the structural integrity of the common elements or any other apartment in the Project will not thereby be adversely affected and if the finish of the common element then remaining is placed in a condition substantially comparable to that of the common element prior to such alterations. As used above, "adjacent apartments" also includes apartments which are located above and beneath one another on different floors, and in such event all references to "intervening wall" shall mean the intervening floor, ceiling or slab separating such floors.

(ii) Prior to commencing any such alteration or removal, the apartment owner shall provide to the Board (A) a certification in form and content reasonably satisfactory to the Board signed by an architect or engineer duly registered in the State of Hawaii, that such alteration or removal will not adversely affect the structural integrity of the common elements or any other apartment in the Project, (B) satisfactory evidence that all governmental approvals required for such alteration or removal have been duly obtained, and (C) if the cost of such alteration or removal, as reasonably determined by the Board of Directors, shall exceed the sum of \$25,000.00, the Board of Directors may require that the owner provide evidence satisfactory to the Board of Directors of sufficient financing to complete such alteration or removal or, in lieu thereof, require that the owner obtain a performance and lien payment bond, naming as obligees the Declarant and the Board of Directors and the Association and collectively all apartment owners and their respective mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such alteration or removal. Such alteration or removal may be undertaken without the necessity of an amendment to this Declaration or the Condominium Map and, except as otherwise provided in this paragraph 18, without the consent or joinder of the Association, the Board, the Declarant or any other person.

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

(iv) Notwithstanding any alteration or additions permitted under this subparagraph 18.c, such shall not affect the common interest or limited common interest allocable to any apartment."

COMMON ELEMENTS, LIMITED COMMON ELEMENTS, COMMON INTEREST

1. 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 apartments (except as herein specifically included), and all other common elements mentioned in the Act which are actually included in the Project, including specifically, without limitation:

- a. The Land in fee simple.
- b. All foundations, columns, girders, beams, floor slabs, supports, perimeter, party and load-bearing walls and partitions (excluding the finishes thereon within an apartment), roofs, lobby areas, stairways, walkways, corridors, ramps, loading areas and platforms, fences, elevator lobby areas, entrances, entryways and exits of the Project, the porte cocheres, all maintenance rooms, all elevator machine rooms, all mechanical rooms, all electrical rooms, and all trash rooms.
- c. All yards, grounds, walkways, walkway railings, landscaping, refuse facilities and gardens.
- d. All driveways and driveway ramps, the moped/bicycle storage areas located on the second, third and fourth levels of the Parking Structure, as shown on the Condominium Map, the fourteen (14) guest parking stalls shown on Sheet A-1 of the Condominium Map, and eighteen (18) parking stalls in the Parking Structure numbered 7 through 12, 19 through 23, 77 through 78, 154 through 155, 231 through 232, and 308 as shown on the Condominium Map.
- e. All ducts, vents, shafts, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas (if any), cable television (if any), air conditioning, sewer, refuse, telephone, and radio and television signal distribution.
- f. Any and all apparatus and installations existing for common use, such as elevators, tanks, pumps, motors, fans, compressors and, in general, all other installations and apparatus existing for common use.
- g. All mechanical, electrical and air conditioning equipment originally installed and located within any pump room, mechanical room, transformer room or electrical room or located elsewhere in the Project (whether or not utilized for or serving only one apartment).
- h. Any and all other apparatus and installations of common use and all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.
- i. The limited common elements described below.

2. Limited Common Elements. Certain parts of the common elements, herein called and designated "limited common elements," are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

a. Apartments numbered 107, 109, 110 and 111 on the ground floor, and each apartment with an apartment number containing the last two digits 01, 02, 04, 07, 09 and 11 on floors 2 through 27 shall have appurtenant thereto and reserved for its exclusive use a forty (40) gallon water heater within a closet or closets located off the common hallway as shown on the Condominium Map; provided, however, that access to such water heater shall be subject to such rules established by the Association of Apartment Owners of 1133 Waimanu (hereinafter referred to as the "Association") from time to time.

b. The ground floor apartment designated as Apartment No. 104 and herein sometimes referred to as the "Manager's Apartment" shall have appurtenant thereto and reserved for its exclusive use the accessory use/office area located on the ground floor of the Parking Structure containing approximately 1340 square feet as shown on Sheet A-2 of the Condominium Map; provided, however, that the owner of the Manager's Apartment shall have the right at any time, in the exercise of its sole and absolute discretion and without the necessity of consent or approval by the Association any apartment owner or any other person, to add said accessory use/office area to the common area of the Project, subject to such use as established from time to time by the Association.

c. Each apartment (except for Apartment No. 104 set forth below) shall have appurtenant to it and have the exclusive use of the one (1) parking stall designated on Exhibit B attached hereto. Apartment No. 104 shall have appurtenant to it and have the exclusive use of the twelve (12) parking stalls designated on Exhibit B attached hereto. Each apartment shall always have at least one (1) parking stall appurtenant to it. Upon compliance with the provisions of the Act and except for the fourteen (14) guest parking stalls and the eighteen (18) stalls in the Parking Structure described in subparagraph 1.d above, any parking stall may be transferred from one apartment to another apartment in the Project and shall always be appurtenant to one of the apartments in the Project. The use of the parking stalls shall be governed by the provisions of paragraph 30 of the Declaration of Condominium Property Regime of 1133 Waimanu project.

d. All other common elements of the Project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

3. Percentage of Undivided Interest. Each apartment shall have appurtenant thereto an undivided interest in the common elements of the Project as shown in Exhibit B hereto (hereinafter referred to as the "common interest") and the same percentage share in all common profits and expenses of the common elements of the Project and, except as herein expressly provided for, the same percentage interest for all other purposes, including, without limitation, voting.

ENCUMBRANCES AGAINST TITLE

1. For real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. Improvement Assessment: Kakaako Community Development District - District No. 4. (Note: Not due until construction almost completed.)
3. Encroachments or protrusions as shown on survey map prepared by Alden S. Kajioka, Licensed Land Surveyor, with Controlpoint Surveying and Engineering, Inc., dated October 20, 1994, to-wit: Improvements attached to building protrude into roadway (Waimanu Street), and fence line straddles the right of way line.
4. Terms, conditions and provisions of the Kakaako Community Development District Plan and Rules and of the Planned Development Permit, dated November 7, 1984, No. PD 2-84, issued to the Nauru Phosphate Royalties Trust by the Hawaii Community Development Authority. Said Planned Development Permit was amended on October 1, 1986, October 19, 1988, April 11, 1989, February 4, 1991, October 14, 1991 and October 20, 1994.

Partial assignment of rights and obligations under planned development permit dated October 19, 1988, filed as Land Court Document No. 1646277, made by and between Nauru Phosphate Royalties (Honolulu), Inc., a Delaware corporation, and Nauru Phosphate Royalties Development (Honolulu), Inc., a Delaware corporation.

Consent given by Hawaii Community Development Authority, State of Hawaii, by instrument filed as Land Court Document No. 1646278.

Partial assignment of rights and obligations under planned development permit dated November 2, 1994, filed as Land Court Document No. 2192784, Nauru Phosphate Royalties (Honolulu), Inc., a Delaware corporation, and Nauru Phosphate Royalties Development (Honolulu), Inc., a Delaware corporation, "Assignor", assigned to Waimanu Investment Ventures, a Hawaii limited partnership, "Assignee", all of the right, title and interest in and to the Planned Development Permit to the extent that such right, title and interest are necessary for the development, use and operation of the Reserved Housing Site, subject to the terms and conditions of the Planned Development Permit, the Kakaako Plan and Rules and this Partial Assignment to the extent that they affect the Reserved Housing Project and the Reserved Housing Site.

Consent given by Hawaii Community Development Authority, a body corporate and a public instrumentality of the State of Hawaii, by instrument dated November 2, 1994, filed as Land Court Document No. 2192785.

5. Planned development agreement dated October 19, 1988, filed as Land Court Document No. 1645703, by and between Hawaii Community Development Authority, State of Hawaii and Nauru Phosphate Royalties (Honolulu), Inc., a Delaware corporation.
6. Agreement regarding allocation of space to industrial use dated October 19, 1988, filed as Land Court Document No. 1646279, made by and between Hawaii Community Development Authority, State of Hawaii and Nauru Phosphate Royalties (Honolulu), Inc., a Delaware corporation.
7. Agreement to provide necessary perpetual public easement areas for upper-level pedestrian walkways dated October 19, 1988, filed as Land Court Document No. 1646280, made by

and between Hawaii Community Development Authority, State of Hawaii and Nauru Phosphate Royalties (Honolulu), Inc., a Delaware corporation.

8. Unrecorded Lease dated November 2, 1994, by and between Waimanu Investment Venture, a Hawaii limited partnership, "Landlord", and Waldron Ventures, a Hawaii general partnership, "Tenant", leasing and demising the premises described in Schedule C, for a term commencing on November 2, 1994, and ending on December 31, 2079.

A Short Form Lease is dated November 2, 1994, filed as Land Court Document No. 2192783.

9. First fee and leasehold mortgage, security agreement and financing statement: Mortgagor, Waimanu Investment Venture, a Hawaii limited partnership, and Waldron Ventures, a Hawaii general partnership; Mortgagee, GECC Financial Corporation, a Hawaii corporation; dated December 6, 1994; Filed Land Court Document No. 2202025; Amount \$31,950,000.00

By instrument entitled partial release of first fee and leasehold mortgage, security agreement and financing statement and assignment of lessor's interest in leases dated August 17, 1995, filed as Land Court Document No. 2255885, re: Lot 2, described therein, is hereby released and discharged from the lien and provisions of said mortgage. Provided, however, that nothing herein shall be construed to affect or impair the security and lien of the Mortgage with respect to Lot 1 hereinafter described.

10. Assignment of lessor's interest in leases dated December 7, 1994, filed as Land Court Document No. 2217117, Waimanu Investment Venture, a Hawaii limited partnership, and Waldron Ventures, a Hawaii general partnership, assigned to GECC Financial Corporation, a Hawaii corporation, all of the right, title and interest in, to and under each and all of the tenant and/or space leases, recorded or unrecorded, and all other leases hereafter entered into, as security for the repayment of that certain promissory note in the principal sum of \$31,950,000.00.

By instrument entitled partial release of first fee and leasehold mortgage, security agreement and financing statement and assignment of lessor's interest in leases dated August 17, 1995, filed as Land Court Document No. 2255885, re: Lot 2, described therein, is hereby released and discharged from the lien and provisions of said Assignment of Lessor's Interest in Leases. Provided, however, that nothing herein shall be construed to affect or impair the security and lien of said Assignment with respect to Lot 1 hereinafter described.

11. Declaration of Condominium Property Regime of 1133 Waimanu, dated September 1, 1995, filed on September 11, 1995 as Land Court Document No. 2259415 and noted on Transfer Certificate of Title No. 459,377 issued to Waimanu Investment Venture.
12. Bylaws of the Association of Apartment Owners of 1133 Waimanu, dated September 1, 1995, filed on September 11, 1995 as Land Court Document No. 2259416 and noted on Transfer Certificate of Title No. 459,377 issued to Waimanu Investment Venture.

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CONSTRUCTION WARRANTIES

Paragraph 21 of the Sales Contract and Deposit Receipt states as follows:

"21. **Covenants and Warranties of Seller and Buyer.** Seller and Buyer covenant and agree to the following:

"a. The execution, delivery and recordation of Buyer's Apartment Deed shall constitute the assignment by Seller to Buyer of any and all warranties given to Seller by the contractors for the Project, if any, including, without limitation, any warranty of materials and workmanship against faulty or deficient materials and installation. The benefit of such warranties, if any, shall accrue to Buyer on closing without further instruments or documents.

"b. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION WITH RESPECT TO THE APARTMENT, THE PROPERTY, ANY COMMON ELEMENT, LIMITED COMMON ELEMENT, OR ANYTHING INSTALLED THEREIN."

PROJECT PHASES

Section 23 of the Declaration provides the Developer with the right to construct additional apartments, to consolidate or merge increments and to grant easements and rights of ways associated therewith. Developer's rights may be summarized as follows:

Developer is considering the expansion of the Project by adding to the Land, as defined in the Declaration, additional land adjacent to the Project and developing an additional structure or structures on the Land and the adjacent land containing additional apartments and associated improvements in a separate increment or increments. DEVELOPER DOES NOT REPRESENT THAT ANY EXPANSION OF THE PROJECT SHALL OCCUR, BUT RESERVES THE RIGHT TO EXPAND THE PROJECT IN THE MANNER SET FORTH IN THE DECLARATION. All future improvements, if any, will be consistent with the improvements described by the Declaration and the Condominium Map in structure type and quality of construction.

Developer, its successor and assigns, and their contractors and subcontractors, and their respective employees and agents shall have the right and an easement in each of their respective favors at any time and from time to time prior to March 31, 2002 to enter upon and use the common elements of the Project and do all things reasonably necessary, desirable or useful for designing, developing, constructing or completing a subsequent increment or increments, connecting the same to the Residential Tower, the Parking Structure and/or the utility installations of the Project, and selling the apartments contained within said subsequent increment or increments, upon and subject to the terms and conditions enumerated in the Declaration.

At any time or times prior to March 31, 2002, Developer reserves the right at any time and from time to time without being required to obtain the joinder or consent of any apartment owner, lien holder or other person, to consolidate or merge the initial increment and any subsequent increment or any portion thereof as though they had been developed as a single condominium project. Developer may effect said consolidation or merger as specifically stated in the Declaration.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE DECLARATION OF CONDOMINIUM PROPERTY REGIME IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE DEVELOPERS RIGHTS DESCRIBED HEREIN. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE DECLARATION, AND DOES NOT ALTER OR AMEND THE DECLARATION IN ANY MANNER.

EXHIBIT I

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
1 Bedroom & Storage Room	\$154/mo/unit	\$1,848
1 Bedroom	\$153/mo/unit	\$1,835
2 Bedroom	\$192/mo/unit	\$2,304

Estimate of Total Initial Maintenance Fees for Project

1 Bedroom & Storage Room	2 units @ \$154/mo/unit	\$3,696
1 Bedroom	128 units @ \$153/mo/unit	\$235,008
2 Bedroom	152 units @ \$192/mo/unit	\$350,208

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning		
Electricity		
<input checked="" type="checkbox"/> common elements only	5,000	60,000
<input type="checkbox"/> common elements and apartments		
Elevator	2,200	26,400
Gas		
Refuse Collection	1,500	18,000
Telephone	600	7,200
Water and Sewer	9,000	108,000

Maintenance, Repairs and Supplies

Building	1,500	18,000
Grounds	780	9,360

Management

Management Fee	2,500	30,000
Payroll and Payroll Taxes	11,800	141,600
Office Expenses	400	4,800

Insurance	8,000	96,000
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Reserves(*)	4,646	55,752
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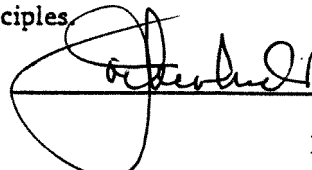
Taxes and Government Assessments	100	1,200
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Audit Fees	550	6,600
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Other	500	6,000
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TOTAL	49,076	588,912
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I, Joe Acohido, as agent and employed by City Properties, the condominium managing agent or the developer, for the condominium project 1133 Waimanu Street, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



(*) Mandatory reserves in effect January 1, 1993

Date: 9/8/95

SUMMARY OF SALES CONTRACT

A specimen Sales Contract and Deposit Receipt ("Contract") has been submitted to the Real Estate Commission. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES CONTRACT IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of its provisions. The Sales Contract, among other things, covers in more detail the following items:

1. If at the time of execution of the Contract by Buyer and Seller, an effective date for a Final Public Report for the Project has not been issued by the Real Estate Commission, the Contract shall not be legally binding upon either Buyer or Seller. In such event, the Contract shall constitute only a "reservation", and not a binding contract and Seller shall have no obligation to sell and Buyer shall have no obligation to buy the Apartment described above. The Contract will not become a binding sales contract upon Seller and Buyer unless and until: (i) the Real Estate Commission issues an effective date for a Final Public Report covering the Project; (ii) Buyer has receipted for or is deemed to have receipted for the Final Public Report and notice of Buyer's right to cancel; (iii) Buyer has waived or is deemed to have waived Buyer's right to cancel the Contract as more particularly provided in Section 514A-62 of the Act and, if applicable, (iv) Buyer shall have executed within thirty (30) days of delivery by Seller a written agreement which confirms or reaffirms that Buyer has accepted and is bound by the Contract. UNTIL THE EFFECTIVE DATE, THE CONTRACT CONSTITUTES A RESERVATION AND IT MAY BE TERMINATED AT ANY TIME, WITH OR WITHOUT CAUSE, AT THE OPTION OF EITHER PARTY, BY WRITTEN NOTICE OF SUCH TERMINATION TO THE OTHER PARTY.

2. The Apartment is one of the apartments in the Project which is identified as a "reserved housing unit" by the Hawaii Community Development Authority ("HCDA") and is subject to certain restrictions imposed by HCDA, and which require Buyer to meet certain qualifications as a prerequisite to purchase. BUYER SHOULD CAREFULLY READ EXHIBIT B TO THE CONTRACT BEFORE ENTERING INTO THE CONTRACT. BY ENTERING INTO THE CONTRACT BUYER AGREES TO ACCEPT AND ABIDE BY THESE RESTRICTIONS.

3. Buyer agrees to deliver to Seller certain certified financial statements, a completed loan application to one or more lending institutions, evidence of Buyer's ability to pay the purchase price, and any other information required by Seller.

4. Any breach of the covenants and warranties contained herein shall constitute a default hereunder by Buyer entitling Seller to retain all sums paid hereunder as liquidated damages as provided therein.

5. In addition to such other remedies which may be available to Seller by law or pursuant to the Contract, Seller may impose a late charge as specified in the Contract.

EXHIBIT J

Page 1 of 3

6. Buyer shall, prior to or within five (5) business days from the date of execution of the Contract, apply for mortgage financing.

7. Seller, in its sole discretion, may elect to cancel the Contract if (a) Buyer's application or eligibility for a mortgage loan is rejected or not approved within thirty (30) business days after application; (b) Buyer fails to supply any proposed mortgage lender with full financial information; or (c) Seller is not satisfied as to Buyer's ability to make the cash deposit payments.

8. Seller shall pay for the cost of drafting the Apartment Deed, any amendments thereto and the cost of the acknowledgments thereof recording fees; the State of Hawaii conveyance tax; and the escrow fees; and Buyer shall pay for the cost of obtaining financing or a financing commitment for any portion of the purchase price and all expenses incident thereto; the expense of credit reports; any attorneys' fees and costs incurred by Seller in connection with any failure by Buyer to timely pre-close and close as set forth herein and otherwise perform all obligations of Buyer as set forth herein; preparation of all of Buyer's mortgage documents; and any costs incurred for Buyer's title insurance.

9. The estimated project completion date and the final closing and closing dates are as described in the Contract.

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

11. Buyer's right to inspect the project documents, inspect the Apartment and have delivery of possession are as more particularly described in the Contract.

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

13. After the Effective Date of the Final Public Report, Buyer shall have the right to rescind the Contract only if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) Buyer's Apartment or appurtenant limited common elements, or (2) amenities of the Project available for Buyer's use. Waiver of such right is governed more specifically by the terms of the Contract.

14. Buyer specifically acknowledges and agrees that the Declaration of Condominium Property Regime for 1133 Waimanu contains reservations of certain rights and certain other provisions under which Buyer consents to certain actions by Seller and others, as more particularly described in the Contract and the Declaration.

15. The execution, delivery and recordation of Buyer's Apartment Deed shall constitute the assignment by Seller to Buyer of any and all warranties given to Seller by the contractors for the Project, if any, including, without limitation, any warranty of materials and

workmanship against faulty or deficient materials and installation. The benefit of such warranties, if any, shall accrue to Buyer on closing without further instruments or documents. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION WITH RESPECT TO THE APARTMENT, THE PROPERTY, ANY COMMON ELEMENT, LIMITED COMMON ELEMENT, OR ANYTHING INSTALLED THEREIN.

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

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

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

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. Seller shall deliver an executed copy of such Sales Contract to Escrow. Each Sales Contract shall be accompanied by the initial deposit required thereunder and the Owner-Occupant affidavit in the form approved by the Real Estate Commission.
2. Seller shall pay Escrow monies received from Purchasers under Sales Contracts covering apartments in the Project. Escrow shall receive and hold in escrow and disburse funds as set forth in detail in the Escrow Agreement. Escrow shall deposit all funds so received in an account at a federally insured bank, savings and loan association or other financial institution that pays interest on deposits. Except for specific circumstances stated in the Escrow Agreement, any interest earned on funds deposited in escrow under this Agreement shall accrue to the credit of Seller.
3. No disbursements of funds held in escrow shall be made by Escrow unless and until (a) the Real Estate Commission has issued an effective date for a Final Report on the Project, and, if any Sales Contracts are entered into prior to the issuance of an effective date for a Final Public Report, purchasers have been given a copy of the Final Report and shall have acknowledged receipt of the same; (b) Seller or Seller's attorney shall have delivered a written opinion to Escrow stating that the requirements of Sections 514A-62 and 514A-63, Hawaii Revised Statutes, as amended, have been met; (c) Seller shall have given Escrow a written waiver of any option reserved in any Sales Contract to cancel such Sales Contract; (d) Seller shall have delivered to Escrow a certificate from Seller's architect stating that the Project is in compliance with the Federal Fair Housing Amendments Act; and (e) the Owner-Occupant Affidavit shall have been reaffirmed by prospective Owner-Occupants and delivered to Escrow along with proof of receipt of the Final Public Report, within the time specified by the Escrow Agreement.
4. Subject to certain provisions of the Escrow Agreement, upon the written request of Seller, Escrow shall make disbursements from the escrow fund to pay for construction costs and to pay for architectural, engineering, finance, and legal fees and other incidental expenses of the Project. The balance of all escrow funds shall be paid to Seller, on order, after the lapse of forty-five (45) days from the filing of the Affidavit of Publication of Notice of Completion as provided for under H.R.S. §507-43; provided, however, that if necessary, Escrow shall retain certain specified funds to satisfy and release mechanic's or materialmen's liens filed against the property. instructions.
5. A Purchaser shall be entitled to a return of funds and Escrow shall pay such funds to such Purchaser, without interest, if (a) Seller and the Purchaser shall have requested Escrow in writing to return to the Purchaser the funds of the 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) with respect to a Purchaser whose funds were obtained prior to the issuance of an effective date for the Final Report, the Purchaser has exercised such Purchaser's right to cancel the contract pursuant to H.R.S. §514A-62d; or (d) the Purchaser has exercised such Purchaser's right to rescind the contract pursuant to H.R.S. §514A-63. In any of the foregoing events, after notice to Seller, Escrow shall refund funds to Purchaser (less cancellation fees), as specifically provided in the Escrow Agreement, and thereupon the Sales Contract shall be deemed canceled.

A Purchaser shall be entitled to a return of funds, and Escrow shall return such funds to Purchaser, without interests, if Seller or the Purchaser shall so request in writing and (a) no Sales Contract has been offered to the prospective Purchaser within six months of the issuance of an effective date for the first public report (less a stated cancellation fee); (b) the prospective Owner-Occupant has requested to be removed from the final reservation list; (c) the prospective Purchaser has elected not to execute a Sales Contract; or (d) the prospective Purchaser has not obtained adequate financing, or a commitment for adequate financing, by a date which is no earlier than fifty (50) calendar days after Seller's execution and acceptance of the Sales Contract. The Sales Contract shall be rescinded pursuant to section H.R.S. §514A-105(d), if any prospective Owner-Occupant is unable to reaffirm the Affidavit. All deposits shall be refunded to the Purchaser unless (a) Seller or Seller's attorney shall have delivered a written opinion to Escrow stating that the Sales Contract has become binding upon the Purchaser pursuant to H.R.S. §514A-62, and (b) written instructions approved by Seller and the prospective Owner-Occupant direct Escrow to distribute the deposit otherwise.

6. Escrow shall give each Purchaser entitled to a return of funds notice thereof, as specifically required by the Escrow Agreement. If Purchaser has not claimed the refund within sixty (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 the Purchaser.

7. Except for the Sales Contracts and any note and mortgage that is to be closed by the mortgagee thereof, Escrow shall promptly and diligently arrange for and supervise the execution of all documents related to the Project and shall promptly, and diligently close the transactions and perform such services as are necessary or proper therefor, in the manner established in the Escrow Agreement.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS 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.

SPECIAL RESTRICTIONS

1. Exhibit "B" of the Apartment Deed states as follows:

The following restrictions shall be binding upon the Grantee under the Apartment Deed to which this Exhibit B will be attached and each of such Grantee's heirs, personal representatives, successors, successors in trust and assigns, and also upon each and every occupant of an apartment which is a part of the Project and shall be an encumbrance, created by the Declaration, upon the Property described in Exhibit A of the Apartment Deed running with the Land:

- a. In General.

- (1) Each and every owner of a Reserved Housing Apartment (as hereinafter defined) shall either (i) be an Owner-Occupant of such Reserved Housing Apartment (as hereinafter defined) or (ii) if such owner is not an Owner-Occupant, rent such Reserved Housing Apartment only to Qualified Renters (as hereinafter defined) at Qualified Rental Rates (as hereinafter defined).

- (2) Each and every occupant of a Reserved Housing Apartment shall either be (i) an Owner-Occupant of such Reserved Housing Apartment or (ii) if not an Owner-Occupant, a Qualified Renter (as hereinafter defined) of such Reserved Housing Apartment.

- (3) There are restrictions upon the transfer of any interest in a Reserved Housing Apartment as more fully described herein.

- b. Reserved Housing Apartment. As used herein, the term "Reserved Housing Apartment" means and refers to each residential apartment in the Project except for Apartments Nos. 104 and 109.

- c. Owner-Occupant.

- (1) If the occupant of a Reserved Housing Apartment is not a Qualified Renter, then the occupant must be an Owner-Occupant of that Reserved Housing Apartment.

- (2) As used herein, the term "Owner-Occupant" means an individual in whose name sole or joint legal title is held to a Reserved Housing Apartment (i) which, simultaneously and concurrently with such ownership, serves as that individual's principal residence, as defined by the Department of Taxation of the State of Hawaii, and (ii) which that individual retains complete possessory control over during the period in which the individual holds legal title to that Reserved Housing Apartment.

- (3) As used herein, the term "Owner-Occupant" also means an individual who (i) is a United States citizen or resident alien; (ii) is domiciled in the State of

Hawaii; (iii) is at least 18 years of age; (iv) does not own, or does not have a spouse who owns, a majority interest in a principal residence (or a majority beneficial interest in a land trust holding a principal residence) in the State of Hawaii or elsewhere, and has not owned such a majority interest for a three year period prior to the commencement of occupancy of the Reserved Housing Apartment; (v) has never before owned a reserved housing apartment (as defined in Chapter 206E, Hawaii Revised Statutes, as the same may be amended from time to time); (vi) has, at the commencement of occupancy of a Reserved Housing Apartment, a family income that does not exceed 140% of the median annual income for the individual's family (adjusted for size) as determined by the U.S. Department of Housing and Urban Development ("HUD") for the Section 8 Housing Assistance Payments Program for the City and County of Honolulu, or, if that program is discontinued, as determined by HUD for similar programs (the median annual income for the City and County of Honolulu as determined by HUD for the Section 8 Housing Assistance Payments Program, or, if that program is discontinued, as determined by HUD for similar programs, is herein sometimes referred to as the "HUD Median Annual Income", with additional qualifications for the percentage of that median annual income and for the household size stated separately); and (vii) has, at the commencement of occupancy of a Reserved Housing Apartment, family assets which do not exceed an amount equal to 125% of the HUD Median Annual Income for the individual's family (adjusted for family size).

d. Qualified Renter.

(1) If the occupant of a Reserved Housing Apartment is not an Owner-Occupant, then the occupant must be a Qualified Renter (as defined herein) of that Reserved Apartment.

(2) As used herein, the term "Qualified Renter" means an individual who (i) is a United States citizen or resident alien, (ii) is domiciled in the State of Hawaii, (iii) is at least 18 years of age, (iv) does not own, or does not have a spouse who owns, a majority interest in a principal residence (or a majority beneficial interest in a land trust holding a principal residence) in the State of Hawaii or elsewhere, and has not owned such a majority interest for a three year period prior to the commencement of occupancy of the Reserved Housing Apartment; (v) has never before obtained a reserved housing apartment (as defined in Chapter 206E, Hawaii Revised Statutes, as the same may be amended from time to time); (vi) has, at the commencement of occupancy of a Reserved Housing Apartment and upon each anniversary of occupancy thereafter, a family income that does not exceed 100% of the HUD Median Annual Income for the number of persons in that individual's household; (vii) has, at the commencement of occupancy of a Reserved Housing Apartment and upon each anniversary of occupancy thereafter, family assets which do not exceed an amount equal to 125% of the HUD Median Annual Income for the number of persons in that individual's household.

(3) As used herein, the term "Qualified Rental Rates" means monthly rents which are not in excess of an amount that is determined from time to time by dividing (i) an amount equal to 30% of 100% of the HUD Median Annual Income for households of four persons by (ii) twelve (12), as reviewed and approved in advance by the Hawaii Community Development Authority ("HCDA"). The Qualified Rental Rates shall include all utilities and building operating expenses, except for telephone and cable television expenses, payable by the

Qualified Renter of a Reserved Housing Apartment. In addition, the average of all Qualifying Rental Rates assigned for all Reserved Housing Apartments in the Project shall not exceed an amount that is determined from time to time by dividing (i) an amount equal to 30% of 90% of the HUD Median Annual Income for households of four persons by (ii) twelve (12), as reviewed and approved in advance by the Hawaii Community Development Authority ("HCDA"). Qualified Rental Rates may be increased from time to time as long as they do not exceed the maximum and average amounts provided for herein and are reviewed and approved in advance by HCDA.

(4) In addition, at least one (1) parking stall in the Project must be made available to the Qualified Renter at the commencement of the occupancy of a Reserved Housing Apartment at a rental rate not in excess of 4% of the maximum Qualified Rental Rate in effect from time to time for a Reserved Housing Apartment in the 1133 Waimanu Condominium Project, as reviewed and approved in advance by HCDA. Parking rental rates may be increased from time to time as long as they do not exceed the maximum amount established herein and are reviewed and approved in advance by HCDA.

(5) A Qualified Renter shall within thirty (30) days after receipt of HCDA's written request, provide HCDA with copies of such Qualified Renter's financial statements and access to such Qualified Renter's records in order to determine such Qualified Renter's compliance with rental restrictions herein.

e. Options to Purchase.

(1) If an Owner-Occupant wishes to transfer any interest in such owner's Reserved Housing Apartment or if any interest in a Reserved Housing Apartment is transferred by an Owner-Occupant at any time during the Buy-Back Restriction Period (as hereinafter defined), HCDA shall have the first option to purchase the Reserved Housing Apartment at a price equal to the aggregate of (i) the price at which the apartment owner purchased the interest in the Reserved Housing Apartment which is proposed to be transferred, (ii) the cost of any improvements added by the apartment owner attributable to the interest in the Reserved Housing Apartment proposed to be transferred; and (iii) 7% per annum simple interest on the apartment owner's equity in the interest in the Reserved Housing Apartment proposed to be transferred for the period of such apartment owner's ownership of the interest prepared to be sold (the "Buy-Back Price").

(2) An Owner-Occupant wishing to transfer any interest in such owner's Reserved Housing Apartment shall provide to HCDA written notice of such desire, which written notice shall include the amount of the Buy-Back Price together with documentation reasonably satisfactory to HCDA to enable HCDA to verify the amount of the Buy-Back Price. HCDA shall exercise its first option to purchase no later than sixty (60) days after receipt by HCDA of the written notice and all of the documentation described in the immediately preceding sentence by sending written notice of such exercise to the apartment owner within said sixty (60) day period. If such written notice is not timely sent by HCDA, the first option to purchase herein granted to HCDA shall lapse and be of no further force and effect and such apartment owner shall be entitled to transfer such interest in such owner's Reserved Housing Apartment upon such terms and conditions as such owner shall decide. If such first option to purchase is timely exercised by

HCDA, the closing of such purchase shall occur within sixty (60) days after the exercise of such option by HCDA.

(3) HCDA's purchase of an interest in an apartment pursuant to the first option to purchase shall be either (i) outright, free and clear of all liens and encumbrances, or (ii) by transfer subject to an existing mortgage or mortgages which secures a loan or loans which, by its or their terms or upon consent of the mortgagee or mortgagees, is or are assumable by HCDA or a nominee designated by HCDA. In any purchase by transfer subject to an existing mortgage or mortgages which secures a loan or loans which is or are assumable, HCDA or its nominee, as the case may be, shall agree to assume and to pay the apartment owner's obligation on the loan secured by such first mortgage which was made for the purpose of enabling the apartment owner to obtain funds for the purchase of the interest in the Reserved Housing Apartment which is proposed to be transferred and any other mortgages which were created with the approval and consent of HCDA. In such cases, the amount to be paid to an apartment owner by HCDA or its nominee shall be the principal balance of all mortgages outstanding and assumed at the time of transfer of title to HCDA or its nominee.

(4) If HCDA shall affirmatively decline in writing to exercise, or shall not timely exercise, its first option to purchase granted herein, then Grantor shall have the second option to purchase the interest in a Reserved Housing Apartment which is proposed to be transferred at the same price and on the same terms as accorded to HCDA herein, except that all time periods for Grantor's exercise of such option shall commence on the earlier of the date that HCDA shall affirmatively decline in writing to exercise its first option to purchase or on the date on which such option shall lapse.

(5) Except for an initial mortgage, or mortgages, recorded as a lien against a Reserved Housing Apartment to secure the payment of the original loan in connection with the original purchase price of a Reserved Housing Apartment by an apartment owner (which shall not require HCDA's consent), a Reserved Housing Apartment owner shall not permit any other lien to be filed or recorded against a Reserved Housing Apartment that is subordinate to the repurchase rights of HCDA and Grantor, without first obtaining the written consent of HCDA and Grantor. If any such lien is filed or recorded against a Reserved Housing Apartment (with only the exception stated above), and a release of such lien is not obtained by a Reserved Housing Apartment owner within thirty (30) days after HCDA's or Grantor's demand to do so is either delivered to the apartment owner or mailed to such apartment owner by certified mail, return receipt requested, postage prepaid, at such apartment owner's address as shown on the real property tax records of HCDA or the City and County of Honolulu, or other known address of such apartment owner, HCDA shall have the option, exercisable by HCDA in its sole and absolute discretion, and Grantor shall have the second option, exercisable by Grantor in its sole and absolute discretion, to repurchase the Reserved Housing Apartment from such apartment owner for the price determined by the method set forth above. HCDA and Grantor may enforce their respective rights to exercise these options by appropriate action, as necessary. An apartment owner may refinance such owner's apartment without the consent of HCDA and Grantor provided that such refinancing shall not exceed an amount in excess of ninety-five percent (95%) of original purchase price.

(6) Each and every apartment owner agrees, and all subsequent lienors are on notice hereby, that after the recordation of an apartment deed of a Reserved Housing Apartment the options granted hereunder (i) will be prior, senior, and will take precedence over any liens or interests subsequent thereto, with only the exceptions stated herein, and (ii) are intended to and will run with the Reserved Housing Apartment covered by the apartment deed and the Property during the Buy-Back Restriction Period (as hereinafter defined).

(7) The options to purchase prescribed in this Exhibit B shall be waived by HCDA and Grantor if:

(a) A Reserved Housing Apartment owner wishes to transfer or has transferred title to such owner's Reserved Housing Apartment by devise or through the laws of descent to a family member who would otherwise qualify to own the Reserved Housing Apartment under rules established by HCDA;

(b) HCDA determines, in accordance with rules adopted by HCDA, that the sale or transfer of a Reserved Housing Apartment at a price and upon terms as HCDA shall determine, preserves the intent of Chapter 206E, Hawaii Revised Statutes, without the necessity of repurchasing the Reserved Housing Apartment and Grantor declines to exercise its second option to purchase the Reserved Housing Apartment as set forth herein; or

(c) HCDA and Grantor determine, in their discretion on a case by case basis, that (i) their fiscal situation will not allow for the repurchase of the unit, or (ii) such a waiver will allow permanent financing by other mortgage lenders.

(8) If Grantor exercises its option to purchase, Grantor shall either (a) transfer the Reserved Housing Apartment to a qualified Owner-Occupant at a price that, for the year in which the option is exercised, is affordable to a household earning up to one hundred forty percent (140%) of the HUD Median Annual Income for a family of four (4) (assuming (i) an interest rate that is equal to the average of the then prevailing rate of interest charged by reputable residential mortgage lenders in the State of Hawaii, (ii) that thirty-two percent (32%) of the household annual income will be available for housing payments, inclusive of reserve contributions and maintenance fees, and (iii) a down payment that is 10% of the purchase price), or (b) to a buyer who shall rent the Reserved Housing Apartment only to a Qualified Renter at Qualified Rental Rates as determined in subparagraph d(3) herein.

(9) If either HCDA or Grantor exercise their option to purchase an apartment, they shall have no less than ninety (90) days but no more than one hundred eighty (180) days from the date of electing to exercise the option to close the sale. HCDA and Grantor shall pay for the cost of drafting the apartment deed, any amendments thereto and the cost of the acknowledgments thereof recording fees; the State of Hawaii conveyance tax; and the escrow fees; the cost of obtaining financing or a financing commitment for any portion of the purchase price and all expenses incident thereto; the expense of credit reports; any attorneys' fees and costs incurred by the apartment owner in connection with any failure by HCDA or Grantor to timely

close as set forth herein; preparation of all of HCDA or Grantor's mortgage documents; and any costs incurred for HCDA or Grantor's title insurance.

f. Mortgagee Protection.

(1) Grantor's right to repurchase a Reserved Housing Apartment under the provisions of this Exhibit B shall be subordinate to the interest of any mortgagee of record. The interests of HCDA created by the provisions of this Exhibit B shall constitute an encumbrance on the real property and shall be superior to any other mortgage or lien except for (a) any first mortgage created for the purpose of securing the payment of a loan of funds expended solely for the purchase of the apartment, (b) any mortgage insured or held by a federal housing agency, and (3) any mortgage or lien created for any other purpose provided the HCDA has previously consented to it in writing.

(2) HCDA and Grantor shall not exercise their right to purchase a Reserved Housing Project under any option granted hereunder if within sixty (60) days of giving notice of HCDA's or Grantor's exercise of an option to a Reserved Housing Apartment owner and such owner's mortgage lender, such mortgage lender commences a foreclosure action against the Reserved Housing Apartment which is the subject of the exercise of the option; provided that a foreclosure sale or a conveyance in lieu of foreclosure after a foreclosure action is commenced shall automatically extinguish the restrictions of this Exhibit B. Any law to the contrary notwithstanding, a mortgagee under a mortgage covering any interest in a Reserved Housing Apartment which mortgage lien is subject to the first and second options to purchase in favor of HCDA and Grantor, respectively, prior to commencing mortgage foreclosure proceedings, shall notify HCDA and Grantor in writing of (i) any default of the mortgagor under the mortgage within ninety (90) days after the occurrence of the default, and (ii) any intention of the mortgagee to foreclose the mortgage; provided that the mortgagee's failure to provide such written notice to HCDA and Grantor shall not affect such holder's rights under the mortgage. HCDA and Grantor shall be parties to any foreclosure action and shall be entitled to all proceeds in excess of the sum of amounts determined pursuant to subparagraph e(1) hereof.

g. Term of Restrictions.

(1) The options to purchase a specific Reserved Housing Apartment granted to HCDA and Grantor under subparagraph e herein shall be effective for a period of ten (10) years commencing on the date of recordation in the Office of the Assistant Registrar of the Land Court of the State of Hawaii of the first apartment deed for that specific Reserved Housing Apartment (the "Buy-Back Restriction Period"); provided, however, that in the event that a Reserved Housing Apartment is not occupied by an Owner-Occupant immediately after the recordation of the first apartment deed for such Reserved Housing Apartment and is instead held for rental to Qualified Renters for a period that is less than the Rental Restriction Period as defined in subparagraph g(2) herein and then transferred within the Rental Restriction Period to an Owner-Occupant, then the transfer shall only be to an Owner-Occupant at a price determined as set forth in subparagraph e(8) above and the Buy-Back Restriction Period shall commence on the date of recordation of the Apartment Deed for the first Owner-Occupant of the apartment.

(2) The occupancy restrictions regarding occupancy of a specific Reserved Housing Apartment by Qualified Persons at Qualified Rental Rates shall be effective for a period of fifteen (15) years commencing with the date of recordation in the Office of the Assistant Registrar of the Land Court of the State of Hawaii of the first apartment deed for that specific Reserved Housing Apartment (the "Rental Restriction Period"); provided, however, that in the event that such Reserved Housing Apartment is occupied by an Owner-Occupant immediately after the recordation of the first apartment deed for such Reserved Housing Apartment and is not held for rental to Qualified Renters at Qualified Rental Rates, and in the event an Owner-Occupant does not occupy such Reserved Housing Apartment for the Buy-Back Restriction Period as defined in subparagraph g(1) herein, then the Rental Restriction Period shall commence on the date of recordation of the apartment deed for the first non-owner-occupant apartment owner of such Reserved Housing Apartment.

h. Waivers by HCDA. HCDA may waive any of the restrictions set forth herein in order to comply with or conform to requirements set forth in federal laws or regulations governing mortgage insurance or guarantee programs or requirements set forth by federally chartered secondary mortgage market participants or otherwise.

i. Occupancy. The following minimum and maximum occupancy standards shall apply to the all Reserved Housing Apartments whether occupied by an Owner-Occupant or a Qualified Renter:

<u>Apartment Type</u>	<u>Minimum Occupancy</u>	<u>Maximum Occupancy</u>
BG, BG1, D, D1, DG, DG1, E, E1, F, and FG	1 Person	3 Persons
A, A1, AG1, B, B1, C, C1, and CG1	2 Persons	5 Persons

2. Paragraph 25 of the Declaration states as follows:

Declarant shall have the right to repurchase an apartment from an apartment owner at any time upon the following terms and conditions:

a. Declarant shall give such apartment owner written notice of Declarant's exercise of its option to repurchase such apartment owner's apartment.

b. The closing of the purchase shall be no earlier than six (6) months nor later than nine (9) months from the date of delivery of Declarant's written notice of its exercise of the option.

c. The purchase price for the apartment shall be a price equal to the aggregate of (i) the price at which the apartment owner purchased the interest in the Reserved

Housing Apartment which is proposed to be transferred, (ii) the cost of any improvements added by the apartment owner attributable to the interest in the Reserved Housing Apartment proposed to be transferred; and (iii) 7% per annum simple interest on the apartment owner's equity in the interest in the Reserved Housing Apartment proposed to be transferred for the period of such apartment owner's ownership of the interest prepared to be sold.

d. The purchase price shall be paid in cash at the closing. The closing costs shall be apportioned between such apartment owner and Declarant in accordance with customary practice in the State of Hawaii.

e. All appliances originally sold with the apartment (or their replacements) shall remain in the apartment at the date of closing and shall be a part of the property purchased by Declarant as evidenced by the standard conditions of the form of residential deposit receipt, offer and acceptance used by the Honolulu Board of Realtors or similar group at the time of exercise of the option.

f. Declarant shall have the right to exercise this option to repurchase if and only if an apartment owner shall have made a complaint to Declarant about the physical condition of such apartment owner's apartment or the Project or any matter in connection with the apartment or the Project and Declarant shall be (i) unable to rectify the complaint (ii) to such apartment owner's satisfaction (iii) within a reasonable period of time. The matters set out in (i), (ii) and (iii) of this subparagraph 25.f shall be determined by Declarant in the exercise of its sole and absolute discretion.

g. Declarant's option to repurchase hereunder shall expire upon the earlier to occur of the following:

- (1) the maximum permissible period permitted by law; or
- (2) December 31, 2007.

h. This right to repurchase given by each apartment owner shall be binding upon each and every apartment owner, such apartment owner's heirs, personal representatives, successors and assigns (including, without limitation, any subsequent owners of the apartment), and shall be an encumbrance upon the apartment. This right to repurchase shall be included in the apartment deed by which each apartment owner acquires title to an apartment and shall be specifically included in every deed thereafter conveying any interest in such apartment.

i. Declarant's right to repurchase may be assigned by Declarant without the prior written consent of any apartment owner or any other person; provided, however, that upon the exercise of the right of repurchase granted hereunder, the person exercising such right shall provide to the apartment owner and apartment owner's mortgagee a copy of the assignment instrument by which such person acquired the right to repurchase hereunder.

j. Mortgagee Protection. The Declarant's right to repurchase an apartment granted by this paragraph 25 shall be subordinate to the interest of any mortgagee of

record. Declarant shall not exercise its right to purchase an apartment under any option granted under this paragraph 25 if within sixty (60) days of giving notice to an apartment owner and such owner's mortgage lender of Declarant's intent to exercise such option, the mortgage lender cures or commences a foreclosure action against the apartment. The restrictions prescribed in this paragraph 25 shall be automatically extinguished upon any transfers of title to a mortgage holder or other party pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced; or when a mortgage is assigned to a federal housing agency. Any provision herein to the contrary notwithstanding, a mortgagee under a mortgage covering any interest in the apartment prior to commencing mortgage foreclosure proceedings, may notify Developer in writing of (i) any default of the mortgage under the mortgage within ninety (90) days after the occurrence of the default, and (ii) any intention of the mortgagee to foreclose the mortgage; provided that the mortgagee's failure to provide such written notice to Seller shall not affect such holder's rights under the mortgage.

REQUIRED CLARIFICATIONS OF HCDA RESTRICTIONS
AS SHOWN IN EXHIBIT B TO THE APARTMENT DEED

* * *

d. Qualified Renter.

(1) If the occupant of a Reserved Housing Apartment is not an Owner-Occupant, then the occupant must be a Qualified Renter (as defined herein) of that Reserved Apartment.

(2) As used herein, the term "Qualified Renter" means an individual who (i) is a United States citizen or resident alien, (ii) is domiciled in the State of Hawaii, (iii) is at least 18 years of age, (iv) does not own, or does not have a spouse who owns, a majority interest in a principal residence (or a majority beneficial interest in a land trust holding a principal residence) in the State of Hawaii or elsewhere, and has not owned such a majority interest for a three year period prior to the commencement of occupancy of the Reserved Housing Apartment; (v) has never before obtained a reserved housing apartment (as defined in Chapter 206E, Hawaii Revised Statutes, as the same may be amended from time to time); (vi) has, at the commencement of occupancy of a Reserved Housing Apartment [and upon each anniversary of occupancy thereafter], a family income that does not exceed 100% of the HUD Median Annual Income for the number of persons in that individual's household; (vii) has, at the commencement of occupancy of a Reserved Housing Apartment [and upon each anniversary of occupancy thereafter], family assets which do not exceed an amount equal to 125% of the HUD Median Annual Income for the number of persons in that individual's household.

* * *

(4) In addition, at least one (1) parking stall in the Project must be made available to the Qualified Renter at the commencement of the occupancy of a Reserved Housing Apartment at a rental rate not in excess of 4% of the maximum Qualified Rental Rate in effect from time to time for a ~~{two-bedroom}~~ Reserved Housing Apartment [in the 1133 Waimanu Condominium Project], as reviewed and approved in advance by HCDA. Parking rental rates may be increased from time to time as long as they do not exceed the maximum amount established herein and are reviewed and approved in advance by HCDA.

(5) A Qualified Renter shall~~{,}~~ within thirty (30) days after receipt of HCDA's written request, provide HCDA with copies of such Qualified Renter's financial statements and access to such Qualified Renter's records in order to determine such Qualified Renter's compliance with rental restrictions herein.

e. Options to Purchase.

(1) If an ~~{apartment owner}~~ [Owner-Occupant] wishes to transfer any interest in such owner's Reserved Housing Apartment or if any interest in a Reserved Housing Apartment is transferred [by an Owner-Occupant] at any time during the Buy-Back Restriction

Period (as hereinafter defined), HCDA shall have the first option to purchase the Reserved Housing Apartment at a price equal to the aggregate of (i) the price at which the apartment owner purchased the interest in the Reserved Housing Apartment which is proposed to be transferred, (ii) the cost of any improvements added by the apartment owner attributable to the interest in the Reserved Housing Apartment proposed to be transferred; and (iii) 7% per annum simple interest on the apartment owner's equity in the interest in the Reserved Housing Apartment proposed to be transferred for the period of such apartment owner's ownership of the interest prepared to be sold (the "Buy-Back Price").

(2) An ~~apartment owner~~ Owner-Occupant wishing to transfer any interest in such owner's Reserved Housing Apartment shall provide to HCDA written notice of such desire, which written notice shall include the amount of the Buy-Back Price together with documentation reasonably satisfactory to HCDA to enable HCDA to verify the amount of the Buy-Back Price. HCDA shall exercise its first option to purchase no later than sixty (60) days after receipt by HCDA of the written notice and all of the documentation described in the immediately preceding sentence by sending written notice of such exercise to the apartment owner within said sixty (60) day period. If such written notice is not timely sent by HCDA, the first option to purchase herein granted to HCDA shall lapse and be of no further force and effect and such apartment owner shall be entitled to transfer such interest in such owner's Reserved Housing Apartment upon such terms and conditions as such owner shall decide. If such first option to purchase is timely exercised by HCDA, the closing of such purchase shall occur within sixty (60) days after the exercise of such option by HCDA.

* * *

(8) If Grantor exercises its option to purchase, Grantor shall either (a) transfer the Reserved Housing Apartment to a qualified Owner-Occupant at a price that, for the year in which the option is exercised, is affordable to a household earning up to one hundred forty percent (140%) of the HUD Median Annual Income for a family of four (4) (assuming (i) an interest rate that is equal to the average of the then prevailing rate of interest charged by reputable residential mortgage lenders in the State of Hawaii, (ii) that thirty-two percent (32%) of the household annual income will be available for housing payments, ~~exclusive~~ inclusive of reserve contributions and maintenance fees, and (iii) a down payment that is 10% of the purchase price), or (b) to a buyer who shall rent the Reserved Housing Apartment only to a Qualified Renter at Qualified Rental Rates as determined in subparagraph d(3) herein.