

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Hobron Hotel, L.L.C.
Address 333 South Grand Avenue, 28th Floor, Los Angeles, California 90071
Project Name(\*): THE WINDSOR
Address: 343 Hobron Lane, Honolulu, Hawaii 96815

Registration No. 5004 (conversion) Effective date: December 15, 2003
Expiration date: September 15, 2004

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: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
CONTINGENT FINAL: (green) The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
And [ ] Supersedes all prior public reports.

(\* ) Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.
FORM: RECO-30 1297 / 0298 / 0800 / 0203

**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. The Project will now contain 181 apartments, rather than 179 apartments.
2. The two penthouse apartments (Apartment 4402 (which was a Type 2PH Apartment) and Apartment 4403 (which was a Type 3PH Apartment)) have been eliminated and divided into two separate apartments each. In their place will be Apartment 4401 (which will be a Type 1G Apartment), Apartment 4402 (which will be a Type 2J Apartment), Apartment 4403 (which will be a Type 3I Apartment) and Apartment 4404 (which will be a Type 4G Apartment).
3. The parking stall designations for Apartments 4301, 4302, 4304, 4402 and 4403 have changed. Buyers are advised to inspect the parking stall that is now appurtenant to the apartment they are buying.
4. The net living areas of certain of the apartments have changed. Buyers are advised to review the net living area of the apartment they are interested in.
5. The Declaration and Bylaws have been recorded in the Land Court. Prior to recordation, various revisions were made to the Declaration and the Bylaws, as well as to the Project Rules. Buyers are advised to read the final versions of these documents carefully.
6. As a result of the deletion of the penthouse apartments and the addition of two additional apartments, the common interests of all the apartments has changed. Buyers are advised to review the new common interest associated with the apartment they are interested in.
7. As a result of the deletion of the penthouse apartments and the addition of two additional apartments, the maintenance fees for the apartments have been revised. Buyers are advised to review the updated maintenance fees associated with the apartment they are interested in.
8. Buyers will be required to sign a document called a "Confirmation of Agreement", pursuant to which the Buyer and the Developer will confirm that the Sales Contract has become a binding agreement.
9. The areas of the limited common element lanais adjacent to Apartments L101 and L102 have been reduced to 245 square feet and 250 square feet, respectively. The areas of the limited common element lanais adjacent to Apartments L103, L104, L105 and L106 have increased slightly.
10. The provisions in the Bylaws and in the Project Rules relating to the keeping of pets in the project have been revised. Buyers are advised to review the revisions to those documents as they relate to the keeping of pets.
11. The Project is now subject to a Declaration of Restrictive Covenants (Private Park), which is summarized on page 20 of this public report.

**SPECIAL ATTENTION SHOULD BE GIVEN TO THE SUMMARY OF RIGHTS RESERVED TO THE DEVELOPER (EXHIBIT "J")**

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SPECIAL ATTENTION

This public report does not constitute approval of the Project by the Real Estate Commission, or any other governmental agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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**SPECIAL ATTENTION**

This Contingent Final Public Report has been prepared by the Developer pursuant to §514A-39.5, HRS. The Real Estate Commission issued this report before the developer submitted certain documents and information as more fully set forth in the statutory notice below. Sales contracts executed pursuant to this report **are binding on the buyer under those conditions specified immediately below** and in Part V. D. of this report found on pages 18 & 19 of this report. This report expires nine (9) months after the effective date of the report and may not be extended or renewed.

**STATUTORY NOTICE**

"The effective date for the Developer's Contingent Final Public Report was issued before the Developer submitted to the Real Estate Commission: the executed and recorded deed or master lease for the project site; the executed construction contract for the project; the building permit; satisfactory evidence of sufficient funds to cover the total project cost; or satisfactory evidence of a performance bond issued by a surety licensed in the State of not less than one hundred percent of the cost of construction, or such other substantially equivalent or similar instrument or security approved by the Commission. Until the Developer submits each of the foregoing items to the Commission, all Purchaser deposits will be held by the escrow agent in a federally-insured, interest-bearing account at a bank, savings and loan association, or trust company authorized to do business in the State. If the Developer does not submit each of the foregoing items to the Commission and the Commission does not issue an effective date for the Final Public Report before the expiration of the Contingent Final Public Report, then:

- (1) The Developer will notify the Purchaser thereof by certified mail; and
  - (2) Either the Developer or the Purchaser shall thereafter have the right under Hawaii law to rescind the Purchaser's sales contract. In the event of a rescission, the Developer shall return all of the Purchaser's deposits together with all interest earned thereon, reimbursement of any required escrow fees, and, if the Developer required the Purchaser to secure a financing commitment, reimburse any fees the Purchaser incurred to secure that financing commitment." (§514A-64.5, HRS)
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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 owner/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 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: Hobron Hotel, L.L.C. Phone: (213) 830-6318  
Name\* (Business)  
333 South Grand Avenue, 28<sup>th</sup> Floor  
Business Address  
Los Angeles, California 90071

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

Oaktree Capital Management, LLC (Manager of Developer) ("OCM")  
Sean Armstrong (Managing Director)/Russel Bernard (Principal/Member) are the pertinent representatives of OCM.

Real Estate Broker\*: Coldwell Banker Pacific Properties, Ltd. Phone: (808) 593-6485  
Name (Business)  
1314 South King Street, Second Floor  
Business Address  
Honolulu, Hawaii 96814

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

General Contractor\*: U.S. Pacific Construction, Inc. Phone: (808) 540-0777  
Name (Business)  
1001 Bishop Street, Pauahi Tower Suite 1250  
Business Address  
Honolulu, Hawaii 96813

Condominium Managing Agent\*: Hawaiiana Management Company, Ltd. Phone: (808) 593-9100  
Name (Business)  
Pacific Park Plaza, Suite 700, 711 Kapiolani Blvd.  
Business Address  
Honolulu, Hawaii 96813

Attorney for Developer: Case Bigelow & Lombardi Phone: (808) 547-5400  
Name (Business)  
Pacific Guardian Center, Mauka Tower  
737 Bishop Street, Suite 2600  
Business Address  
Honolulu, Hawaii 96813  
Attn: Scott D. Radovich/David F. Andrew, Esq.

\* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

**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 Number 3020885

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 Condominium Map No. \_\_\_\_\_  
 Filed - Land Court Condominium Map No. 1582

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 Number 3020886

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 Vote of Board of Directors</u>

\* 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 J to this public report]



III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- [ X ] Fee Simple: Individual apartments and the common elements, which includes the underlying land, will be in fee simple.
[ ] Leasehold or Sub-leasehold: Individual apartments and the common elements, which includes 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 Sub-leaseholds:

- [ ] 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 Sub-leasehold:

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: 343 Hobron Lane Tax Map Key (TMK): (1) 2-6-12:047  
Honolulu, Hawaii 96815

Address  TMK is expected to change because \_\_\_\_\_

Land Area: 44,476 [X] square feet  acre(s) Zoning: Apartment,  
Waikiki Business  
Improvement District, No.1

Fee Owner: Hobron Hotel, L.L.C.  
 Name  
333 South Grand Avenue, 28<sup>th</sup> Floor  
 Address  
Los Angeles, California 90071

Lessor: N/A  
 Name  
 \_\_\_\_\_  
 Address  
 \_\_\_\_\_

**C. Buildings and Other Improvements:**

1.  New Building(s)  
 Conversion of Existing Building(s)\*  
 Both New Building(s) and Conversion

\* Although the shell of the building will remain, the interiors of all of the apartments will be newly constructed.

2. Number of Buildings: 1 Floors Per Building 44  
 Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other steel, glass and other building materials

4. Uses Permitted by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>181</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> 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:

- Pets: Subject to the limitations set forth in the Bylaws and/or the Project Rules, parakeets, canaries, aquarium fish, one dog and one cat may be kept by occupants.
- Number of Occupants: Occupancy is limited to no more than 2 persons per bedroom in each Apartment, not including children under 5 years, but in no event more than 3 persons per bedroom, including children under 5.
- Other: No "time-sharing" permitted; no water beds without Board approval. The Declaration of Restrictive Covenants referenced on page 20, the Declaration, the Bylaws and the Project Rules contain additional restrictions.
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 6 Stairways: 2 Trash Chutes: 1

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)**</u>	<u>Identify**</u>
Plan 1A	1	1/1	662	221**	Lanai**
Plan 1B	18	1/1	625		
Plan 1C-2S	1	2/2.5	1,312		
Plan 1D	15	2/2	915		
Plan 1E	1	1/1	636		
Plan 1F	1	2/2	915		
Plan 1G	1	2/2	915		
Plan 2A	1	1/1	781	221**	Lanai**
Plan 2B	18	2/2	941		
Plan 2C-2S	1	2/2.5	1,566		
Plan 2D	1	2/2	953		
Plan 2E	1	2/2	1,118		
Plan 2F	8	2/2	1,122		
Plan 2G	5	2/2	1,081		
Plan 2H	1	2/2.5	1,115		
Plan 2I	1	2/2	1,122		
Plan 2J	1	2/2	1,122		
Plan 3A	1	1/1	764	221**	Lanai**
Plan 3B	18	2/2	945		
Plan 3C-2S	1	2/2.5	1,315		
Plan 3D	1	2/2	952		
Plan 3E	1	2/2	1,041		
Plan 3F	13	2/2	1,046		
Plan 3G	1	2/2	1,037		

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)**</u>	<u>Identify**</u>
<u>Plan 3H</u>	<u>1</u>	<u>2/2</u>	<u>1,046</u>	<u>—</u>	<u>—</u>
<u>Plan 3I</u>	<u>1</u>	<u>2/2</u>	<u>1,046</u>	<u>—</u>	<u>—</u>
<u>Plan 4A</u>	<u>1</u>	<u>1/1</u>	<u>755</u>	<u>221**</u>	<u>Lanai**</u>
<u>Plan 4B</u>	<u>18</u>	<u>1/1</u>	<u>676</u>	<u>—</u>	<u>—</u>
<u>Plan 4C-2S</u>	<u>1</u>	<u>2/2.5</u>	<u>1,566</u>	<u>—</u>	<u>—</u>
<u>Plan 4D</u>	<u>15</u>	<u>2/2</u>	<u>953</u>	<u>—</u>	<u>—</u>
<u>Plan 4E</u>	<u>1</u>	<u>1/1</u>	<u>674</u>	<u>—</u>	<u>—</u>
<u>Plan 4F</u>	<u>1</u>	<u>2/2</u>	<u>953</u>	<u>—</u>	<u>—</u>
<u>Plan 4G</u>	<u>1</u>	<u>2/2</u>	<u>953</u>	<u>—</u>	<u>—</u>
<u>Plan 5A</u>	<u>18</u>	<u>1/1</u>	<u>564</u>	<u>—</u>	<u>—</u>
<u>Plan 5B-2S</u>	<u>1</u>	<u>1/1.5</u>	<u>783</u>	<u>—</u>	<u>—</u>
<u>Plan 5C</u>	<u>1</u>	<u>1/1</u>	<u>556</u>	<u>—</u>	<u>—</u>
<u>Plan 6A-2S</u>	<u>1</u>	<u>1/1.5</u>	<u>791</u>	<u>—</u>	<u>—</u>
<u>Plan M101</u>	<u>1</u>	<u>2/2.5</u>	<u>1,475</u>	<u>—</u>	<u>—</u>
<u>Plan M102</u>	<u>1</u>	<u>2/2.5</u>	<u>1,673</u>	<u>—</u>	<u>—</u>
<u>Plan L101</u>	<u>1</u>	<u>2/2.5</u>	<u>1,713</u>	<u>245**</u>	<u>Lanai**</u>
<u>Plan L102</u>	<u>1</u>	<u>2/2.5</u>	<u>1,696</u>	<u>250**</u>	<u>Lanai**</u>
<u>Plan L103</u>	<u>1</u>	<u>2/2.5</u>	<u>1,388</u>	<u>151**</u>	<u>Lanai**</u>
<u>Plan L104</u>	<u>1</u>	<u>1/1</u>	<u>961</u>	<u>98**</u>	<u>Lanai**</u>
<u>Plan L105</u>	<u>1</u>	<u>1/1</u>	<u>596</u>	<u>151**</u>	<u>Lanai**</u>
<u>Plan L106</u>	<u>1</u>	<u>2/2.5</u>	<u>1,387</u>	<u>188**</u>	<u>Lanai**</u>
Total Number of Apartments:			<u>181</u>		

\*The floor areas shown are approximate only.

\*\*The lanais that some of the apartments will have the use of are NOT part of the apartments, but are limited common elements that are appurtenant to such apartments.

**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.** The areas of the apartments are likely to vary somewhat. Even apartments of the same type may differ in their actual areas. The Developer makes no representations or warranties whatsoever as to the floor area of any particular apartment.

The approximate net living area of each Apartment as set forth above is measured from the interior surface of the apartment perimeter walls and includes all of the walls, columns, shafts and partitions within its perimeter walls, whether load-bearing or non-load-bearing and whether among the Common Elements or not. For example, running through most every Apartment and included within the approximate net living areas of such Apartments set forth above is an existing three square-foot fire-rated shaft, located as shown on the Condominium Map. The shaft is part of the Common Elements and not part of the Apartment. Further, running through every Apartment and included within the approximate net living areas of the Apartments set forth above are portions of at least two columns that are part of the building's structure. Those columns, each of which takes up as much as 10 square inches more in the lower-floor Apartments than in the upper-floor Apartments, are part of the Common Elements and not part of the Apartment.

**Boundaries of Each Apartment:** The various Apartment types and their respective areas are more particularly described in Exhibit "B" attached to the Declaration. Each Apartment shall be deemed to include (a) all walls, columns and partitions that are not load-bearing within the Apartment's perimeter walls, (b) the inner decorated or finished surfaces of all floors, ceilings, doors, door frames and perimeter party or non-party walls, (c) any doors or panels along the perimeter walls of such Apartment, (d) the air space within the perimeter of the Apartment, (e) all appliances and fixtures, and replacements thereof, installed in the Apartment, (f) all pipes, plumbing, shafts, ducts, pumps, wires, conduits and other utility or service lines and facilities running through such Apartment which are utilized for and serve only that Apartment, (g) all windows, all cranks, rollers and other window or sliding door hardware and (h) any air conditioning equipment or apparatus serving only the Apartment, including, without limitation, the controls, valves, piping, vents, ducts, compressor, fan, refrigerant coil and piping, condensate drain pan and piping and filters. Notwithstanding anything in the previous sentence to the contrary, the respective Apartments shall not be deemed to include (u) the lanais shown on the Condominium Map (which shall be Limited Common Element), (v) the undecorated or unfinished portions of the perimeter party or non-party walls or interior load-bearing walls, (w) the undecorated or unfinished portions of the floors, ceilings, exterior entry doors, door frames and window frames surrounding each Apartment, (x) the undecorated or unfinished portions of the interior load-bearing columns, girders and beams, (y) any pipes, plumbing, shafts, ducts, pumps, wires, conduits and other utility or service lines and facilities running through an Apartment which are utilized for or serve more than one Apartment, (z) any window frames, all of which are deemed Common Elements as provided in the Declaration.

**Permitted Alterations to Apartments:** See Exhibit K to this public report.

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement. Developer has elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 222\*

	<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	<u>128</u>	<u>34</u>	<u>20</u>	<u>3</u>	<u>8</u>		<u>193</u>
Guest	<u>6</u>						<u>6</u>
Unassigned**		<u>1</u>	<u>10</u>			<u>4</u>	<u>15</u>
Extra for Purchase							
Other: <u>Permanently non-conforming</u>	<u>2</u>		<u>6</u>				<u>8*</u>
Total Covered & Open:	<u>171</u>		<u>39</u>		<u>12</u>		<u>222*</u>

Each apartment will have the exclusive use of at least one parking stall.

Buyers are encouraged to find out which stall will be available for their use. By taking title to an Apartment, buyers will be deemed to have inspected their parking stall and to have accepted and approved its location.

\* This total includes eight numbered parking stalls that are non-conforming and cannot be used for parking of autos.

NOTE: Due to height restrictions, parking in the parking structure is limited to vehicles not exceeding 6 feet, 2 inches.

NOTE: Due to the intrusion of walls and columns, some of the assigned parking stalls may not meet current parking regulations for either regular or compact parking stalls.

NOTE: The Developer has reserved the right to designate parking stalls not otherwise designated as limited common elements to be appurtenant to and for the exclusive use of any apartment in the Project or as guest parking stalls for the Project. See Exhibit J to this public report.

- Commercial parking garage permitted in condominium project.
- Exhibit B 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/Enclosure(s)
- Other: hot tub; multi-purpose room; exercise room

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 \_\_\_\_\_  
(Date)

\*It is important to note that because the Developer did not construct the existing building, the Developer cannot and will not make any representations with respect to the structure of the building or the exterior of the building.

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):

The building and the grounds that comprise the Project have recently undergone, and continue to undergo, extensive renovations, the result of which will be that, upon completion of such renovations, the interiors of all of the apartments in the Project will be newly constructed. Nevertheless, it is the developer's opinion that the present condition of the structural components and mechanical and electrical installations material to the use and enjoyment of the Project is that they are, or will be upon completion of the work being performed, in good condition. The developer makes no representations or warranties of any kind as to the expected useful life of the structural components or of the mechanical and electrical installations material to the use and enjoyment of the Project. (See Exhibit L - Statement Regarding Condition of Improvements.)

11. Conformance to Present Zoning Code

- a.  No variances to zoning code have been granted.  
 Variance(s) to zoning code was/were granted as follows:
1. Variance No. 93/VAR-40 approved by the City Department of Land Utilization (now the Department of Planning and Permitting ("DPP")) on October 13, 1993, to allow (retain) a 878-square foot enclosure within the ground floor of the parking garage to be used as an engineering shop.
  2. On December 13, 2002, the DPP approved a variance to allow dead-end hallways and corridors that exceed 20 feet in length.
- b. Conforming/Non-Conforming Uses, Structures, Lot

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

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

\* As noted in Section 7 on page 12 of this public report, of the 222 numbered parking stalls, there are 8 numbered stalls that are nonconforming and cannot be used for parking of autos. However, these 8 stalls do not affect the building's compliance with the City's parking requirements.

\*\* The existing building exceeds the current Apartment Precinct density standards. Constructed under the H-2 Hotel District provisions of the old Comprehensive Zoning Code, it exceeds the current maximum density by about 145,000 square feet and exceeds the current height limit by about four feet and is, thus, nonconforming. Despite these non-conformities, the City has not made their remediation a condition to issuance of any permits.

NOTE: Although the Project may currently require additional or different landscaping, by the time construction of the Project is completed, the landscaping will comply with the City's requirements for the Project.

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     C    .

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 D.

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:

\*IMPORTANT NOTE: Because there will likely be a Resident Manager's apartment (Apartment L104) owned by the Association of Apartment Owners and because expenses of the Association (including those expenses relating to the Resident Manager's apartment) are paid by the apartment owners, for convenience, the percentages used to determine the amount of maintenance fees paid by the respective apartment owners differ slightly from the common interests of the respective apartments. In fact, as set forth in Section I.1(a) of the Declaration, common expenses (i.e., maintenance fees) shall be charged to and divided among only those apartments that are not owned by the Association in the proportion that the common interest appurtenant to each such apartment bears to the total common interest of all such apartments that are not owned by the Association. For example, if, as is intended, Apartment L104 is owned by the Association for use by the Resident Manager, the common expenses would be divided among all apartments except Apartment L104 in the proportion that the common interest appurtenant to each such apartment bears to the total common interest of all apartments except Apartment L104. See Exhibit "E-1" attached to this public report for the percentages that would be used to determine each apartment's share of the common expenses if Apartment L104 was owned by the Association.

- 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 October 8, 2003 and issued by Title Guaranty of Hawaii, Incorporated.

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. \*

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

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. 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	The Buyer's contract will be subject to cancellation and the Buyer may not be able to purchase the apartment, but all deposits made by the Buyer will be refunded, less an escrow cancellation fee.

The Buyer intentionally waives, relinquishes and subordinates the priority or superiority of any lien or other legal or equitable interest arising under the Buyer's Sales Contract in favor of the liens or charges on the Project granted by the Developer to the Developer's construction lender. The construction loan to be made by the Developer's construction lender shall be for a principal amount not to exceed TWENTY-FIVE MILLION AND NO/100 DOLLARS (\$25,000,000.00); with an interest rate not to exceed, at the Developer's option, one (1) percentage point higher than the lender's Prime Interest Rate, fluctuating with prime, or three (3) percentage points higher than the London Interbank Offered Rate for periods of one, two or three months, with a "floor" of six percent (6%) per annum (absent default); and for a term of not more than four (4) years.

**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:**

The Developer did not construct the existing building. As such, no warranties whatsoever can or will be given or passed on with respect to the structure of the building or the exterior of the building, including the windows and window frames. With respect to work performed on behalf of the Developer, which does NOT include the structure of the building or the exterior of the building (e.g., windows and window frames), the Developer will require from the general contractor for the Project a written warranty with respect to any defects in each apartment and the common elements due to faulty materials and/or workmanship which are discovered and reported within one year from the "Date of Substantial Completion" as defined in the construction contract. The Developer makes no warranties itself; however, the Developer will attempt to assign to each apartment owner any and all warranties given the Developer by the general contractor for the project and by any subcontractors or materialmen.

2. **Appliances:**

The Developer makes no warranties itself. However, the Developer will attempt to assign to each apartment owner the benefit of any manufacturer's or dealer's warranties covering the appliances or other consumer products or goods in his or her apartment. Each apartment owner shall have the direct benefit of any such warranties, if the Developer's attempted assignment is successful and binding. These warranties, if available, will expire at different times, depending on the date of manufacture, sale or installation of the appliances.

**G. Status of Construction and Date of Completion or Estimated Date of Completion:**

Construction of the model apartments is completed. Construction/renovation of the common areas (including levels 1, 2 and 5 and the parking facilities) began around May 2003 and is anticipated to be substantially completed around November 2003. Construction of apartments numbered 2601 through 4403 began around March 2003 and is anticipated to be substantially completed around November 2003. Construction of apartments numbered 601 through 2405 began around August 2003 and is anticipated to be substantially completed around April 2004.

**IT IS IMPORTANT TO NOTE THAT THE DATES SET FORTH ABOVE ARE JUST ESTIMATES AND THE ACTUAL DATES OF COMMENCEMENT AND/OR COMPLETION MAY VARY.**

**H. Project Phases:**

The developer  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):

Incremental Development. The Developer has reserved the right (but is not obligated), without being required to obtain the consent or joinder of any other person who may have an interest in the Project or in any apartment, to develop the apartments in increments on an apartment-by-apartment or floor-by-floor basis. See Exhibit J of this public report for further information concerning incremental development.



**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 ( Common Elements only     Common Elements & Apartments)\*
- Gas ( Common Elements only     Common Elements & Apartments)
- Water       Sewer       Television Cable (basic package)
- Other refuse collection; pest control; window cleaning; telephone

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

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:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit H contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated February 13, 2003

Exhibit I contains a summary of the pertinent provisions of the escrow agreement.

Other Declaration of Restrictive Covenants (Private Park)

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.

Contingent Final Report or Supplementary Report to a Contingent Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
  - 1) Either the Contingent Final Public Report **OR** the Supplementary Public Report which has superseded the Contingent 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 after the date the report(s) were delivered to the buyer.

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 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 to 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 issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- 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: Declaration of Restrictive Covenants (Private Park)

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. 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, Hawaii 96809, at a nominal cost.

This Public Report is a part of Registration No. 5004 filed with the Real Estate Commission on January 10, 2003.

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**C. Additional Information Not Covered Above**

1. Ongoing Construction and Sales Activities. Developer (or an affiliate of Developer) has a fee simple or leasehold interest in most of the other properties on the block on which the Project is located. Although such other properties may initially be grassed or otherwise landscaped, Developer (or its affiliate, if applicable) does intend (although is not obligated) to develop most, if not all, of those other properties, to construct additional residential and/or commercial structures thereon and to market and sell such properties. As such, by buying an Apartment, buyers acknowledge and accept that such properties are likely to be developed differently from what may exist when the buyers first occupy their Apartment and that noise, dust, vibration and other nuisances or annoyances may be created by and result from any work connected with or incidental to the development, construction, marketing and sale of such other properties. By buying an Apartment, buyers acknowledge that: (i) construction activity by Developer and others may continue at the Project and on adjacent property after Buyer has occupied the Apartment and that this activity may result in noise, dust and other nuisances or annoyances to Buyer, and may limit Buyer's access to portions of the Project; (ii) sales activities, including the use of model apartment units, signs and extensive sales displays and activities may continue at the Project until the sale of the last unsold apartment in the Project or other developments of Developer's (or affiliates) adjacent to or in the vicinity of the Project; (iii) Developer reserves the right, for itself, its sales representative and prospective purchasers, to utilize parking spaces for parking for prospective purchasers until the sale of the last unsold apartment in the Project or other developments of Developer's (or affiliates) adjacent to or in the vicinity of the Project; (iv) Developer also reserves the right, for itself, its sales representatives and prospective purchasers, to utilize the common elements for ingress and egress to such parking spaces and to model apartments, and also in order to show the common elements to prospective purchasers of apartments in the Project or other developments of Developer's (or affiliates) adjacent to or in the vicinity of the Project; and (v) Developer also reserves the right to remove, amend or add common elements and to connect the other properties to common elements and utilities of the Project. Buyer shall be deemed to accept the foregoing conditions as well as any inconvenience or annoyance which Buyer may experience as a result of such conditions and shall be deemed to have waived any rights, claims or actions which Buyer might otherwise have against Developer, its agents, employees, contractors or subcontractors as a result of such circumstances. Buyers shall be deemed to agree to execute any further documentation required by Developer to evidence Buyer's covenants.

2. No Representations Regarding Income or Profit. Buyers acknowledge that neither Developer nor any of its representatives has made any representation concerning rental of the Apartment, income or profit from the Apartment, or any other economic benefit to be derived from the purchase of the Apartment. Developer makes no representations or warranties concerning the Apartment, the Project, estimated maintenance fees and rental of the Apartment.

3. Declaration of Restrictive Covenants (Private Park). Pursuant to requirements of the City and County of Honolulu and its Department of Planning and Permitting (the "DPP"), the Developer has recorded that certain "Declaration of Restrictive Covenants (Private Park) dated September 5, 2003, recorded as Land Court Document No. 2993015 (the "Restrictive Covenants") on the title to the land underlying the Project, thereby subjecting the Project to the terms and conditions of the Restrictive Covenants. The Restrictive Covenants contain the following provisions:

(a) Certain common element areas of the Project are to be used for private park and recreational purposes (the "Private Park"). The location of the Private Park is shown in Exhibit "B" of the Restrictive Covenants.

(b) In order to provide active and passive recreation for the occupants of the Project, at all times during the term of the Restrictive Covenants, the area of the Private Park shown on said Exhibit "B" (the "Private Park area") shall be improved, maintained and used exclusively for private park and recreational purposes by the occupants, owners or lessees of units in the Project.

(c) The Restrictive Covenants shall not be repealed or amended except by a majority vote of the owners of apartments in the Project with the written approval of the Developer and the Director of the DPP.

(d) Use of the Private Park area shall be restricted for private park and recreational purposes .

(e) All Apartment Owners, as members of the Association of Apartment Owners, shall be obligated to the perpetual maintenance of the Private Park. This obligation to perpetually maintain the Private Park may be enforced by the Director of the DPP. If the Association fails to properly maintain the Private Park, the Director is authorized to have performed any necessary maintenance work on the Private Park. Upon the failure of the Association to properly maintain the Private Park, the Director shall collect the estimated costs and expenses from the Association, which may be incurred by the Director in performing any such maintenance work. The Director shall have, until all costs and expenses of such maintenance work performed by the Director have been fully paid, a lien upon the Project.

(f) The Association is required to indemnify the City and save it harmless from any and all claims or demands by any person for actions, damages, liabilities, and expenses in connection with the loss of life, personal injury, wrongful death, and/or damage to property arising from the use of the Private Park area by any party. In case the City shall be made a party to any litigation commenced



by or against the Association, then the Association shall protect and hold the City harmless and shall pay all costs, expenses, and reasonable attorney's fees incurred or paid by the City in connection with such litigation.


4. Use of Common Elements for Sales Purposes. The lounge/meeting rooms and appurtenant restroom facilities located on the ground floor of the Project have been reserved at no cost or charge to the Developer for the exclusive use of the Developer, and its agents or assigns, as a sales office for sales activities on, at or in the vicinity of the Project, until the closing of the sale of the last unsold Apartment in the Project and in any other project developed by the Developer (or an affiliate) in the vicinity of the Project. See Section E.7 of the Declaration of Condominium Property Regime regarding this reservation, as well as Sections E.9 and E.10 of the Declaration for further easements reserved to the Developer with respect to the construction, maintenance, operation and sales of Apartments in the Project and other properties developed by the Developer (or an affiliate) in the vicinity of the Project.

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.


Hobron Hotel, L.L.C.  
Printed Name of Developer

By: Hobron Holdings, L.L.C., its Managing Member

By: Oaktree Capital Management, LLC, its Manager

By:  DEC 10 2003  
Duly Authorized Signatory\* Date

RUSSEL S. BERNARD, PRINCIPAL  
Print Name and Title of Person Signing Above

By:  DEC. 10, 2003  
Duly Authorized Signatory\* Date

SEAN ARMSTRONG, MANAGING DIRECTOR  
Print Name and Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu  
Planning Department, City and County of Honolulu

\*Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.

## EXHIBIT A

### DESCRIPTION OF BUILDING

The Project shall contain one 44-story apartment building (without basements) containing a total of 181 Apartments, constructed principally of reinforced concrete with post-tensioned slabs, steel, glass and related building materials, as shown on the Condominium Map.

The Project shall contain 181 Residential Apartments. The Residential Apartments are constructed according to 45 different basic floor plans.

**EXHIBIT B**  
**PARKING STALLS**

<b>APT. NUMBER</b>	<b>STALL #1</b>	<b>STALL #2</b>	<b>APT. NUMBER</b>	<b>STALL #1</b>	<b>STALL #2</b>
L101	57		901	137	
L102	58		902	156	
L103	55		903	155	
L104	106		904	139	
L105	215		905	140	
L106	56		1001	134	
M101	53		1002	165	
M102	54		1003	166	
501	151		1004	135	
502	113C		1005	136	
503	124C		1101	115	
504	149C		1102	159	
601	147		1103	161	
602	110		1104	114	
603	109		1105	133	
604	148		1201	118	
605	150		1202	101	
701	144		1203	160	
702	112		1204	117	
703	111		1205	116	
704	145		1401	121	
705	146		1402	98	
801	141		1403	100	
802	154		1404	120	
803	153		1405	119	
804	142		1501	126	
805	143		1502	96	

APT. NUMBER	STALL #1	STALL #2	APT. NUMBER	STALL #1	STALL # 2
1503	97		2102	83	
1504	123		2103	84	
1505	122		2104	74C	
1601	129		2105	176C	
1602	94		2201	185C	
1603	95		2202	62	
1604	128		2203	61	
1605	127		2204	187C	
1701	132		2205	191C	
1702	92		2301	172	
1703	93		2302	65	
1704	131		2303	64	
1705	130		2304	52	
1801	103		2305	181C	
1802	90		2401	108	
1803	91		2402	67	
1804	104		2403	66	
1805	105		2404	107	
1901	162C		2405	171	
1902	87		2601	75A*	75B*
1903	89		2602	88A*	88B*
1904	164C		2603	25A*	25B*
1905	168C		2604	38A*	38B*
2001	99C		2605	60	
2002	85		2606	59	
2003	86		2701	71	
2004	102		2702	70	
2005	158C		2703	69	
2101	63C		2704	68	

APT. NUMBER	STALL #1	STALL #2	APT. NUMBER	STALL #1	STALL #2
2801	77		3502	11	
2802	76		3503	10	
2803	73		3504	39	
2804	72		3601	18	
2901	81		3602	17	
2902	80		3603	16	
2903	79		3604	15	
2904	78		3701	22	
3001	179		3702	21	
3002	178		3703	20	
3003	177		3704	19	
3004	82		3801	7	
3101	184		3802	26	
3102	188		3803	37	
3103	189		3804	8	
3104	190		3805	9	
3201	50		3901	33	
3202	51		3902	34	
3203	183		3903	35	
3204	182		3904	36	
3301	44		4001	30	
3302	45		4002	29	
3303	46		4003	28	
3304	47		4004	27	
3401	40		4101	200	
3402	41		4102	199	
3403	42		4103	32	
3404	43		4104	31	
3501	14		4201	209	

APT. NUMBER	STALL #1	STALL #2	APT. NUMBER	STALL #1	STALL #2
4202	210		4304	207	214C
4203	202		4401	211	212C
4204	201		4402	48	49C
4301	204	193C	4403	12	13C
4302	206	195C	4404	205	194C
4303	23	24C			

Note: A parking stall marked with a "C", as shown on the list above and on the Condominium Map, indicates a parking stall that is "compact" in size. A parking stall marked with an "F", as shown on the Condominium Map, indicates a parking stall that is "full" or "standard" in size. A parking stall marked with an "HC" indicates a parking stall that is oversized for the handicapped. The additional "C", "F" and "HC" markings appearing on the list above and/or the Condominium Map are for informational purposes only and do not constitute part of the legal identification of a parking stall, the sole means of legal identification being the numerical designation of the parking stall.

Note: The compact parking stalls are considered non-conforming, because they are not standard (regular) size (18 feet x 8.25 feet).

Parking within the parking structure is limited to vehicles not exceeding 6 feet 2 inches in height.

**Pursuant to Section W.3 of the Declaration, Developer has reserved the right: (i) by amendment to the Declaration executed only by Developer, to sell and convey or otherwise designate any parking stall not designated in the Declaration as a limited common element to be appurtenant to and/or for the exclusive use of any apartment in the Project; (ii) to designate any parking stall not designated in the Declaration as a limited common element for use as a guest parking stall for the Project; (iii) to use, or allow others to use, any parking stall not designated in the Declaration as a limited common element as Developer shall deem appropriate; and (iv) to assign or change, from time to time, the assignments of individual parking stalls to individual apartments that have not been conveyed by Developer.**

\*Parking stall numbers 25A/25B, 38A/38B, 75A/75B, and 88A/88B are pairs of tandem parking stalls.

## EXHIBIT C

### COMMON ELEMENTS

The common elements of the Project shall specifically include, but are not limited to, the following:

1. The land described in Exhibit "A" to the condominium declaration, in fee simple, and any and all easements and appurtenances thereto.
2. All undecorated or unfinished portions of all perimeter party walls or perimeter non-party walls and interior load-bearing walls, the undecorated or unfinished portions of floors and ceilings, all structural components, foundations, floor slabs, columns, girders, beams, supports, shafts, ceilings and spaces between the ceiling and the floor slab or roof above, roofs, rooftop equipment screen, exterior surfaces of the building, including any paint or coating thereon, all exterior windows and all exterior stairs and stairways.
3. All yards, grounds, gardens, planters, plants, landscaping, garbage chutes and other refuse facilities, if any, whether within or appurtenant to the Project, which are not defined as part of an Apartment.
4. All sidewalks, pathways, walkways, retaining walls, porte cocheres, ramps, loading areas or zones, car wash areas (if any), driveways, roads, parking areas and parking stalls that are rationally of common use by Owners of more than one Apartment, provided that the Developer shall own and control those parking stalls that are not designated as Limited Common Elements appurtenant to any particular Apartment, and shall have the right to sell and convey them as provided in Section S.3 of the Declaration.
5. All ducts, pumps, valves, sewer lines, electrical equipment, cables, chutes, transformers, wiring, pipes, shafts, wires, conduits or other utility or service lines and facilities which are utilized for or serve more than one Apartment and other central and appurtenant transmission facilities and installations over, under and across the Project which are utilized by or serve more than one Apartment for services such as power, light, water, gas, sewer, refuse, telephone and radio and television signal distribution.
6. All areas, rooms, spaces, structures, housings or facilities of the Project within or outside of the building, which are for common use or which serve more than one Apartment, such as electrical, maintenance, recreation, service, security, machine, mechanical and equipment rooms and the equipment, machinery and facilities therein.
7. The entirety of the fire sprinkler system including portions thereof installed within the various Apartments.
8. The lobby, the lounge/meeting room, the restrooms near the lounge/meeting room, the wet bar, the elevator lobby, the mail room, the trash room, the electrical room, the mechanical room, the telephone equipment room, the maintenance room, the restroom off of the maintenance room, the pool equipment room, the transfer vault, the reception area and the storage areas located on the ground floor of the Project, the cardio/weight room and the restrooms located on the mezzanine level, the putting greens, hot tub, planters and men's and women's restrooms located on the fifth level, the electrical room located on the 26<sup>th</sup> floor, the electrical room and elevator machine room located on the 27<sup>th</sup> floor, the utility room, the kitchen, the restrooms, the service area and the other areas of the roof deck.
9. All storage areas, spaces, hallways, corridors, stairs, stairways, elevators, elevator lobbies, mechanical rooms, electrical rooms, communications rooms, and other similar areas which are not part of an Apartment, provided that, so long as the Developer owns an Apartment in the Project, the Developer shall own and control those storage spaces, if any, located on the ground floor, mezzanine level and Floors 7, 11, 12, 14, 15, 17, 18, 20 and 21 that are not located within an Apartment, and shall have the right to sell and convey them as provided in Section S.4 of the Declaration.
10. Mailboxes located on the ground floor in the mailroom; one for each Apartment and others for the administrative offices and service providers.
11. Any air conditioning equipment or apparatus, including cooling towers, condenser water pumps, condenser water risers, condensate drains, and condensate drain risers, not located within an Apartment, provided that the window air conditioner units for each Apartment are part of the respective Apartments, even though they are partially located outside the perimeter of the Apartment.
12. The fire-rated shaft located in certain of the Apartments, as shown on the floor plan for the Apartment's apartment type that is part of the Condominium Map.
13. Any and all apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.
14. The swimming pool and the lanais shown on the Condominium Map.
15. All other parts of the Project which are not included in the definition of an Apartment.



## EXHIBIT D

### LIMITED COMMON ELEMENTS

Certain apartments shall have appurtenant thereto easements for the exclusive use of certain limited common elements as follows:

1. Parking Stalls:

Each apartment shall have appurtenant to it, as a Limited Common Element, the exclusive right to use such parking stall(s) as designated on Exhibit "B" to this Public Report.

2. Mailboxes:

Each mailbox bearing the same identification as an Apartment is a Limited Common Element appurtenant to that Apartment.

3. Storage Spaces:

If an Extra Storage Space is made appurtenant to one or more Apartments in accordance with Section S.4 of the Declaration, such Extra Storage Space shall be a Limited Common Element appurtenant to and for the exclusive use of the respective Apartment(s). As such, notwithstanding that the Extra Storage Spaces may be designated on the Condominium Map as Limited Common Area or Limited Common Element, the Extra Storage Spaces will not be Limited Common Element unless and until they are so designated in accordance with Section S.4 of the Declaration.

4. Lanais:

Apartments L101, L102, L103, L104, L105, L106, 501, 502, 503, and 504 shall have, as Limited Common Elements, the lanai that is appurtenant to the Apartment and is located as shown on the Condominium Map.

5. Entry Foyers/Vestibules:

Apartments L102, L103 and L104 shall have, as Limited Common Elements, the entry foyer/vestibule that is appurtenant to those Apartments, which entry foyer/vestibule is shown as Vestibule #1 on the Condominium Map. Apartments L105 and L106 shall have, as Limited Common Elements, the entry foyer/vestibule that is appurtenant to those Apartments, which entry foyer/vestibule is shown as Vestibule #2 on the Condominium Map. Notwithstanding anything to the contrary contained in the Project Documents, even though the entry foyers/vestibules are Limited Common Element appurtenant to and for the exclusive of those Apartments, the Association shall be responsible for maintenance and repair of such entry foyers/vestibules.

**EXHIBIT E\***  
**COMMON INTERESTS\*\***

Type and Number of Apartments	Apartment Number	Undivided Common Interest of Each Apartment
Plan 1A (1)	501	0.004116 (0.41160%)
Plan 1B (18)	601, 701, 801, 901, 1001, 1101, 1201, 1401, 1501, 1601, 1701, 1801, 1901, 2001, 2101, 2201, 2301, 2401	0.003885 (0.38850%)
Plan 1C-2S (1)	2601	0.008156 (0.81560%)
Plan 1D (15)	2701, 2801, 2901, 3001, 3101, 3201, 3301, 3401, 3501, 3601, 3701, 3901, 4001, 4101, 4201	0.005688 (0.56880%)
Plan 1E (1)	3801	0.003954 (0.39540%)
Plan 1F (1)	4301	0.005688 (0.56880%)
Plan 1G (1)	4401	0.005688 (0.56880%)
Plan 2A (1)	502	0.004855 (0.48550%)
Plan 2B (18)	602, 702, 802, 902, 1002, 1102, 1202, 1402, 1502, 1602, 1702, 1802, 1902, 2002, 2102, 2202, 2302, 2402	0.00585 (0.58500%)
Plan 2C-2S (1)	2602	0.009735 (0.97350%)
Plan 2D (1)	2702	0.005925 (0.59250%)
Plan 2E (1)	2802	0.00695 (0.69500%)
Plan 2F (8)	2902, 3102, 3202, 3402, 3502, 3702, 4002, 4102	0.006975 (0.69750%)
Plan 2G (5)	3002, 3302, 3602, 3902, 4202	0.00672 (0.67200%)
Plan 2H (1)	3802	0.006932 (0.69320%)
Plan 2I (1)	4302	0.006975 (0.69750%)
Plan 2J (1)	4402	0.006975 (0.69750%)

Type and Number of Apartments	Apartment Number	Undivided Common Interest of Each Apartment
Plan 3A (1)	503	0.00475 (0.47500%)
Plan 3B (18)	603, 703, 803, 903, 1003, 1103, 1203, 1403, 1503, 1603, 1703, 1803, 1903, 2003, 2103, 2203, 2303, 2403	0.005875 (0.58750%)
Plan 3C-2S (1)	2603	0.008175 (0.81750%)
Plan 3D (1)	2703	0.005918 (0.59180%)
Plan 3E (1)	2803	0.006472 (0.64720%)
Plan 3F (13)	2903, 3003, 3103, 3203, 3303, 3403, 3503, 3603, 3703, 3903, 4003, 4103, 4203	0.006503 (0.65030%)
Plan 3G (1)	3803	0.006447 (0.64470%)
Plan 3H (1)	4303	0.006503 (0.65030%)
Plan 3I (1)	4403	0.006503 (0.65030%)
Plan 4A (1)	504	0.004694 (0.46940%)
Plan 4B (18)	604, 704, 804, 904, 1004, 1104, 1204, 1404, 1504, 1604, 1704, 1804, 1904, 2004, 2104, 2204, 2304, 2404	0.004203 (0.42030%)
Plan 4C-2S (1)	2604	0.009735 (0.97350%)
Plan 4D (15)	2704, 2804, 2904, 3004, 3104, 3204, 3304, 3404, 3504, 3604, 3704, 3904, 4004, 4104, 4204	0.005925 (0.59250%)
Plan 4E (1)	3804	0.00419 (0.41900%)
Plan 4F (1)	4304	0.005925 (0.59250%)
Plan 4G (1)	4404	0.005925 (0.59250%)
Plan 5A (18)	605, 705, 805, 905, 1005, 1105, 1205, 1405, 1505, 1605, 1705, 1805, 1905, 2005, 2105, 2205, 2305, 2405	0.003506 (0.35060%)
Plan 5B-2S (1)	2605	0.004868 (0.48680%)

Type and Number of Apartments	Apartment Number	Undivided Common Interest of Each Apartment
Plan 5C (1)	3805	0.003457 (0.34570%)
Plan 6A-2S (1)	2606	0.004918 (0.49180%)
Plan M101 (1)	M101	0.00917 (0.91700%)
Plan M102 (1)	M102	0.010401 (1.04010%)
Plan L101 (1)	L101	0.010649 (1.06490%)
Plan L102 (1)	L102	0.010544 (1.05440%)
Plan L103 (1)	L103	0.008629 (0.86290%)
Plan L104 (1)	L104	0.005974 (0.59740%)
Plan L105 (1)	L105	0.003705 (0.37050%)
Plan L106 (1)	L106	0.008623 (0.86230%)

\* The common interests for the apartments may change in connection with a change by the Developer in the apartment floor plan(s) for any or all of the apartments in an increment to the Project. See Exhibit J to this Public Report for further information concerning incremental development.

\*\*As set forth in Section I.1(a) of the Declaration, each Apartment Owner shall be severally liable for payment of the Common Expenses (via the assessment and payment of Common Assessments) allocable to their Apartment in proportion to the Common Interest appurtenant to such Owner's Apartment; provided, however, that, subject to Section I.1(a) of the Declaration, because apartment owners are required to pay the expenses of the Association, for convenience, Common Expenses shall be charged to and divided among only those Apartments that are not owned by the Association in the proportion that the Common Interest appurtenant to each such Apartment bears to the total Common Interest of all such Apartments that are not owned by the Association. For example, if Apartment L104 is owned by the Association for use by the Resident Manager, the Common Expenses would be divided among all Apartments except Apartment L104 in the proportion that the Common Interest appurtenant to each such Apartment bears to the total Common Interest of all Apartments except Apartment L104. In other words, as noted above, because there will likely be a Resident Manager's apartment (Apartment L104) owned by the Association of Apartment Owners and because expenses of the Association (including those expenses relating to the Resident Manager's apartment) are paid by the apartment owners, the percentages used to determine the amount of maintenance fees paid by the respective apartment owners differ slightly from the common interests of the respective apartments.

See Exhibit "E-1" for the percentages that would be used to determine each Apartment's share of the Common Expenses if Apartment L104 was owned by the Association.

**EXHIBIT E-1**

Percentages Used to Determine Each Apartment's Share of Common Expenses if  
Apartment L104 is Owned by the Association of Apartment Owners

Plan Type	No. of Plan Type	Apartment Number	Percentages Used for Common Expense Payments
1A	1	501	0.00414 (0.41400%)
1B	18	601, 701, 801, 901, 1001, 1101, 1201, 1401, 1501, 1601, 1701, 1801, 1901, 2001, 2101, 2201, 2301, 2401	0.003909 (0.39090%)
1C-2S	1	2601	0.008205 (0.82050%)
1D	15	2701, 2801, 2901, 3001, 3101, 3201, 3301, 3401, 3501, 3601, 3701, 3901, 4001, 4101, 4201	0.005723 (0.57230%)
1E	1	3801	0.003978 (0.39780%)
1F	1	4301	0.005723 (0.57230%)
1G	1	4401	0.005723 (0.57230%)
2A	1	502	0.004885 (0.48850%)
2B	18	602, 702, 802, 902, 1002, 1102, 1202, 1402, 1502, 1602, 1702, 1802, 1902, 2002, 2102, 2202, 2302, 2402	0.005885 (0.58850%)
2C-2S	1	2602	0.009794 (0.97940%)
2D	1	2702	0.00596 (0.59600%)
2E	1	2802	0.006992 (0.69920%)
2F	8	2902, 3102, 3202, 3402, 3502, 3702, 4002, 4102	0.007017 (0.70170%)
2G	5	3002, 3302, 3602, 3902, 4202	0.006761 (0.67610%)
2H	1	3802	0.006973 (0.69730%)
2I	1	4302	0.007017 (0.70170%)
2J	1	4402	0.007017 (0.70170%)
3A	1	503	0.004778 (0.47780%)
3B	18	603, 703, 803, 903, 1003, 1103, 1203, 1403, 1503, 1603, 1703, 1803, 1903, 2003, 2103, 2203, 2303, 2403	0.00591 (0.59100%)
3C-2S	1	2603	0.008224 (0.82240%)
3D	1	2703	0.005954 (0.59540%)

Plan Type	No. of Plan Type	Apartment Number	Percentages Used for Common Expense Payments
3E	1	2803	0.006511 (0.65110%)
3F	13	2903, 3003, 3103, 3203, 3303, 3403, 3503, 3603, 3703, 3903, 4003, 4103, 4203	0.006542 (0.65420%)
3G	1	3803	0.006486 (0.64860%)
3H	1	4303	0.006542 (0.65420%)
3I	1	4403	0.006542 (0.65420%)
4A	1	504	0.004722 (0.47220%)
4B	18	604, 704, 804, 904, 1004, 1104, 1204, 1404, 1504, 1604, 1704, 1804, 1904, 2004, 2104, 2204, 2304, 2404	0.004228 (0.42280%)
4C-2S	1	2604	0.009794 (0.97940%)
4D	15	2704, 2804, 2904, 3004, 3104, 3204, 3304, 3404, 3504, 3604, 3704, 3904, 4004, 4104, 4204	0.00596 (0.59600%)
4E	1	3804	0.004215 (0.42150%)
4F	1	4304	0.00596 (0.59600%)
4G	1	4404	0.00596 (0.59600%)
5A	18	605, 705, 805, 905, 1005, 1105, 1205, 1405, 1505, 1605, 1705, 1805, 1905, 2005, 2105, 2205, 2305, 2405	0.003527 (0.35270%)
5B-2S	1	2605	0.004897 (0.48970%)
5C	1	3805	0.003477 (0.34770%)
6A-2S	1	2606	0.004947 0.49470%
M101	1	M101	0.009225 (0.92250%)
M102	1	M102	0.010463 (1.04630%)
L101	1	L101	0.010713 (1.07130%)
L102	1	L102	0.010607 (1.06070%)
L103	1	L103	0.008681 (0.86810%)
L104	1	L104	0.000000 (0.00000%)
L105	1	L105	0.003727 (0.37270%)
L106	1	L106	0.008674 (0.86740%)

**EXHIBIT F**

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes, Second Installment, Fiscal Year July 1, 2003 - June 30, 2004.  
Tax Key: (1) 2-6-012-047      Area Assessed: 44,476 sq. ft.
2. Any and all assessments that may be due and owing under Waikiki Business Improvement District, District No. 1.
3. Grant to GASCO, INC., a Hawaii corporation, now known as CITIZENS COMMUNICATIONS COMPANY, a Delaware corporation, dated March 19, 1984, filed in the Land Court as Document No. 1229024, granting the right and an easement to construct, install, operate, maintain, repair, replace and remove gas facilities, etc.
4. Guy anchor is located 4.9 feet within Lot 124, as shown on survey map prepared by KAZUTAKA SAIKI, Licensed Professional Land Surveyor with Sam O. Hirota, Inc., dated September 4, 2003.
5. Covenants, conditions, restrictions and other provisions contained in the Declaration of Restrictive Covenants (Private Park) dated September 5, 2003, recorded as Land Court Document No. 2993015.
6. Any unrecorded leases and matters arising from or affecting the same.
7. Covenants, conditions, restrictions, reservations, agreements, easements, obligations and other provisions contained in the Declaration of Condominium Property Regime of The Windsor to be recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as it may be amended from time to time.
8. The Condominium Map for the Project to be recorded in the Land Court, as it may be amended from time to time.
9. Covenants, conditions, restrictions, reservations, agreements, easements, obligations and other provisions contained in the Bylaws of the Association of Apartment Owners of The Windsor to be recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as it may be amended from time to time.
10. Mortgage to be made by Hobron Hotel, L.L.C. in favor of First Hawaiian Bank and to be recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

**EXHIBIT G**

**ESTIMATES OF MAINTENANCE FEES AND  
MAINTENANCE FEE DISBURSEMENTS**

ESTIMATE OF INITIAL MAINTENANCE FEES\*

<b>Apartment Type**</b>	<b>Monthly Fee (\$ per apt.)</b>	<b>Annual Fee (\$ per apt.)</b>
Plan 1A	333.55	4,002.60
Plan 1B	314.94	3,779.28
Plan 1C-2S	661.06	7,932.72
Plan 1D	461.09	5,533.08
Plan 1E	320.50	3,846.00
Plan 1F	461.09	5,533.08
Plan 1G	461.09	5,533.08
Plan 2A	393.57	4,722.84
Plan 2B	474.14	5,689.68
Plan 2C-2S	789.08	9,468.96
Plan 2D	480.19	5,762.28
Plan 2E	563.33	6,759.96
Plan 2F	565.35	6,784.20
Plan 2G	544.72	6,536.64
Plan 2H	561.80	6,741.60
Plan 2I	565.35	6,784.20
Plan 2J	565.35	6,784.20
Plan 3A	384.95	4,619.40
Plan 3B	476.16	5,713.92
Plan 3C-2S	662.59	7,951.08
Plan 3D	479.70	5,756.40
Plan 3E	524.58	6,294.96
Plan 3F	527.08	6,324.96
Plan 3G	522.56	6,270.72
Plan 3H	527.08	6,324.96
Plan 3I	527.08	6,324.96



<b>Apartment Type**</b>	<b>Monthly Fee (\$ per apt.)</b>	<b>Annual Fee (\$ per apt.)</b>
Plan 4A	380.44	4,565.28
Plan 4B	340.64	4,087.68
Plan 4C-2S	789.08	9,468.96
Plan 4D	480.19	5,762.28
Plan 4E	339.59	4,075.08
Plan 4F	480.19	5,762.28
Plan 4G	480.19	5,762.28
Plan 5A	284.16	3,409.92
Plan 5B-2S	394.54	4,734.48
Plan 5C	280.13	3,361.56
Plan 6A-2S	398.57	4,782.84
Plan M101	743.24	8,918.88
Plan M102	842.98	10,115.76
Plan L101	863.12	10,357.44
Plan L102	854.58	10,254.96
Plan L103	699.41	8,392.92
Plan L104	-	-
Plan L105	300.28	3,603.36
Plan L106	698.85	8,386.20

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

\*As set forth in Section I.1(a) of the Declaration, each Apartment Owner shall be severally liable for payment of the Common Expenses (via the assessment and payment of Common Assessments) allocable to their Apartment in proportion to the Common Interest appurtenant to such Owner's Apartment; provided, however, that, subject to said Section I.1(a), Common Expenses shall be charged to and divided among only those Apartments that are not owned by the Association in the proportion that the Common Interest appurtenant to each such Apartment bears to the total Common Interest of all such Apartments that are not owned by the Association. For example, if Apartment L104 is owned by the Association for use by the Resident Manager, the Common Expenses would be divided among all Apartments except Apartment L104 in the proportion that the Common Interest appurtenant to each such Apartment bears to the total Common Interest of all Apartments except Apartment L104. See Exhibit E-1 for a list of the percentages used to determine the amount of maintenance fees to be paid by each Apartment.

\*\*See Exhibit E for a list of apartments by apartment type

**Estimate of Maintenance Fee Disbursements:**

	<u>Monthly Fee x 12 months = Yearly Total</u>	
Utilities and Services		
Air conditioning	\$ 0.00	\$ 0.00
Electricity*		
<input checked="" type="checkbox"/> common elements only	\$ 8,800.00	\$ 105,600.00
<input type="checkbox"/> common elements and apartments	\$ 0.00	\$ 0.00
Gas		
<input checked="" type="checkbox"/> common elements only	\$ 3,000.00	\$ 36,000.00
<input type="checkbox"/> common elements and apartments		
Telephone	\$ 600.00	\$ 7,200.00
Water and Sewer	\$ 7,840.00	\$ 94,080.00
Cable TV	\$ 4,425.00	\$ 53,100.00
Contract Services		
Elevator Maintenance	\$ 3,500.00	\$ 42,000.00
Refuse Collection	\$ 1,700.00	\$ 20,400.00
Pest Control	\$ 300.00	\$ 3,600.00
Landscaping Maintenance	\$ 1,500.00	\$ 18,000.00
Security/Front Desk	\$ 10,050.00	\$ 120,600.00
Exterior Window Cleaning	\$ 400.00	\$ 4,800.00
Fire Systems	\$ 150.00	\$ 1,800.00
Equipment Maintenance	\$ 450.00	\$ 5,400.00
Salaries and Wages		
Payroll	\$ 11,807.00	\$ 141,684.00
Payroll Taxes and Benefits	\$ 3,500.00	\$ 42,000.00
Maintenance, Repairs and Supplies		
Plumbing	\$ 500.00	\$ 6,000.00
Pool and Spa	\$ 300.00	\$ 3,600.00
Misc. Repairs and Purchases	\$ 1,000.00	\$ 12,000.00
Building Maintenance	\$ 500.00	\$ 6,000.00
Equipment Maintenance	\$ 450.00	\$ 5,400.00
Management Services	\$ 2,605.00	\$ 31,260.00
General and Administrative Services	\$ 1,500.00	\$ 18,000.00
Insurance	\$ 7,833.00	\$ 93,996.00
Replacement Reserves	\$ 7,083.00	\$ 84,996.00
Reserve for Uncollectible Accounts	\$ 0.00	\$ 0.00
Taxes and Government Assessments	\$ 300.00	\$ 3,600.00
Outside Services - Other	\$ 475.00	\$ 5,700.00
<b>TOTAL EST. MAINTENANCE FEE DISBURSEMENTS</b>	<b>\$ 80,568.00</b>	<b>\$ 966,816.00</b>

\*The figures set forth above for electricity are net of submetering for the individual apartments. In other words, the figures do not include amounts that will be billed to individual apartment owners based on electricity use for their apartments, as measured by the vendor referenced on page 17 of this public report.



I, Emory Bush, as agent for/and/or employed by Hawaiiana Management Company, the condominium managing agent for The Windsor condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

I should be noted, however, that the above estimates are based on, among other things, various assumptions and estimates for the year 2004 for a full year of occupancy of a full community. Such assumptions may change after the date on which the estimates are made due to changes in economic conditions and other factors which cannot be predicted or assumed. Therefore, actual assessments and disbursements may vary from the above estimates and such variations may be material. Nothing contained within the above estimates is or should be relied upon as a promise or representation as to the future.

In arriving at the figure for "Reserves", the Developer conducted a reserve study for the Project in accordance with Section 514A-83.6, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

A handwritten signature in black ink, appearing to read "E. Bush", written over a horizontal line.

Signature

A handwritten date "10-30-03" in black ink, written over a horizontal line.

Date

## EXHIBIT H

### SUMMARY OF SALES CONTRACT

The Deposit Receipt, Reservation and Sales Agreement (the "Sales Contract") contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract states:

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.

(b) That the purchaser acknowledges having received and read a public report (either preliminary, contingent, final or supplementary) for the Project prior to signing the Sales Contract.

(c) That the Developer makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefit to be derived from the purchase of an apartment.

(d) That the Sales Contract may be subordinate to the lien of a construction lender.

(e) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(f) Requirements relating to the purchaser's financing of the purchase of an apartment.

(g) That the apartment and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(h) That, except as expressly set forth in a written document from the Developer, the Developer makes no warranties regarding the Apartment, the Project or anything installed or contained in the Apartment or the Project.

(i) That the Project will be subject to ongoing construction and sales activities which may result in certain annoyances to the purchaser.

(j) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(k) That the Developer has reserved certain rights and powers relating to the Project and the purchaser acknowledges and consents to the exercise of such rights and powers.

(l) That if the Sales Contract is entered into pursuant to a Contingent Final Public Report and if an effective date for a Final Public Report is not issued by the date on which the Contingent Final Public Report expires, then the purchaser shall be so notified and the Developer or the purchaser, after the expiration of the Contingent Final Public Report, may rescind the Sales Contract and, in such event, the purchaser shall be entitled to a prompt and full refund of the purchaser's entire deposit together with all interest earned thereon, reimbursement of any escrow fees, and, if the Developer required the purchaser to secure a financing commitment, the purchaser shall also be entitled to reimbursement by the Developer of any fees the purchaser incurred in securing that financing commitment.

(m) That if the Sales Contract is entered into pursuant to a Preliminary or Final Public Report, any interest earned from the deposit in Escrow of the purchaser's payments under the Escrow Agreement shall accrue to the credit of the Developer; except that, if Escrow is instead requested to establish a separate account for the purchaser, Escrow shall do so; the purchaser shall furnish to Escrow the purchaser's social security number or federal identification number; the purchaser shall pay Escrow a fee of \$25.00 for such separate account; and any interest earned on funds deposited in such account shall accrue to the credit of the purchaser.

(n) That in the event of a default by the purchaser under the Sales Contract, all sums paid by the purchaser under the Sales Contract shall belong to the Developer as liquidated damages, and the Developer may, in addition to such damages, pursue any other remedy, including specific performance, permitted by law or equity under the Sales Contract.

The Sales Contract contains various other important provisions relating to the purchase of an apartment in the Project. Purchasers and prospective purchasers should carefully read the specimen Sales Contract on file with the Real Estate Commission.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE SALES CONTRACT. WHILE A PURCHASER CAN USE THIS SUMMARY TO GET A GENERAL IDEA OF SOME OF THE TERMS OF THE SALES CONTRACT, THE PURCHASER MUST READ AND UNDERSTAND THE ACTUAL SALES CONTRACT TO DETERMINE THE PURCHASER'S RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE SALES CONTRACT, THE SALES CONTRACT WILL CONTROL AND NOT THIS SUMMARY.

Purchasers who sign the Sales Contract pursuant to a preliminary condominium public report (or supplement thereto) will, upon receipt of the contingent final condominium public report or final condominium public report, as applicable, be required to sign a "Confirmation of Deposit Receipt, Reservation and Sales Agreement" (the "Confirmation"), pursuant to which the Developer and the Purchaser will confirm and agree that the Sales Contract has become a binding contract. A specimen form of the Confirmation is on file with the Real Estate Commission and is available for inspection at the Purchaser's request.

## EXHIBIT I

### SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

- (a) Escrow will let the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.
- (c) Except under certain circumstances as set forth in the Sales Contract, all interest on deposits toward the purchase price shall be the property of the Developer.
- (d) The purchaser will be entitled to a refund of his or her funds deposited with Escrow, upon written request by purchaser to Escrow, if the purchaser exercises purchaser's right to cancel or rescind the Sales Contract pursuant to the Hawaii Condominium Act, as set forth in the Sales Contract (less a cancellation fee commensurate with the work done by Escrow prior to such cancellation, up to a maximum of \$250.00).
- (e) No disbursements of funds held in Escrow shall be made to the Developer until certain conditions, as set forth in the Escrow Agreement and in accordance with the Hawaii Condominium Act, have been fulfilled, including delivery of a copy of the Contingent Final Public Report or the Final Public Report to the purchaser and waiver (or deemed waiver) of the purchaser's right to cancel the Sales Contract.
- (f) Upon a default by the purchaser under the Sales Contract, and the Developer's termination of the Sales Contract as a result of such default, all funds of the purchaser deposited with Escrow shall be treated as funds of the Developer and not as funds of the purchaser, and shall be disbursed to the Developer upon request by the Developer.

The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. Purchasers and prospective purchasers should carefully read the signed Escrow Agreement on file with the Real Estate Commission.

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

## EXHIBIT J

### RESERVED RIGHTS

- A. Upon completion of the Project, the Developer may amend the Declaration and the Condominium Map (if necessary) to file an "as built" statement required by Section 514A-12 of the Condominium Property Act.
- B. Until all of the apartments have been sold, the Developer may amend the Declaration, the Bylaws and/or the Condominium Map to make such amendments as may be required by law, by the Real Estate Commission, by the title insurance company, by a mortgage lender, or by any governmental agency (including the VA, HUD, FNMA and/or FHLMC), provided that no such amendments change the common interest appurtenant to an apartment or substantially change the design, location or size of an apartment.
- C. Until all of the apartments have been sold and the "as built" statement is filed, the Developer may amend the Declaration and the Condominium Map to (i) reflect alterations in any apartment which has not been sold; and (ii) reflect minor changes in any apartment or in the common elements which do not affect the physical location, design or size of any apartment (other than minor changes to the size or dimensions of the yard area appurtenant to any apartment) which has been sold.
- D. Developer has reserved the right: (i) by amendment to the Declaration executed only by Developer, to sell and convey or otherwise designate any parking stall not designated in the Declaration as a limited common element to be appurtenant to and/or for the exclusive use of any apartment in the Project; (ii) to designate any parking stall not designated in the Declaration as a limited common element for use as a guest parking stall for the Project; (iii) to use, or allow others to use, any parking stall not designated in the Declaration as a limited common element as Developer shall deem appropriate; and (iv) to assign or change, from time to time, the assignments of individual parking stalls to individual apartments that have not been conveyed by Developer.
- E. Developer has reserved the right: (a) by way of an amendment to the Declaration executed only by Developer, to sell and convey or otherwise designate all or any of the storage spaces located on the ground floor, the mezzanine level, and the 7<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 20<sup>th</sup> and 21<sup>st</sup> floors that are not located within an apartment (the "Extra Storage Spaces") to be appurtenant to and/or for the exclusive use of any apartment in the Project (even if located on a different floor from the Extra Storage Space); and (b) to use, or allow others to use, all or any of the Extra Storage Spaces as Developer shall deem appropriate.
- F. RESERVATION TO DEVELOP INCREMENTALLY

The Developer has reserved the right, but is not obligated, to construct, sell and convey the apartments in the Project incrementally on an apartment-by-apartment or floor-by-floor basis. Upon the completion of each apartment or floor, the Developer may obtain a certificate of occupancy (or other appropriate City approval) for the completed apartments and thereupon transfer ownership of the apartments to apartment purchasers. In connection with this incremental development, the Developer has the right to enter upon the Project premises with employees, agents and contractors for all purposes reasonably necessary for or useful to constructing and completing all apartments and all increments of the Project.

The Developer also has the right, at the discretion of the Developer, to change the apartment floor plan, or create one or more new apartment floor plans, for any or all of the apartments in an increment, and in connection therewith to amend the condominium declaration and the condominium map to reflect such changes in apartment floor plan(s) and make appropriate revisions to the common interests appurtenant to any or all apartments in the Project to reflect resulting changes in floor area.

See Section P1 of the Declaration for details regarding the Developer's right to develop the Project in increments.

- G. RESERVATION TO ALTER THE PROJECT

Pursuant to Section M of the Declaration, the Developer has reserved the right to make the following alterations in the Project:

1. Pre-Closing Alterations. To make alterations in the Project (and, if appropriate, to amend the Declaration and the Condominium Map accordingly) which change the floor plan of, change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any apartment and/or the limited common elements appurtenant thereto, which is not sold and the conveyance thereof recorded.

2. Post-Closing Alterations. To make other alterations in the Project (and, if appropriate, to amend the Declaration and the Condominium Map accordingly) which make minor changes in any apartment in the Project or in the common elements which do not affect the physical location, design or size of any apartment which has been sold and the conveyance thereof recorded.
  3. Division of Apartments. With respect to any apartment owned by the Developer, to divide such apartment to create two or more separate apartments.
  4. Consolidation of Apartments. With respect to any two adjacent apartments owned by the Developer, the Developer shall have the right, at any time and from time to time at the Developer's sole cost and expense, to consolidate such apartments into a single apartment, provided that the common interest appurtenant to the newly created apartment shall equal the sum of the common interests of the apartments being consolidated.
- H. The Developer has reserved various easements and has various reserved rights relating to easements, as set forth in Section E of the Declaration. Those easements and reserved rights include, without limitation, the right to designate and grant easements over the Common Elements, the right to conduct extensive sales activities at the Project, the right to correct punchlist items, the right to create and cause noise, dust and other nuisances resulting from construction activity and the right to alter the common elements in connection with the development of additional projects in the vicinity of the project. Purchasers are advised to read Section E of the Declaration to understand the scope of the Developer's easements and reserved rights.



## EXHIBIT K

### PERMITTED ALTERATIONS TO APARTMENTS

Section L of the Declaration provides, in part, as follows:

"L. **ALTERATION OF THE PROJECT.**

1. **General Provisions.** Except as otherwise expressly provided in this Section L to the contrary, repair, alteration, reconstruction, restoration or replacement of the Common Elements (or any portion thereof), but excluding Limited Common Elements, or construction of any additional building or other structure or structural alteration or addition thereto, different in any material respect from the Condominium Map, as it then exists, shall be undertaken by the Association only pursuant to an amendment of this Declaration and the Condominium Map. Any such amendment shall be duly executed by or pursuant to the affirmative vote of seventy-five percent of the Apartment Owners and all Apartment Owners whose Apartments are directly affected, and in accordance with complete plans and specifications therefor first approved in writing by the Board, which approval shall not be unreasonably withheld or delayed. Promptly upon completion of such repair, reconstruction, restoration, replacement, construction, alteration or addition, the Association shall duly Record and file of record such amendment, as and to the extent required by the Act, together with a complete set of floor plans of the Project as so altered, certified as-built by a licensed, registered architect or professional engineer.

2. **Alterations by Apartment Owners.**

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

(i) **Additions or Alterations to an Apartment or Limited Common Element.** Each Apartment Owner, with the written consent of Declarant, if Declarant owns any Apartment in the Project (which consent may be given or withheld in the sole discretion of Declarant), and with the written consent of the Eligible Holder of a First Mortgage, if any, affecting the Owner's Apartment, and with the written consent of the Board of Directors (which consent may be given or withheld in the Board's reasonable discretion), shall have the right, at any time and from time to time, at such Apartment Owner's sole cost and expense, and without the consent of any other Person to make any of the following alterations solely affecting the Apartment or Limited Common Elements over which such Owner has sole control: (A) to install, maintain, remove and rearrange partitions (including walls, floors and ceilings) and other structures from time to time within such Apartment or Limited Common Element; (B) to finish, alter or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors and walls as shall be appropriate for the utilization of such Apartment or Limited Common Element by such Owner or the Occupants thereof; (C) to paint, paper, panel, plaster, tile, finish, recarpet, and do or cause to be done such other work on the interior surfaces of the ceilings, floors and walls of any Apartment or Limited Common Element; (D) to build out and/or redesign the interior of the Apartment; and (E) to make any other improvements, renovations or additions deemed appropriate by such Owner; provided, however, that, notwithstanding the above or anything else in this Declaration to the contrary, Apartment Owners shall not have the right to alter the storage area, if any, the lanai, if any, or the parking stall appurtenant to such Owners' Apartments.

(ii) **Alterations Between Apartments.** An Apartment Owner who owns any two adjacent Apartments which are separated by a Common Element that is a wall, floor or a ceiling, or whose Limited Common Elements are separated from each other or from those Apartments by a Common Element that is a wall, floor, or ceiling, shall have the right, at any time and from time to time at such Owner's sole cost and expense, and with the written consent of Declarant if Declarant owns any Apartment in the Project (which consent may be given or withheld in the sole discretion of Declarant) and with the written consent of the Eligible Holders of First Mortgages, if any, affecting the Owner's Apartments, and with the written consent of the Board of Directors (which consent may be given or withheld in the Board's reasonable discretion), to alter or remove all or portions of the intervening wall, floor, and/or ceiling, if (A) the structural integrity of the building is not thereby adversely affected, and (B) the finish of the Common Element then remaining is then restored to a condition substantially comparable to that of the Common Element prior to such alterations, and (C) all construction activity necessary to any such alteration or removal shall be completed within a reasonable period of time after the commencement thereof, subject to extension for delays beyond the control of the Owner or its contractors, in which case any such construction activity shall be completed in such additional time as may be reasonably necessary in the exercise of due diligence. The Owner may install a door or doors to such opening or openings in the intervening Common Element, may seal hallways, and make other reasonable alterations or additions. Before the termination of the common ownership of any such adjacent Apartments, if the intervening wall, floor, or ceiling shall have been altered or removed pursuant to the foregoing provisions and/or any entry to hallways sealed, the Owner of the Apartments shall be obligated to restore such intervening wall, floor, ceiling and or hallway entries to substantially the same condition in which the same existed prior to such alteration or removal.

(b) Limitations on Owner Alterations. The actions described in Section L.2(a) above are collectively referred to in this Section L as "Alterations".

(i) Nothing contained in Section L.2(a) shall authorize any Alteration which would jeopardize the soundness, safety or structural integrity of the building, reduce the value thereof, unreasonably interfere with or disturb the rights of other Owners, materially increase the rate of fire insurance on the building or the contents of the building, materially affect or impair any easement or rights of any of the other Apartment Owners or materially interfere with or deprive any non-consenting Owner of the use or enjoyment of any part of the Common Elements, subject, however, to the exclusive use of the Limited Common Elements. Further, nothing in Section L.2 shall prohibit the Board from effecting such changes within an Apartment or Limited Common Element, or to require the same, in order that the building may continue to comply with applicable laws, including any fire code requirements.

(ii) If the Alterations to be made pursuant to Section L.2(a) have an estimated cost of more than \$50,000, the Owner of the Apartment shall obtain a performance and labor and materials payment bond, naming as obligees the Board, the Association and collectively all Apartment Owners and their respective mortgagees, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such construction.

(iii) All plans and specifications for any Alterations shall be prepared by a Hawaii licensed architect or professional engineer and conform with all applicable laws and ordinances, and all construction changes, the cost of which is expected to exceed \$50,000, shall be undertaken by a building contractor licensed in the State of Hawaii.

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

(v) All construction activity relating to any Alterations affecting the exterior of the building or otherwise visible from another Apartment (or appurtenant Limited Common Element) or from any areas open to the public shall be completed within a reasonable period of time after the commencement thereof, subject to extension for delays beyond the control of the Owner or its contractors, in which case any such construction activity shall be completed in such additional time as may be reasonably necessary in the exercise of due diligence.

(vi) Each Owner's plans and specifications for Alterations to the Owner's Apartment must be approved by the Board of Directors and, as long as Declarant owns an Apartment in the Project, Declarant. No Alteration may commence with respect to any Apartment until final approval thereof has been obtained from the Board and, if applicable, Declarant. The Board shall have the right to hire such architects and/or engineers as it deems appropriate in connection with its review of proposed Alterations. The costs and fees incurred by the Board to hire such architects and/or engineers shall be the responsibility of the Apartment Owner and shall be charged to the Apartment Owner as a special assessment against the Owner's Apartment.

(vii) Each Owner shall submit to the Board and, if applicable, Declarant, for review by the Board, Declarant, if applicable, and/or the architect and/or engineer hired by the Board, four copies of the complete plans and specifications for the proposed Alteration. A non-refundable fee in such amount as shall be determined by the Board from time to time (the "Alteration Review Fee") shall also be paid to the Board at the time of the Owner's initial submittal.

(viii) In addition to the Alteration Review Fee, each Owner shall pay to the Board an "Alteration Deposit" in such amount as shall be determined by the Board from time to time. The Alteration Deposit shall be paid to the Board at the time that the Board and, if applicable, Declarant approves the Owner's Alteration plans and specifications. No construction may commence until the Alteration Deposit has been paid to the Board.

(ix) If the Owner or the Owner's contractors fail to perform any requirement under the Project Documents or any supplemental Alteration rules adopted by the Board or causes any damage to the Project during the course of construction, the Board shall be entitled to use all or any portion of the Alteration Deposit to cover any resulting damage, cost or loss incurred, provided that in no event shall the amount of such deposit be deemed to limit such Owner's liability for any loss, liability, cost or expense of whatsoever nature arising or as a result of any such failure or damage. If no such failure to perform or damage to the Project occurs, then the Board shall return the Alteration Deposit to the Owner without interest following the Board's and, if applicable, Declarant's final inspection of the Owner's completed Alterations.

(x) The Board shall have the right to increase the amount of the Alteration Review Fee and the Alteration Deposit from time to time. The Board shall also have the right, from time to time, to adopt supplemental rules relating to Alterations.

3. Amendment To Declaration and Condominium Map. In the event of an Alteration pursuant to and in compliance with Sections L.2(a) and L.2(b) that alters (a) the depiction of the particular Apartment(s) or Limited Common Elements as they may be shown on the Condominium Map, (b) the description thereof in the Declaration or (c) the Limited Common Elements appurtenant to an Apartment, the Apartment Owner or Owners making the change shall amend this Declaration and, if applicable, the Condominium Map to set forth such change or alteration, which amendment(s) may be executed by the Owner of the affected Apartment or Apartments without the need for execution by any other Person, and such amendment(s) shall become effective upon the Recordation thereof. The provisions of Section Q of this Declaration notwithstanding, such amendment shall not require the vote, consent, or joinder of any other Apartment Owner or any other Person having any interest in the Project, other than the approval of Eligible Holders of First Mortgages of the Apartment or Apartments being changed or altered. Every Apartment Owner, as Apartment Owners and as members of the Association and, if applicable, the Board of Directors, all holders of liens affecting any of the Apartments of the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Apartment, lien or other interest: (y) consents to and agrees that he, she or it shall, if required by law or by any such Owner who shall have changed or altered an Apartment as aforesaid (the "Altering Owner"), join in, consent to, execute, deliver and Record all instruments and documents necessary or desirable to effect the amendment of this Declaration and/or the Condominium Map; and (z) appoints the Altering Owner and the Altering Owner's assigns his, her or its attorney-in-fact and/or agent with full power of substitution to execute, deliver and record such documents and to do such things on his, her or its behalf, which grant of such power, being coupled with an interest, is irrevocable and being a durable power of attorney and/or agency, shall not be affected by the disability of any such party. Pursuant to Section 514A-11(12) of the Act, Alterations made pursuant to Section L.2(a) by Declarant shall not require the vote or consent of the Board or any other person.

4. Declarant's Reserved Rights. Any other provision in this Declaration to the contrary notwithstanding and without limiting any other provision in this Declaration, prior to (a) the time that the fee simple interest in all Apartments in the Project have been sold and the conveyance thereof Recorded, and (b) the Recording by Declarant of the "as built" statement (with plans, if applicable) required by Section 514A-12 of the Act, Declarant shall have the right, from time to time, without being required to obtain the consent or joinder of any Person or group of Persons, including the Association, any Apartment Owner or any mortgagee, lienholder, Apartment purchaser or any other Person who may have an interest in the Project, to do the following:

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

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

(c) Division of Apartments. With respect to any Apartment owned by Declarant, to divide such Apartment to create two or more separate Apartments. Such division of an Apartment by Declarant shall occur by, and the newly created Apartments shall be deemed a part of the Project for all purposes upon: (i) amending the Condominium Map and EXHIBITS "B" and "C" hereto to reflect such division; (ii) amending relevant provisions of this Declaration and the Bylaws to (A) designate which Limited Common Elements appurtenant to the divided Apartment shall be appurtenant to the Apartments resulting from such division, (B) convert, as Declarant shall deem appropriate, portions of the divided Apartment to Limited Common Element status to facilitate such division, (C) allocate the Common Interest of the divided Apartment among the newly created Apartments as Declarant shall deem appropriate, (D) include a certification by a Hawaii registered architect or professional engineer that the final plans theretofore filed, or being filed simultaneously therewith, fully and accurately depict the layout, location, apartment numbers and dimensions of the newly created Apartments as built, and (E) include a certification by Declarant that the newly created Apartments have been substantially completed, that a notice of completion has been filed and that the period for filing of mechanics' and materialmen's liens has expired; and (iii) making such other amendments to this Declaration, the Bylaws, the Condominium Map, and other Project Documents as Declarant deems necessary or convenient to effectuate the division of the Apartment. Upon completion of the foregoing, all of the Apartments, including the newly created Apartments, shall have the right to use the Common Elements in the Project to the same extent and subject to the same limitations as are imposed upon an Apartment as though the newly created Apartments had been developed as part of the original Project. In no event shall any such amendment affect the Common Interest appurtenant to any Apartments other than the divided Apartment. The amendments to this Declaration, the Bylaws and the Condominium Map referenced herein need only be executed by Declarant. Upon completion of the events described in this subsection, and until the conveyance by Declarant of a newly created Apartment thereby added to the Project, Declarant shall for all purposes be deemed the "Apartment Owner" as to such newly created Apartment, and no other Apartment Owner, mortgagee, lienholder, Apartment purchaser or any other Person (other than Declarant and the holder of any construction mortgage covering the newly created Apartment) shall have any legal or equitable interest in such newly created Apartment and

the Common Interest appurtenant thereto. Additionally, in connection with the creation of the newly created Apartments, Declarant shall have the right: to assign and re-assign parking stalls, except for parking stalls which may have already been conveyed by Declarant to an Apartment Owner; to enter upon the Project with employees, agents and contractors for all purposes reasonably necessary for or useful to constructing and completing the newly created Apartments; to connect the newly created Apartments to utilities of the Project; and to market and sell the newly created Apartments. Declarant may apply for and obtain from the Real Estate Commission of the State of Hawaii one or more supplementary public reports describing the changes made in the Project pursuant to the terms of this Section L; and

(d) Consolidation of Apartments. With respect to any two adjacent Apartments owned by Declarant, Declarant shall have the right, at any time and from time to time at Declarant's sole cost and expense, to consolidate such Apartments into a single Apartment, provided that the Common Interest appurtenant to the newly created Apartment shall equal the sum of the Common Interests of the Apartments being consolidated. Such consolidation shall occur by: (i) amending the Condominium Map and EXHIBITS "B" and "C" hereto to reflect such consolidation; (ii) amending relevant provisions of this Declaration and the Bylaws to designate the Common Interests of the previously separate Apartments to the consolidated Apartment; and (iii) making such other amendments to this Declaration, the Bylaws, the Condominium Map, and other Project Documents as Declarant deems necessary or convenient to effectuate the consolidation of the Apartments. In no event shall any such amendment affect the Common Interest appurtenant to any Apartments other than the consolidated Apartments. The amendments to this Declaration, the Bylaws and the Condominium Map referenced herein need only be executed by Declarant.

5. Maintenance Expenses for Common Elements Converted to Limited Common Elements. Any part of the Common Elements of the Project which, because of the alterations as provided for in this Section L, serves or is used by exclusively one or more, but not all, Apartments shall become a Limited Common Element appurtenant to and for the exclusive use of such Apartment or Apartments, among the Limited Common Elements listed in EXHIBIT "B", and any costs in connection therewith shall be borne as provided in Section I.1(b) of this Declaration. Documentation of the conversion of such Common Elements to the status of Limited Common Elements need only be by such amendments to the Condominium Map and this Declaration as may be required under this Section L, executed by such parties as provided in this Section L."

THE WINDSOR  
STATEMENT REGARDING CONDITION OF IMPROVEMENTS

The undersigned, developer of The Windsor condominium project (the "Project"), hereby states the following:

1. The building and the grounds that comprise the Project have recently undergone, and continue to undergo, extensive renovations, the result of which will be that, upon completion of such renovations, the interiors of all of the apartments in the Project will be newly constructed.

2. Nevertheless, based on a report prepared by Glenn M. Murata of Richard Matsunaga & Associates Architects Inc., an independent Hawaii-licensed professional architect, it is the developer's opinion that the present condition of the structural components and mechanical and electrical installations material to the use and enjoyment of the Project is that they are, or will be upon completion of the work being performed, in good condition.

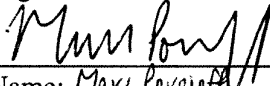
3. Further, the developer makes no representations or warranties of any kind as to the expected useful life of the structural components or of the mechanical and electrical installations material to the use and enjoyment of the Project.

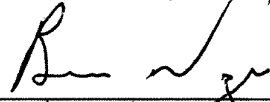
4. Finally, the developer is not aware of any outstanding notices of uncured violations of building code or other municipal regulations relating to the Project.

HOBRON HOTEL, L.L.C.,  
a Delaware limited liability company

By Hobron Holdings, L.L.C.  
Its Managing Member

By Oaktree Capital Management, LLC  
Its Manager

By   
Name: Mari Povosoff  
Title: Senior Vice President, Legal

By   
Name: Bruce Nuzit  
Title: Senior Vice President

Developer

Date: 12/3/03