

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer A&B WAIKIKI LLC
Address 822 Bishop Street, Honolulu, HI 96813
Project Name (*): LANIKEA AT WAIKIKI
Address: 421 Olohana Street, Honolulu, HI 96815

Registration No. 5036 Effective date: June 16, 2004
Expiration date: July 16, 2005

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.
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 586-2643 to submit your request.

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. Page 5 has been revised to reflect changes in the officers and directors of the Developer's manager and sole member.
2. Pages 1 and 9 have been revised to reflect that the Project has been assigned a street address and that the current Tax Map Key Nos. may change when the Project's several lots are consolidated through the Land Court.
3. Page 14 and Exhibit "F" ("Encumbrances Against Title") have been revised to reflect that the Developer has obtained an updated title report for the Project.
4. Page 16 has been revised to update the status of construction and estimated completion dates.
5. Pages 20 and 20-a have been revised to reflect recordation of the "Lanai Declaration" and the "Park Declaration" described in paragraph number 8 below.
6. Exhibit "G" ("*Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursements*") has been updated.
7. Exhibit "I" ("Description of the Land and Tax Map Key Numbers") has been revised to reflect that the Land Court has issued a new Transfer Certificate of Title for the Project's land.
8. Exhibit "J" has been revised to include copies of a Declaration of Restrictive Covenants (Special Design) (the "Lanai Declaration") recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (the "Land Court") as Document No. 3014044, and a Declaration of Restrictive Covenants (Private Park) (the "Park Declaration") recorded in the Land Court as Document No. 3014043. The Developer's right and obligation to record both the Lanai Declaration and the Park Declaration were reserved to the Developer in the Project's Declaration of Condominium Property Regime and were fully disclosed in the Project's Contingent *Final Public Report*.
9. The Developer has provided the Real Estate Commission with all information and documentation required for the issuance of this Final Public Report on the Project.

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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

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

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

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: A&B WAIKIKI LLC Phone: (808) 525-8410
Name* (Business)
822 Bishop Street
Business Address
Honolulu, Hawaii 96813

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):

The manager and sole member of A&B WAIKIKI LLC is A&B PROPERTIES, INC., a Hawaii corporation. The officers and directors of A&B PROPERTIES, INC., are W.A. Doane (Chairman of the Board; Dir.); S.M. Kuriyama (Vice Chair., CEO; Dir.); R.K. Sasaki (Pres.; Dir.); N.M. Buelsing (Exec.V.P.; Dir.); G.Y.M. Chun (V.P.); P.W. Hallin (Senior V.P.); C.W. Loomis (V.P, Assist. Sec.); T.H. Shigemoto (V.P.); M.K. Vicens (V.P.); T.A. Wellman (V.P., Treas., Controller); M.G. Wright (Senior V.P.); A.J. Nakamura (Sec.); L.G. Rodolfich (Assist. Controller); J.S. Andrasick (Dir.); M.J. Ching (Dir.)

Real Estate
Broker*: Coldwell Banker Pacific Properties, Ltd. Phone: (808) 593-6485
Name (Business)
1314 S. King Street, 2nd 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*: Swinerton/Pacific Phone: (808) 521-8408
Name (Business)
1001 Bishop Street, Pauahi Tower, Ste. 1280
Business Address
Honolulu, Hawaii 96813

Condominium
Managing
Agent*: Hawaiiana Management Company, Ltd. Phone: (808) 593-6896
Name (Business)
711 Kapiolani Boulevard, Ste. 700
Business Address
Honolulu, Hawaii 96813

Attorney for
Developer: Brooks Tom Porter & Quitiquit, LLP Phone: (808) 526-3011
Name (Business)
841 Bishop Street, Suite 2125
Business Address
Honolulu, Hawaii 96813
Attn: Edward R. Brooks, Esq., and Jeffrey D. Watts, 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 No. 3005302

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

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. 1573

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 3005303

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%* | 75% |
| Bylaws | 65% | 65% |
| House Rules | _____ | Majority of Board |

* The percentage 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:

At any time prior to the first recording of a conveyance or transfer (other than for security) of an Apartment and its appurtenances to a party not a signatory to the Declaration, the Developer may amend the Declaration (including all exhibits), the Bylaws and the Condominium Map in any manner, without the consent or joinder of any Apartment purchaser or any other party. Notwithstanding the lease, sale or conveyance of any of the Apartments, the Developer may amend the Declaration and the Condominium Map to file the "as-built" verified statement required by Section 514A-12 of the Act. For so long as the Developer retains any interest in an Apartment in the Project, the Developer shall have the right (but not the obligation) to amend the Declaration and the Bylaws (and the Condominium Map, if appropriate) without the consent or joinder of any Apartment Owner, lienholder or other person or entity, for the purpose of meeting any requirement imposed by (i) any applicable law, (ii) the Real Estate Commission of the State of Hawaii, (iii) any title insurance company issuing a title insurance policy on the Project or any of the Apartments, (iv) any institutional lender lending funds on the security of the Project or any of the Apartments, or (v) any other governmental or quasi-governmental agency including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development or the Veterans Administration; provided, however, that no amendment which would change the common interest appurtenant to an Apartment or substantially change the design, location or size of an Apartment shall be made without the consent of all persons having an interest in such Apartment. Prior to the election of the first Board of Directors, the Developer may amend the Rules and Regulations in any manner without the joinder, consent or approval of any other party. The Developer has also reserved various other rights, as more particularly disclosed on pages 20 and 20-a of this public report and in Exhibits "J", "K", "L" and "M".

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

Lease Term Expires: _____ Rent Renegotiation Date(s) _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit ___ contains a schedule of the lease rent for each apartment per: Month Year

For Subleaseholds:

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

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

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

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

Lease Term Expires: _____ Rent Renegotiation Date(s) _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit ___ contains a schedule of the lease rent for each apartment per: Month Year

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 421 Olohana Street, Honolulu, HI 96815

Tax Map Keys (TMK): SEE EXHIBIT "I"

Address TMK is expected to change because The lots comprising the Project's land will be consolidated into a single lot.

Land Area: approx. 57,500 square feet acre(s) Zoning: Waikiki Special District:
Apartment Precinct

Fee Owner: A&B WAIKIKI LLC
 Name
822 Bishop Street
 Address
Honolulu, Hawaii 96813

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

2. Number of Buildings: 1 (parking and apartments) Floors Per Building 30 (25-story tower on 5-story
1 (recreational) pedestal) and 1 (recreation bldg.)

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other steel, aluminum, glass and allied building materials

4. Uses Permitted by Zoning:

| | <u>No. of Apts.</u> | <u>Use Permitted By Zoning</u> | |
|--|-------------------------|---|-----------------------------|
| <input checked="" type="checkbox"/> Residential | <u>100</u> | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Commercial | _____ | <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"/> Hotel | _____ | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Timeshare | _____ | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Ohana | _____ | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Industrial | _____ | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Agricultural | _____ | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Recreational | _____ | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input checked="" type="checkbox"/> Other (Parking): | <u>31</u> | <input checked="" 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: Dogs, cats and other generally recognized household pets permitted in reasonable numbers, with prior approval of the Board. See Rules and Regulations.
 Number of Occupants: _____
 Other: _____
 There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 2 Stairways: 4 Trash Chutes: 1

RESIDENTIAL APARTMENTS:

| <u>Apt. Type</u> | <u>Quantity</u> | <u>BR/Bath</u> | <u>Net Living Area (sf)*</u> | <u>Net Lanai Area (sf)</u> |
|------------------|-----------------|----------------|------------------------------|----------------------------|
| <u>A/AR</u> | <u>48</u> | <u>2/2</u> | <u>1017.26 to 1025.10</u> | <u>92.89 to 102.64</u> |
| <u>B/BR</u> | <u>48</u> | <u>2/2</u> | <u>1023.04 to 1025.59</u> | <u>92.89 to 199.59</u> |
| <u>PH1/PH4</u> | <u>2</u> | <u>N/A**</u> | <u>1267.13</u> | <u>195.22</u> |
| <u>PH2</u> | <u>1</u> | <u>N/A**</u> | <u>1829.13</u> | <u>185.30</u> |
| <u>PH3</u> | <u>1</u> | <u>N/A**</u> | <u>1878.34</u> | <u>185.30</u> |

PARKING APARTMENTS:

| <u>Apt. Type</u> | <u>Quantity</u> | <u>Net Floor Area (sf)*</u> | <u>Standard or Compact</u> |
|------------------|-----------------|-----------------------------|----------------------------|
| <u>PA-1</u> | <u>4</u> | <u>161.0</u> | <u>Standard</u> |
| <u>PA-2</u> | <u>6</u> | <u>159.5</u> | <u>Standard</u> |
| <u>PA-3</u> | <u>2</u> | <u>156.0</u> | <u>Standard</u> |
| <u>PA-4</u> | <u>1</u> | <u>157.0</u> | <u>Standard</u> |
| <u>PA-5</u> | <u>2</u> | <u>133.0</u> | <u>Compact</u> |
| <u>PA-6</u> | <u>2</u> | <u>140.0</u> | <u>Compact</u> |
| <u>PA-7</u> | <u>2</u> | <u>138.5</u> | <u>Compact</u> |
| <u>PA-8</u> | <u>8</u> | <u>138.9</u> | <u>Compact</u> |
| <u>PA-9</u> | <u>4</u> | <u>143.0</u> | <u>Compact</u> |

Total Apartments: 100 Residential and 31 Parking SEE EXHIBIT "A"

***For the Residential Apartments, Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. The Net Floor Area of the Parking Apartments is measured from the marked boundaries of the apartments as shown on the Condominium Map and as described in paragraphs 3.3 and 3.6 of the Declaration.**

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 Penthouse Apartments will be sold as loft spaces with no interior improvements.**

Boundaries of Each Apartment: SEE EXHIBIT "B"
 Permitted Alterations to Apartments: SEE EXHIBIT "C"

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: 242

| | <u>Regular</u> | | <u>Compact</u> | | <u>Handicap</u> | | <u>TOTAL</u> |
|---------------------------|----------------|---------------|----------------|---------------|-----------------|---------------|---------------|
| | <u>covered</u> | <u>open</u> | <u>covered</u> | <u>open</u> | <u>covered</u> | <u>open</u> | |
| Assigned (for each unit)* | <u>105</u> | <u>2</u> | <u>85</u> | <u> </u> | <u>8</u> | <u> </u> | <u>200</u> |
| Guest | <u> </u> | <u>10</u> | <u> </u> | <u> </u> | <u> </u> | <u>1</u> | <u>11</u> |
| Unassigned | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Extra for Purchase** | <u>13</u> | <u> </u> | <u>18</u> | <u> </u> | <u> </u> | <u> </u> | <u>31</u> |
| Other: | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Covered & Open | <u>130</u> | <u> </u> | <u>103</u> | <u> </u> | <u>9</u> | <u> </u> | <u>242</u> |

*Each apartment will have the exclusive use of at least 1 parking stall located in the parking structure. Buyers are encouraged to find out which stall(s) will be available for their use.

**Each of the 31 extra stalls for purchase is a Parking Apartment. Under applicable zoning, a certain number of the Parking Apartments will be available only to the purchasers of an adjacent property.

Commercial parking garage permitted in condominium project.

Exhibit "A" contains additional information on parking stalls (and Parking Apartments) 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: The recreation area includes the swimming pool, restrooms, a shower, and a kitchenette.

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)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations
(For conversions of residential apartments in existence for at least five years):

N/A

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:

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

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

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

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

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

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

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

1. Common Elements: Common Elements are those parts of the condominium project 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 "D".

as follows:

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

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration are:

described in Exhibit "E".

as follows:

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

described in Exhibit "A".

as follows:

- E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit "F" describes the encumbrances against the title contained in the title report dated May 6, 2004 and issued by Title Guaranty of Hawaii, Inc.

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.

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

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

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

| <u>Type of Lien</u> | <u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u> |
|---------------------|--|
|---------------------|--|

NONE

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 intends to require the general contractor to provide a one-year warranty, commencing upon the "Date of Completion" (as defined in section 507-43 of the Hawaii Revised Statutes, as amended), that (a) the materials and equipment furnished for construction of the project will be of good quality and new, unless the construction contract requires or permits that the materials and equipment be otherwise; and (b) the construction and services required by the construction contract (including all labor, materials and equipment to be provided by the general contractor) will be free from defects, except for defects inherent in the quality of the construction and services required or permitted by the construction contract. Without incurring any legal liability, the developer will agree to cooperate with the buyer to try to have the general contractor perform all of the general contractor's warranties. (See section F.7 of the Sales Contract.)

2. Appliances:

Appliance warranty information is not yet available because appliances have not yet been purchased. However, the developer intends to transfer to the buyer, without warranty, any manufacturer's or dealer's warranties that are transferable and cover appliances sold with the apartments.

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

Construction commenced in December of 2003. The Developer estimates that construction of the Project will be completed in or around June of 2005.

H. Project Phases:

The developer [] has [X] 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):

IV. CONDOMINIUM MANAGEMENT

A. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

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

The initial condominium managing agent for this project, named on page five (5) of this report, is:

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

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

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

C. **Utility Charges for Apartments:**

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

- None * Electricity (Common Elements only Common Elements & Apartments)
- Gas (Common Elements only Common Elements & Apartments)
- *Water (cold) Sewer Television Cable
- Other: Telephone (common elements only); refuse collection

*Electricity provided to each Apartment (including electricity to run each Apartment's hot water heater and the individual heat pump component of the Apartment's air conditioning unit) will be sub-metered and billed by the Association to the Apartment Owner separately, based upon actual usage and not on common interests. The amount of individual electricity costs for these uses is not included in the estimate of initial maintenance fees disclosed in Exhibit "G" to this Public Report.

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 28, 2003

Exhibit "H" contains a summary of the pertinent provisions of the escrow agreement.

Other _____

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 from 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 Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
- 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); **AND**

C) One of the following has occurred:

- 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
- 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
- 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

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

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled 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 given 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 _____;

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is part of Registration No. 5036 filed with the Real Estate Commission on February 28, 2003.

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YELLOW paper stock WHITE paper stock PINK paper stock

C. Additional Information Not Covered Above:

1. **Joint Development.** The Project will be developed jointly with other land adjacent to the Project and currently owned by the Developer, as more particularly disclosed in paragraphs 17.1, 17.2 and 17.3 of the Declaration. In particular, each prospective buyer should note the following:

(a) **Special Permits; Mixed Use.** The Project will be developed in accordance with the terms of various permits and agreements, including that certain Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) made by the Developer, dated February 24, 2003, recorded in the Land Court as Document No. 2909274, and a Waikiki Special District Permit (Major), dated May 8, 2003 (collectively, the "Joint Development Permits"). The Joint Development Permits affect (or will affect) the development of the Project and the development of those certain parcels of land adjacent to the Project and designated as LOT 113 (approximately 4,500 square feet; Tax Map Key No. (1) 2-6-016-013), LOT 114 (approximately 4,500 square feet; Tax Map Key No. (1) 2-6-016-012), LOT 115-A (approximately 4,140 square feet; Tax Map Key No. (1) 2-6-016-014) and LOT 115-B (approximately 360 square feet; portion of Tax Map Key No. (1) 2-6-016-015) (the "Adjacent Land"). Current zoning for the Adjacent Land permits multi-family residential use as well as convenience stores, eating establishments, financial institutions and other non-residential uses. By acquiring an interest in an Apartment, each Owner will be required to acknowledge and agree that the Adjacent Land may be developed for any of the purposes (including non-residential purposes) permitted by applicable zoning and that some permitted uses of the Adjacent Land may contribute to pedestrian and/or vehicular congestion and heightened levels of noise on the roadways and sidewalks and other public areas in the vicinity of the Project.

(b) **Parking Requirements; Easements.** In conjunction with the joint development of the Project and the Adjacent Land, a certain number of parking stalls at the Project will be made available at all times for use by the owners, tenants, employees and/or customers or guests of the commercial or residential improvements now or hereafter constructed on and occupied or operated on the Adjacent Land. Some or all of the Parking Apartments (but none of the assigned limited common element parking stalls or the common element guest stalls) are intended to be used for this purpose. Accordingly, certain persons who are not residents of the Project but who are owners, tenants, employees, customers or guests of the improvements or establishments subsequently developed on the Adjacent Land will be permitted (and shall have the right, granted in the Declaration as a nonexclusive perpetual easement in favor of the Adjacent Land) to enter upon and cross over those common elements of the Project that provide vehicular ingress and egress to and from the Parking Apartments, to park their vehicles in the Parking Apartments, and to cross over and upon those common elements of the Project that are intended and designed to provide a pedestrian access route to and from the Parking Apartments and the Adjacent Land, all as more particularly shown on the Condominium Map.

(c) **Construction Effects.** By acquiring an interest in an Apartment, each Owner, each Apartment mortgagee and any other person who acquires an interest in any Apartment will be required to acknowledge and agree that the future development of and construction of improvements on the Adjacent Land in accordance with the requirements of the Joint Development Permits and applicable zoning may cause noise, dust, vibrations, traffic congestion and/or other inconveniences or nuisances related to such development and construction (the "Construction Effects"), and each Owner, Apartment mortgagee and other person acquiring an interest in an Apartment will accept the Construction Effects and waive any claims or rights of action or suits against the Developer or the Developer's successors and assigns arising from any impairment of such Owner's or other person's use and enjoyment of the Apartment or the Project, or from any inconvenience, property damage or personal injury arising directly or indirectly from the Construction Effects.

2. **Restrictive Covenants Regarding Lanais and Private Park.** The Project is being developed in accordance with the requirements of Waikiki Special District Permit No. 2003-SD-9 (the "Special District Permit"). Under the terms of the Special District Permit, the City and County of Honolulu (the "City and County") required that certain restrictive covenants be declared and recorded in connection with the Project's lanais. The City and County also required that the Project include a private park area and that the Developer record a declaration of restrictive covenants concerning such private park. Since recordation of the Project's Declaration, and to satisfy the City and County's requirements, the Developer recorded in the Land Court a Declaration of Restrictive Covenants (Special Design) concerning the Project's lanais as Document No. 3014044 (the "Lanai Declaration") and a Declaration of Restrictive Covenants (Private Park) concerning the Project's private park area as Document No. 3014043 (the "Park Declaration"). Paragraph 23 of the Project's Declaration includes restrictive covenants substantially similar to those contained in the Lanai Declaration and the Park Declaration. Paragraph 23 of the Project's Declaration also reserves to the Developer the right, without the joinder or consent of any person, to record amendments to the Project's Declaration, Bylaws and Condominium Map (if necessary or appropriate) to reflect recordation of the Lanai Declaration

and the Park Declaration. FOR THE CONVENIENCE OF PROSPECTIVE PURCHASERS, PARAGRAPH 23 OF THE PROJECT'S DECLARATION AND COPIES OF THE RECORDED LANAI DECLARATION AND THE PARK DECLARATION ARE ATTACHED TO THIS PUBLIC REPORT AS EXHIBIT "J". EACH PROSPECTIVE PURCHASER IS ENCOURAGED TO READ THE ATTACHED EXHIBIT "J" CAREFULLY.

3. **Restrictions in Prior Deeds.** The Project's Land includes several subdivided lots, including certain small lots (identified in Exhibit "I" to this Public Report and Exhibit "A" to the Declaration as Lots 171 through 181) that were originally conveyed by the City and County to the Developer's predecessors in interest, who also acquired adjacent larger lots that are also part of the Project. The City and County deeds to Lots 171 through 181 contain certain conditions and restrictions, including a requirement that the Lots must be consolidated with the larger adjacent lots under certain circumstances. The Developer has contacted the City and County in an effort to have the deed restrictions removed or otherwise to take such steps as may be required to comply with the terms of the prior deeds to Lots 171 through 181. To enable the Developer to take such steps as are necessary to comply with the terms of the prior deeds, the Developer has reserved various rights in paragraph 24.2 of the Declaration, including the right to do such things as may be required to terminate the prior deed restrictions or to obtain such waivers or permits or other agreements as may be required, or to consolidate lots 171 through 181 with adjacent larger lots also comprising part of the Project and to amend the Declaration, the Bylaws and the Condominium Map to reflect such changes, all without the joinder or consent of any other party, including any Apartment Owner, Apartment purchaser, mortgagee, lienholder, or any other person or entity whatsoever. FOR THE CONVENIENCE OF PROSPECTIVE PURCHASERS, EXHIBIT "K" ATTACHED TO THIS PUBLIC REPORT REPRODUCES ALL OF PARAGRAPH 24 OF THE DECLARATION. EACH PROSPECTIVE PURCHASER IS ENCOURAGED TO READ THE ATTACHED EXHIBIT "K" CAREFULLY.

4. **Access Easement A-1.** Vehicular access to Level 1A and the Parking Apartments is by way of an access easement designated in Exhibit "A" attached to the Declaration as "Easement A-1". Easement A-1 is over and across a portion of the Adjacent Land described in paragraph 17.1 of the Declaration. Easement A-1 is included in the condominium property regime established by the Declaration and is part of the Project and has been designated on a map submitted to and approved by the Department of Planning and Permitting of the City and County on September 5, 2003, in connection with matter 2003/SUB-187. However, as of the effective date of this Public Report, Easement A-1 has not been formally granted or designated in the Land Court. The Developer, as the current owner of the Adjacent Land, intends to grant and/or designate Easement A-1 in the Land Court and reserves the right, in paragraph 25.1 of the Declaration, to itself and to its successors in interest and assigns, to take all such steps as are necessary or convenient to grant and/or designate Easement A-1 in the Land Court without the joinder or consent of any other party, including any Apartment Owner, Apartment purchaser, mortgagee, lienholder, or any other person or entity whatsoever, including the right to execute and record in the Land Court amendments to the Declaration, the Bylaws and the Condominium Map to reflect the grant and/or designation of Easement A-1 in the Land Court. FOR THE CONVENIENCE OF PROSPECTIVE PURCHASERS, EXHIBIT "L" ATTACHED TO THIS PUBLIC REPORT REPRODUCES ALL OF PARAGRAPH 25 OF THE DECLARATION. EACH PROSPECTIVE PURCHASER IS ENCOURAGED TO READ THE ATTACHED EXHIBIT "L" CAREFULLY.

5. **Other Easements.** Several of the lots comprising the Project's land are currently encumbered by easements in favor of various entities, including the City and County and certain utility providers. The Developer has obtained City and County approval of the designation of two new easements for electrical and sanitary sewer purposes over portions of the Project's land and intends to petition the Land Court to issue a Land Court Order designating these easements. When the new easements have been constructed, the Developer intends also to take such steps, through both the City and County and the Land Court, to terminate and cancel some of the existing easements. Paragraph 8.7 of the Declaration reserves to the Developer the right, for the period of time specified in paragraph 8.7, and without the joinder or consent of any other party, including any Apartment Owner, Apartment purchaser, mortgagee, lienholder, or any other person or entity whatsoever, to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across, or through the common elements (including the limited common elements) for any reasonable purpose, provided that in exercising its rights under paragraph 8.7, the Developer shall not do anything or permit anything to be done which shall unreasonably interfere with the use of the affected common or limited common element for its originally intended purpose, unless such action is required to ensure the public health, safety or welfare or to comply with any governmental rule, regulation, law or ordinance. Paragraph 8.9 of the Declaration provides that the Developer's reserved rights under paragraph 8 include the right to execute and record amendments to the Declaration, Bylaws and Condominium Map if appropriate, without the joinder or consent of any other party, including any Apartment Owner, Apartment purchaser, mortgagee, lienholder, or any other person or entity whatsoever. FOR THE CONVENIENCE OF PROSPECTIVE PURCHASERS, EXHIBIT "M" ATTACHED TO THIS PUBLIC REPORT REPRODUCES ALL OF PARAGRAPHS 8.7 AND 8.9 OF THE DECLARATION. EACH PROSPECTIVE PURCHASER IS ENCOURAGED TO READ THE ATTACHED EXHIBIT "M" CAREFULLY.

**SPECIAL NOTICE
REGARDING
CHANGES UNDER THIS PUBLIC REPORT**

CHANGES TO THE PROJECT AND THE PROJECT'S DOCUMENTS MADE IN ACCORDANCE WITH THE DEVELOPER'S EXERCISE OF THE RIGHTS RESERVED TO THE DEVELOPER IN THE DECLARATION AND DISCLOSED IN THIS FINAL PUBLIC REPORT ***SHALL NOT*** BE DEEMED TO BE CHANGES THAT RENDER THIS PUBLIC REPORT MISLEADING AS TO PURCHASERS IN ANY MATERIAL RESPECT AND WILL NOT GIVE ANY PURCHASER WHO HAS WAIVED OR IS DEEMED TO HAVE WAIVED THE RIGHT TO CANCEL SUCH PURCHASER'S SALES CONTRACT UNDER THIS PUBLIC REPORT ANY ADDITIONAL RIGHTS TO CANCEL SUCH PURCHASER'S SALES CONTRACT. ACCORDINGLY, ***UPON THE OCCURRENCE OF ANY SUCH CHANGES, THE DEVELOPER WILL NOT BE REQUIRED TO AND WILL NOT ISSUE SUBSEQUENT SUPPLEMENTARY PUBLIC REPORTS TO DISCLOSE SUCH CHANGES.*** HOWEVER, UPON THE OCCURRENCE OF ANY SUCH CHANGES, THE DEVELOPER WILL DELIVER TO THE REAL ESTATE COMMISSION AND TO EACH PROSPECTIVE PURCHASER (INCLUDING THOSE WHO HAVE ALREADY RECEIVED AND RECEIPTED FOR THIS PUBLIC REPORT) A DISCLOSURE STATEMENT DISCLOSING THE CHANGES.

- D.** The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E.** 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.

A&B WAIKIKI LLC, a Hawaii limited liability company
Printed Name of Developer

A&B PROPERTIES, INC., a Hawaii corporation
Its Manager

By: 
Duly Authorized Signatory*

5/18/04
Date

Robert K. Sasaki , President

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, 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.*

Lanikea at Waikiki: Final-1

DESCRIPTION OF APARTMENTS

The Project contains eight (8) different types of Residential Apartments, designated herein and on the Condominium Map as Types A, AR, B, BR, PH1, PH2, PH3 and PH4. The Project also includes nine (9) different types of Parking Apartments designated herein and on the Condominium Map by the prefix "PA" and a number. The Parking Apartment types differ in net floor area only.

The Residential Apartments are located on floors numbered 6 through 31, inclusive (there is no floor numbered 13) and the Parking Apartments are located on Level 1A. Floors numbered 6 through 30 each contain one (1) Type A Apartment, one (1) Type AR Apartment, one (1) Type B Apartment and one (1) Type BR Apartment, for a total of four (4) Residential Apartments per floor. Floor number 31 contains one (1) Type PH1 Apartment, one (1) Type PH2 Apartment, one (1) Type PH3 Apartment and one (1) Type PH4 Apartment, for a total of four (4) Apartments. Apartments of Types PH2 and PH3 each have a second story loft. The different types of Apartments are more particularly described as follows:

TYPE A and AR APARTMENTS:

The Project contains twenty-four (24) Type A Apartments and twenty-four (24) Type AR Apartments. Type A and AR Apartments are corner units located on opposite ends of the Building and are identical to each other except that the layout of each Type AR Apartment is the reverse of the layout of the Type A Apartments. Each Type A and AR Apartment includes an entry foyer, two (2) bedrooms, two (2) bathrooms, a kitchen, a living/dining room and a lanai. Type A and AR Apartments on floors numbered 24 through 30 are slightly larger than the other Type A and AR Apartments. The approximate net living area and lanai area of each Type A and AR Apartment is as shown below in this Exhibit "A".

TYPE B and BR APARTMENTS:

The Project contains twenty-four (24) Type B Apartments and twenty-four (24) Type BR Apartments. Type B and BR Apartments are interior units and are identical to each other except that the layout of each Type BR Apartment is the reverse of the layout of the Type B Apartments. Each Type B and BR Apartment includes an entry foyer, two (2) bedrooms, two (2) bathrooms, a kitchen, a living/dining room and a lanai. The Type B and BR Apartments on floor number 30 are slightly larger than the other Type B and BR Apartments. The approximate net living area and lanai area of each Type B and BR Apartment is as shown below in this Exhibit "A".

TYPE PH1 and PH4 APARTMENTS:

The Project contains one (1) Type PH1 Apartment and one (1) Type PH4 Apartment. The PH1 and PH4 Apartments are end units and are identical to each other except that the layout of the Type PH4 Apartment is the reverse of the Type PH1 Apartment. The Type PH1

EXHIBIT "A"

and PH4 Apartments are being sold with no interior improvements. The purchasers of the Type PH1 and PH4 Apartments will have the right, at the purchasers' sole cost and expense, to improve the interior of the Apartments in accordance with plans provided by a registered Hawaii architect and first approved in writing by the Developer. The anticipated approximate net living area and lanai area of the Type PH1 and PH4 Apartments are as shown below in this Exhibit "A".

TYPE PH2 and PH3 APARTMENTS:

The Project contains one (1) Type PH2 Apartment and one (1) Type PH3 Apartment. The Type PH2 and PH3 Apartments are interior units and have two levels consisting of a main floor and an overhead loft. The main floors of both Apartment Types are identical to each other except that the main floor layout of the Type PH3 Apartment is the reverse of the main floor layout of the Type PH2 Apartment. The overhead lofts of the Type PH2 and PH3 Apartment have slightly different layouts, as shown on the Condominium Map. The loft of the Type PH3 Apartment is approximately 49 square feet larger than the loft of the Type PH2 Apartment. The Type PH2 and PH3 Apartments are being sold with no interior improvements. The purchasers of the Type PH2 and PH3 Apartments will have the right, at the purchasers' sole cost and expense, to improve the interior of the Apartments in accordance with plans provided by a registered Hawaii architect and first approved in writing by the Developer. The anticipated approximate net living area (including loft area) and lanai area of the Type PH2 and PH3 Apartments are as shown below in this Exhibit "A".

PARKING APARTMENTS:

The Project contains thirty-one (31) Parking Apartments. Each Parking Apartment is a covered parking stall located on Level 1A of the Building. The boundaries of each Parking Apartment are more particularly described in paragraph 3.6 of the Declaration, and the approximate net floor area of each Parking Apartment is as shown below in this Exhibit "A".

The numbers, types, approximate areas, parking stall assignments and common interest of the Apartments are as set forth in the chart that begins on the next page.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

| Apartment Number | Apartment Type | **Approx. Apt. Area in Square Feet | Approx. Lanai Area in Square Feet | Assigned Parking Stalls | Common Interest |
|------------------|----------------|------------------------------------|-----------------------------------|-------------------------|-----------------|
| 601 | A | 1017.26 | 92.89 | 514, C519 | 0.98% |
| 602 | B | 1023.04 | 92.89 | 515, C518 | 0.98% |
| 603 | BR | 1023.04 | 92.89 | 503, 508 | 0.98% |
| 604 | AR | 1017.26 | 92.89 | 303, 403 | 0.98% |
| 701 | A | 1017.26 | 92.89 | 510, C523 | 0.98% |
| 702 | B | 1023.04 | 92.89 | 511, C522 | 0.98% |
| 703 | BR | 1023.04 | 92.89 | 512, C521 | 0.98% |
| 704 | AR | 1017.26 | 92.89 | 513, C520 | 0.98% |
| 801 | A | 1017.26 | 92.89 | 505, C527 | 0.98% |
| 802 | B | 1023.04 | 92.89 | 506, C526 | 0.98% |
| 803 | BR | 1023.04 | 92.89 | 507, C525 | 0.98% |
| 804 | AR | 1017.26 | 92.89 | 509, C524 | 0.98% |
| 901 | A | 1017.26 | 92.89 | 504, C528 | 0.98% |
| 902 | B | 1023.04 | 92.89 | 415, C418 | 0.98% |
| 903 | BR | 1023.04 | 92.89 | 414, C419 | 0.98% |
| 904 | AR | 1017.26 | 92.89 | 413, C420 | 0.98% |
| 1001 | A | 1017.26 | 92.89 | 412, C421 | 0.98% |
| 1002 | B | 1023.04 | 92.89 | 411, C422 | 0.98% |
| 1003 | BR | 1023.04 | 92.89 | 410, C423 | 0.98% |
| 1004 | AR | 1017.26 | 92.89 | 409, C424 | 0.98% |
| 1101 | A | 1017.26 | 92.89 | 315, C318 | 0.98% |
| 1102 | B | 1023.04 | 92.89 | 406, C426 | 0.98% |
| 1103 | BR | 1023.04 | 92.89 | 405, C427 | 0.98% |
| 1104 | AR | 1017.26 | 92.89 | 404, C428 | 0.98% |
| 1201 | A | 1017.26 | 92.89 | 311, C322 | 0.98% |
| 1202 | B | 1023.04 | 92.89 | 312, C321 | 0.98% |
| 1203 | BR | 1023.04 | 92.89 | 313, C320 | 0.98% |
| 1204 | AR | 1017.26 | 92.89 | 314, C319 | 0.98% |
| 1401 | A | 1017.26 | 92.89 | 307, C325 | 0.98% |
| 1402 | B | 1023.04 | 92.89 | 306, C326 | 0.98% |
| 1403 | BR | 1023.04 | 92.89 | 305, C327 | 0.98% |
| 1404 | AR | 1017.26 | 92.89 | 304, C328 | 0.98% |
| 1501 | A | 1017.26 | 92.89 | 214, C219 | 0.98% |
| 1502 | B | 1023.04 | 92.89 | 215, C218 | 0.98% |
| 1503 | BR | 1023.04 | 92.89 | 309, C324 | 0.98% |
| 1504 | AR | 1017.26 | 92.89 | 310, C323 | 0.98% |
| 1601 | A | 1017.26 | 92.89 | 210, C223 | 0.98% |
| 1602 | B | 1023.04 | 92.89 | 211, C222 | 0.98% |
| 1603 | BR | 1023.04 | 92.89 | 212, C221 | 0.98% |
| 1604 | AR | 1017.26 | 92.89 | 213, C220 | 0.98% |

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| Apartment Number | Apartment Type | **Approx. Apt. Area in Square Feet | Approx. Lanai Area in Square Feet | Assigned Parking Stall(s) | Common Interest |
|------------------|----------------|------------------------------------|-----------------------------------|---------------------------|-----------------|
| 1701 | A | 1017.26 | 92.89 | 206, C225 | 0.98% |
| 1702 | B | 1023.04 | 92.89 | 205, C226 | 0.98% |
| 1703 | BR | 1023.04 | 92.89 | 204, C227 | 0.98% |
| 1704 | AR | 1017.26 | 92.89 | 203, C228 | 0.98% |
| 1801 | A | 1017.26 | 92.89 | *543, C535 | 0.98% |
| 1802 | B | 1023.04 | 92.89 | *537, C529 | 0.98% |
| 1803 | BR | 1023.04 | 92.89 | *544, C536 | 0.98% |
| 1804 | AR | 1017.26 | 92.89 | 209, C224 | 0.98% |
| 1901 | A | 1017.26 | 92.89 | C101, C102 | 0.98% |
| 1902 | B | 1023.04 | 92.89 | *539, C531 | 0.98% |
| 1903 | BR | 1023.04 | 92.89 | *542, C534 | 0.98% |
| 1904 | AR | 1017.26 | 92.89 | *538, C530 | 0.98% |
| 2001 | A | 1017.26 | 92.89 | 109, 110 | 0.98% |
| 2002 | B | 1023.04 | 92.89 | C107, C108 | 0.98% |
| 2003 | BR | 1023.04 | 92.89 | C106, H105 | 0.98% |
| 2004 | AR | 1017.26 | 92.89 | C103, H104 | 0.98% |
| 2101 | A | 1017.26 | 92.89 | 517, *540 | 0.98% |
| 2102 | B | 1023.04 | 92.89 | 516, C532 | 0.98% |
| 2103 | BR | 1023.04 | 92.89 | 501, *541 | 0.98% |
| 2104 | AR | 1017.26 | 92.89 | 502, C533 | 0.98% |
| 2201 | A | 1017.26 | 92.89 | 401, C438 | 0.98% |
| 2202 | B | 1023.04 | 92.89 | 402, C437 | 0.98% |
| 2203 | BR | 1023.04 | 92.89 | C432, C433 | 0.98% |
| 2204 | AR | 1017.26 | 92.89 | 407, C425 | 0.98% |
| 2301 | A | 1017.26 | 92.89 | 301, C337 | 0.98% |
| 2302 | B | 1023.04 | 92.89 | 302, C338 | 0.98% |
| 2303 | BR | 1023.04 | 92.89 | 417, C430 | 0.98% |
| 2304 | AR | 1017.26 | 92.89 | 416, C431 | 0.98% |
| 2401 | A | 1025.10 | 92.89 | 201, C237 | 0.98% |
| 2402 | B | 1023.04 | 92.89 | 202, C238 | 0.98% |
| 2403 | BR | 1023.04 | 92.89 | 317, C330 | 0.98% |
| 2404 | AR | 1025.10 | 92.89 | 316, C331 | 0.98% |
| 2501 | A | 1025.10 | 92.89 | 408, H436 | 0.98% |
| 2502 | B | 1023.04 | 92.89 | C434, H435 | 0.98% |
| 2503 | BR | 1023.04 | 92.89 | 217, C230 | 0.98% |
| 2504 | AR | 1025.10 | 92.89 | 216, C229 | 0.98% |
| 2601 | A | 1025.10 | 92.89 | 447, 448 | 0.98% |
| 2602 | B | 1023.04 | 92.89 | 449, C439 | 0.98% |
| 2603 | BR | 1023.04 | 92.89 | 208, H236 | 0.98% |
| 2604 | AR | 1025.10 | 92.89 | C334, H335 | 0.98% |
| 2701 | A | 1025.10 | 92.89 | 440, C429 | 0.98% |

EXHIBIT "A"

| Apartment Number | Apartment Type | **Approx. Apt. Area in Square Feet | Approx. Lanai Area in Square Feet | Assigned Parking Stall(s) | Common Interest |
|------------------|----------------|--|-----------------------------------|---------------------------|-----------------|
| 2702 | B | 1023.04 | 92.89 | 441, 442 | 0.98% |
| 2703 | BR | 1023.04 | 92.89 | 443, 444 | 0.98% |
| 2704 | AR | 1025.10 | 92.89 | 445, 446 | 0.98% |
| 2801 | A | 1025.10 | 92.89 | 347, 348 | 0.98% |
| 2802 | B | 1023.04 | 92.89 | 349, C339 | 0.98% |
| 2803 | BR | 1023.04 | 92.89 | C332, C333 | 0.98% |
| 2804 | AR | 1025.10 | 92.89 | 308, H336 | 0.98% |
| 2901 | A | 1025.10 | 92.89 | 340, C329 | 0.98% |
| 2902 | B | 1023.04 | 92.89 | 341, 342 | 0.98% |
| 2903 | BR | 1023.04 | 92.89 | 343, 344 | 0.98% |
| 2904 | AR | 1025.10 | 92.89 | 345, 346 | 0.98% |
| 3001 | A | 1025.10 | 102.64 | 207, H235 | 0.98% |
| 3002 | B | 1025.59 | 199.59 | 248, C239 | 0.98% |
| 3003 | BR | 1025.59 | 199.59 | C231, C232 | 0.98% |
| 3004 | AR | 1025.10 | 102.64 | C233, C234 | 0.98% |
| PH-1 | PH1 | 1267.13 | 195.22 | 240, 243 | 1.11% |
| PH-2 | PH2 | 1829.13 (810.07 main floor + 1019.06 loft) | 185.30 | 241, 242 | 1.25% |
| PH-3 | PH3 | 1878.34 (810.07 main floor + 1068.27 loft) | 185.30 | 244, 245 | 1.25% |
| PH-4 | PH4 | 1267.13 | 195.22 | 246, 247 | 1.11% |
| 1 | PA-1 | 161.0 | -- | -- | 0.038730% |
| 2 | PA-2 | 159.5 | -- | -- | 0.038730% |
| 3 | PA-2 | 159.5 | -- | -- | 0.038730% |
| 4 | PA-1 | 161.0 | -- | -- | 0.038730% |
| 5 | PA-2 | 159.5 | -- | -- | 0.038730% |
| 6 | PA-2 | 159.5 | -- | -- | 0.038730% |
| 7 | PA-1 | 161.0 | -- | -- | 0.038730% |
| 8 | PA-2 | 159.5 | -- | -- | 0.038730% |
| 9 | PA-2 | 159.5 | -- | -- | 0.038730% |
| 10 | PA-1 | 161.0 | -- | -- | 0.038730% |
| 11 | PA-3 | 156.0 | -- | -- | 0.038730% |
| 12 | PA-3 | 156.0 | -- | -- | 0.038730% |
| 13 | PA-4 | 157.0 | -- | -- | 0.038730% |
| C14 | PA-5 | 133.0 | -- | -- | 0.038695% |
| C15 | PA-6 | 140.0 | -- | -- | 0.038695% |
| C16 | PA-7 | 138.5 | -- | -- | 0.038695% |
| C17 | PA-8 | 138.9 | -- | -- | 0.038695% |
| C18 | PA-9 | 143.0 | -- | -- | 0.038695% |

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| Apartment Number | Apartment Type | **Approx. Apt. Area in Square Feet | Approx. Lanai Area in Square Feet | Assigned Parking Stall(s) | Common Interest |
|------------------|----------------|------------------------------------|-----------------------------------|---------------------------|-----------------|
| C19 | PA-8 | 138.9 | -- | -- | 0.038695% |
| C20 | PA-8 | 138.9 | -- | -- | 0.038695% |
| C21 | PA-9 | 143.0 | -- | -- | 0.038695% |
| C22 | PA-8 | 138.9 | -- | -- | 0.038695% |
| C23 | PA-8 | 138.9 | -- | -- | 0.038695% |
| C24 | PA-9 | 143.0 | -- | -- | 0.038695% |
| C25 | PA-8 | 138.9 | -- | -- | 0.038695% |
| C26 | PA-8 | 138.9 | -- | -- | 0.038695% |
| C27 | PA-9 | 143.0 | -- | -- | 0.038695% |
| C28 | PA-8 | 138.9 | -- | -- | 0.038695% |
| C29 | PA-7 | 138.5 | -- | -- | 0.038695% |
| C30 | PA-6 | 140.0 | -- | -- | 0.038695% |
| C31 | PA-5 | 133.0 | -- | -- | 0.038695% |

TOTAL: 100.000000%

****APARTMENT AREAS**

The areas for the Residential Apartments reported above are “net living areas” measured in accordance with paragraph 3.2 of this Declaration. The areas for the Parking Apartments reported above are “net floor areas” measured in accordance with paragraph 3.3 of this Declaration.

COMMON INTERESTS

The common interest for each Apartment was determined by (i) assigning a 0.98% interest to each Type A, AR, B and BR Residential Apartment, (ii) assigning a 1.11% interest each to Apartments PH-1 and PH-4, (iii) assigning a 1.25% interest each to Apartments PH-2 and PH-3, (iv) assigning a 0.038730% interest to each standard sized Parking Apartment, and (v) assigning a 0.038695% interest to each compact Parking Apartment. The aggregate common interest appurtenant to all of the Apartments equals 100%.

**COMMON ELEMENT AND LIMITED COMMON ELEMENT
PARKING STALLS**

Assigned parking stalls whose numbers are preceded with an “*” are uncovered or partially uncovered. All other assigned parking stalls are covered. The letter “C” preceding a parking stall number indicates a compact sized stall. The letter “H” preceding a parking stall number indicates a handicap stall. All other stalls are standard sized.

In addition to the assigned limited common element parking stalls, the Project contains eleven (11) uncovered street-level guest parking stalls numbered G001, G002, G003, G004,

EXHIBIT “A”

G005, HG006 (which is a handicap guest stall), G007, G008, G009, G010 and G011. The Project also contains, on Level 1B, one (1) Loading stall, designated on the Condominium Map as "L1", and one common element parking stall reserved for the manager and other Association employees, designated on the Condominium Map as "M1".

Apartment Owners may transfer assigned limited common element parking stalls pursuant to this Declaration, provided that each Apartment shall always have at least one (1) parking stall as an appurtenant limited common element, and provided, further, that the assignment of a parking stall shall automatically include (whether or not the assignment document specifically so provides) the assignment of the storage locker (if any) immediately adjacent to and most easily accessible from within the assigned parking stall. Under certain circumstances described in paragraph 9.2 of the Declaration, the Owner of an Apartment to which a handicap parking stall is assigned may be required to transfer such stall to another Apartment in exchange for a non-handicap stall.

BOUNDARIES OF APARTMENTS

Each Residential Apartment shall be deemed to include: (i) all the walls and partitions which are not load-bearing within its perimeter walls, (ii) the interior decorated or finished surfaces of all walls, floors and ceilings, including floor coverings, (iii) any doors and door frames, windows or panels along the perimeters, window frames, (iv) all fixtures originally installed therein, and (v) the decorated or finished surface of the floor, walls (if any) and ceiling of the lanai(s) appurtenant to the Apartment, the railing (if any) of such lanai(s) and the lanai air space. The respective Apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the party walls, (b) the undecorated or unfinished surfaces of the floors and ceilings surrounding each Apartment, and (c) any pipes, shafts, wires, conduits or other utility or services lines running through such Apartment which are utilized for or serve more than one Apartment, the same being deemed common elements as provided in the Declaration.

Each Parking Apartment shall be deemed to include a rectangular floor surface area of between 133 and 161 square feet (depending upon the Parking Apartment's type, as shown on Exhibit "A" attached to this Public Report) bounded on the ends and sides by marked parallel lines (or, in some cases, by a wall or other permanent monument boundary), as shown on the Condominium Map. Each Parking Apartment shall include the airspace enclosed by imaginary vertical planes extending upward from each of the floor surface boundary lines (or other permanent monument boundaries) to a height of eight (8) feet, or to one inch below the surface of the ceiling (if any) immediately above the Parking Apartment, whichever is lower. The Parking Apartments shall not be deemed to include the underlying slab except for its surface, nor any part of the ceiling (if any) immediately above said Parking Apartments, nor any pipes, conduits, wires, or other mechanical installations penetrating the Parking Apartments' air space.

Should the descriptions and divisions set forth in the Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control. The Condominium Map, however, is intended to show only the layout, location, Apartment numbers and dimensions of the Apartments and elevations of the buildings and is not intended and shall not be deemed to contain or make any other representation or warranty.

The approximate areas of the Residential Apartments set forth in Exhibit "A" attached to this Public Report are "net living areas" based on measurements taken from the interior surfaces of all perimeter walls, except that no reduction is made to account for interior walls, ducts, vents, shafts, and the like located within the perimeter walls. The areas of the Residential Apartments set forth in Exhibit "A" are not exact but are approximations based on the floor plans of each type of Residential Apartment. The measurements of the Residential Apartments set forth in Exhibit "A" may not follow the designation of the limits of the Residential Apartments (the legally designated areas of the Residential Apartments) set forth above and in the Declaration, and the net living areas set forth in Exhibit "A" may be greater than the floor areas of the Residential Apartments as so designated and described in the Declaration.

The approximate areas of the Parking Apartments set forth in Exhibit "A" are "net floor areas" based on measurements taken from the floor surface boundaries of the Parking Apartments as described above and in paragraph 3.6 of the Declaration.

PERMITTED ALTERATIONS

Subject to the provisions of the Declaration, Chapter 514A of the Hawaii Revised Statutes (the "Act") and applicable zoning, and except as otherwise provided in the Bylaws, no Owner of an Apartment shall, without the prior written approval of the Board of Directors of the Association (the "Board") and, make any structural alterations in or additions to his Apartment or make any alterations in or additions to the exterior of his Apartment (including painting, installing or altering awnings, jalousies and screens) or to the common elements.

Except as otherwise provided in the Declaration or Bylaws, an Owner may make non-structural alterations and additions solely within his Apartment, or solely within a limited common element appurtenant to and for the exclusive use of his Apartment, at the Owner's sole cost and expense, provided that such alterations or additions do not affect any other Apartment or other common elements or change the exterior or appearance of the Project, and provided, further, that any building permit required for such alterations or additions is first duly obtained and filed with the Board and the proposed alteration or addition will not adversely affect the Project's insurance rating or premiums.

No Apartment Owner shall, without the prior written approval of the Board, install any wiring for electrical or telephone installations, television antenna, machines or air-conditioning units, or other equipment, fixtures, appliances or appurtenances whatsoever on the exterior of the Building or protruding through the walls, windows or roofs thereof.

No Apartment Owner shall, without the prior written approval of the Board, make any structural modifications, changes, additions or alterations to the Apartment's lanai or add any awnings, sunscreens, louvers, exhaust vents, wind baffles, drain, door, window, panel or otherwise partially or wholly enclose the lanai. The Board may withhold its approval based upon the terms of the Declaration, the effect such proposed modifications, changes, additions or alterations may have on the appearance of the lanai and the Building, and based upon considerations of applicable zoning, Waikiki Special District restrictions and requirements and the terms of any permits or authorizations pursuant to which the Project has been designed and constructed and any declarations of covenants or restrictions now or hereafter recorded against the Project in accordance with the requirements of such permits or authorizations.

It is intended that the exterior of the Project present a uniform appearance. To effect that end, all interior window coverings (including curtains, drapes and screens of any kind) visible from outside of the Apartment shall include a backing of a type, color and appearance approved by the Board. In addition, Owners may not, without the prior written approval of the Board, apply any substance, material or process to the exterior or interior surfaces of the Apartment's windows that may alter the exterior color, appearance or reflectivity of the windows.

The Owner of any two or more adjacent Apartments separated by a common element wall may alter or remove all or portions of such wall if the structural integrity of the Building is not thereby affected and if the finish of the remaining common element(s) is restored to a condition substantially comparable to that of the common element prior to such alterations. Such

alteration shall require only the written approval of the Board, including the Board's approval of the Owner's plans for such alteration, together with the approval of the holders of first mortgages on all Apartments affected by such alteration, and the approval of the appropriate agencies of the State of Hawaii and/or the City and County of Honolulu if such agencies so require. The Board's approval may be conditioned upon the Board having first received a certified written statement of a registered Hawaii architect or engineer that the proposed alterations shall not adversely affect the structural integrity of any part of the Project or jeopardize the soundness or safety of the Project in any way. Such alteration may be undertaken without an amendment to the Bylaws or to the Declaration or the filing of a complete set of floor plans of the Project as so altered. If, in the reasonable judgment of the Board, the alterations or additions are substantial in nature, the Board may require that the Owner of the Apartments affected provide evidence satisfactory to the Board of sufficient financing to complete such alterations or additions or, in lieu thereof, require that the Owner obtain a performance and lien payment bond, naming as obligees the Board, the Association and all Apartment Owners and their mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such construction. Prior to the termination of the common ownership of any such adjacent Apartments, the Owner of such Apartments shall be obligated to restore the intervening wall between the Apartments to substantially the same condition in which the wall existed prior to its alteration or removal.

Notwithstanding anything to the contrary contained in the Bylaws, the Declaration or the Rules and Regulations, Owners with disabilities shall be permitted to make reasonable modifications to their Apartments and/or common elements, at their expense (including the cost of obtaining any bonds required by the Declaration, these Bylaws or the Act), if such modifications are necessary to enable them to use and enjoy their Apartments and/or the common elements, as the case may be, provided that any Owner with a disability desiring to make such modifications shall make such request, in writing, to the Board of Directors. That request shall set forth, with specificity and in detail, the nature of the request and the reason that the requesting party needs to make such modifications. The Board of Directors shall not unreasonably withhold or delay their consent to such request, and any such request shall be deemed to be granted if not denied in writing, within forty-five (45) days of the Board's receipt thereof, or within forty-five (45) days of the Board's receipt of additional information reasonably required in order to consider such request, whichever shall last occur.

Article VIII of the Bylaws contains additional information regarding alterations to the Apartments, the common elements and the limited common elements.

COMMON ELEMENTS

The common elements consist of all portions of the Project other than the Apartments, including specifically, but not limited to:

(a) The land of the Project (the "Land"), in fee simple, and any easements appurtenant thereto (including, but not limited to, Easement A-1);

(b) The limited common elements described in paragraph 5 of the Declaration;

(c) All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roofs, stairs and stairways, elevator cars, shafts, doors and related equipment, pumps, ducts, pipes, wires, conduits, or other utility or service lines located outside of the Apartments and which are utilized for or serve more than one Apartment, and generally all equipment, apparatus, installations and personal property existing for common use in any part of the Building or located on the Land;

(d) All pipes, wires, ducts, conduits or other utility or service lines running through an Apartment which are utilized by or serve more than one Apartment;

(e) All recreational facilities and other amenities of the Project, including, but not limited to, the swimming pool, the recreational building with shower, kitchenette and restrooms located in the vicinity of the swimming pool;

(f) All lobbies, elevators, driveways and other common ways, all covered and uncovered parking and loading spaces (excluding, however, the Parking Apartments), all storage areas not located within an Apartment, all landscaping, courtyards, fences, gates, retaining walls, mailboxes, trash areas, utility and maintenance rooms and facilities, accessory equipment areas, including electrical and mechanical rooms or facilities located on the Land or within the Building and serving more than one Apartment;

(g) All other improvements on the Land that are not part of any Apartment.

LIMITED COMMON ELEMENTS

The limited common elements set aside and reserved for the exclusive use of the Apartments to which they are assigned are as follows:

(a) Each Apartment shall have appurtenant thereto as limited common elements all pipes, wires, ducts, conduits or other utility or service lines located within or running through the Apartment and utilized by or serving only that Apartment.

(b) Each Residential Apartment shall have appurtenant thereto as a limited common element the parking stall(s) designated as appurtenant to the Apartment on Exhibit "C" attached hereto and made a part hereof, together with any un-numbered storage locker located immediately adjacent to or accessible most easily from within such parking stall. Numbered storage locker 508 on Level 5B is a limited common element appurtenant to Residential Apartment 603. Storage Locker 508 may be transferred from Apartment 603 to another Residential Apartment by mutual agreement of the Owners of both of the Residential Apartments affected, and the transfer shall be accomplished by an amendment to the Declaration stating the prior assignment and the new assignment of storage locker 508, signed only by the Owners of the affected Apartments and consented to by their mortgagees, if the mortgagees require such consent, and recorded in the Land Court, with a copy showing recordation information being promptly provided to the Board through the Secretary or the Managing Agent. All un-numbered storage lockers may only be transferred together with the parking stalls to which they are adjacent or from which they are most easily accessible in accordance with the requirements for the transfer of parking stalls set forth in paragraphs 9.2 and 9.3 of the Declaration.

(c) Each Residential Apartment shall have appurtenant thereto as a limited common element the mailbox designated with the Apartment's number and located in the security area adjacent to the elevator lobby on the Building's ground floor.

(d) The Residential Apartments, as a group, shall have appurtenant thereto as limited common elements:

(i) All recreational amenities and facilities, including but not limited to the swimming pool, shower, toilets, kitchenette and related facilities, landscaping and structures in the vicinity of the swimming pool;

(ii) All parking areas, ramps and driveways except those on or serving Level 1A and the Parking Apartments, and except for the limited common element parking stalls and appurtenant storage lockers assigned to specific Residential Apartments as described in Exhibit "C";

(iii) All guest parking stalls, loading stalls and parking stalls for employees and management;

(iv) All stairways serving any part of the Project other than Level 1A;

EXHIBIT "E"

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(v) All elevators and elevator lobbies and related mechanical equipment and facilities;

(vi) The entry area and lobby on Level 1B, including the mail area;

(vii) All mechanical rooms and equipment providing or relating to the provision of electrical, air-conditioning, water and other utility service to all Residential Apartments or to any part of the Project other than Level 1A and/or the Parking Apartments;

(viii) All other parts of the Project that serve and are intended to serve only the Residential Apartments, excluding, however, all structural components of the Building, which are common elements as herein provided.

(e) The Parking Apartments, as a group, shall have appurtenant thereto as limited common elements:

(i) All of the floor surface area of Level 1A (as shown on the Condominium Map) that is not included within a Parking Apartment and that is used or intended to be used for pedestrian and/or vehicular ingress and egress to and from the Parking Apartments, including ramps, driveways, stairways and walkways that provide pedestrian and/or vehicular access to or from or otherwise serve only the Parking Apartments;

(ii) Any parking kiosk, gate or other facility on Level 1A and pertaining to the Parking Apartments and the operation of Level 1A; and

(iii) Easement A-1 for access purposes over and across a portion of the Adjacent Land and providing access to the entry and exit ramps of Level 1A from Olohana Street, and vice versa, as shown on the Condominium Map.

(f) Any other common element of the Project that is rationally related to less than all of the Apartments shall be deemed a limited common element appurtenant to and for the exclusive use of the Apartment or Apartments to which such common element is rationally related, it being the intent of this paragraph 5 to apportion rights to use and obligations to repair and maintain all common elements as equitably as reasonably possible among the various Apartments, and between the Residential Apartments and the Parking Apartments as groups.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

That certain Status Report dated **May 6, 2004**, issued by Title Guaranty of Hawaii, Inc., discloses that the land of the Project is subject to the following encumbrances (the ITEMS and Lot numbers shown below pertain to the various parcels comprising the Project's land, more particularly described in the Declaration and in Exhibit "I" attached to this Public Report):

1. -AS TO ITEM I:-

(A) -AS TO PARCEL FIRST (Lot 127):-

GRANT
TO : HAWAIIAN ELECTRIC COMPANY, INC.
DATED : October 4, 1927
FILED : Land Court Document No. 14080
GRANTING : a perpetual right and easement to build, construct, rebuild, reconstruct, repair and maintain distribution boxes, underground conduits, cables and other appliances or equipment, etc., through, along, across and under a strip of land 5 feet wide along the northeast boundary of said lot

(B) -AS TO PARCEL SECOND (Lot 171):-

(1) DESIGNATION OF EASEMENT

PURPOSE : utility
SHOWN : on Map 54, as set forth by Land Court Order No. 28293, filed March 28, 1968

(2) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DEED
DATED : September 16, 1980
FILED : Land Court Document No. 1032084

The foregoing includes, but is not limited to, matters relating to restrictions on use.

2. -AS TO ITEM III (Lot 131):-

GRANT
TO : HAWAIIAN ELECTRIC COMPANY, INC.
DATED : October 4, 1927
FILED : Land Court Document No. 14080

EXHIBIT "F"

GRANTING : a perpetual right easement to build, construct, rebuild, reconstruct, repair and maintain distribution boxes, underground conduits, cables and other appliances or equipment for the electric light or power lines

3. -AS TO ITEM VI (LOT 181 ONLY):-

(A) DESIGNATION OF EASEMENT

PURPOSE : utility
SHOWN : on Map 54, as set forth by Land Court Order No. 28293, filed March 28, 1968

(B) The terms and provisions including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DEED
DATED : October 7, 1980
FILED : Land Court Document No. 1037112

The foregoing includes, but is not limited to, matters relating to restrictions on use.

4. -AS TO ITEM VII (LOTS 179 AND 180 ONLY):-

(A) DESIGNATION OF EASEMENT

PURPOSE : utility
SHOWN : on Map 54, as set forth by Land Court Order No. 28293, filed March 28, 1968

(B) The terms and provisions including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DEED
DATED : October 7, 1980
FILED : Land Court Document No. 1037113

The foregoing includes, but is not limited to, matters relating to restrictions on use.

5. -AS TO ITEM VIII:-

(A) -AS TO LOT 118-A ONLY:-

GRANT
TO : HAWAIIAN ELECTRIC COMPANY, INC.

DATED : August 12, 1960
FILED : Land Court Document No. 261785
GRANTING : an easement for utility purposes

(B) -AS TO LOTS 177 AND 178 ONLY:-

(1) DESIGNATION OF EASEMENT (10 feet wide)

PURPOSE : utility
SHOWN : on Map 54, as set forth by Land Court Order No. 28293,
filed March 28, 1968

(2) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DEED
DATED : July 14, 1975
FILED : Land Court Document No. 728904

The foregoing includes, but is not limited to, matters relating to restrictions on use.

6. -AS TO ITEM XI (LOTS 175 and 176):-

(A) DESIGNATION OF EASEMENT

PURPOSE : utility
SHOWN : on Map 54, as set forth by Land Court Order No. 28293, filed
March 28, 1968

(B) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : QUITCLAIM DEED
DATED : September 25, 1980
FILED : Land Court Document No. 1363872

The foregoing includes, but is not limited to, matters relating to restrictions on use.

7. -AS TO ITEM XII (LOT 174):-

(A) DESIGNATION OF EASEMENT

PURPOSE : utility

SHOWN : on Map 54, as set forth by Land Court Order No. 28293, filed March 28, 1968

(B) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : QUITCLAIM DEED
DATED : September 25, 1980
FILED : Land Court Document No. 1363871

The foregoing includes, but is not limited to, matters relating to restrictions on use.

8. -ITEM XIII:-

-AS TO LOT 122 ONLY:-

A perpetual right and easement in favor of Hawaiian Electric Company, Inc., its successors and assigns, to build, construct, rebuild, reconstruct, repair and maintain distribution boxes, underground conduits, cables and other appliances or equipment for the electric light or power lines in, through, along, across and under a strip of land 5 feet wide along the northeast boundary of the within premises, as contained in GRANT dated October 4, 1927, filed as Land Court Document No. 14080.

9. -AS TO ITEM XIV (LOT 172):-

(A) Delineation of easement for utility purposes, as shown on Map 54, as set forth by Land Court Order No. 28293, filed March 28, 1968.

(B) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DEED
DATED : November 20, 1980
FILED : Land Court Document No. 1575546

The foregoing includes, but is not limited to, matters relating to restrictions on use.

10. -AS TO ITEM XVI (LOT 173):-

(A) DESIGNATION OF EASEMENT

PURPOSE : utility
SHOWN : on Map 54, as set forth by Land Court Order No. 28293, filed March 28, 1968

EXHIBIT "F"

Page 4 of 6

(B) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DEED
DATED : September 25, 1980
FILED : Land Court Document No. 1363870

11. Encroachments or any other matters as shown on survey map prepared by Kazutaka Saiki, Land Surveyor, with Sam O. Hirota, Inc., dated October 12, 2001.

12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : AGREEMENT FOR ISSUANCE OF CONDITIONAL
USE PERMIT UNDER SECTION 21-5.380 OF THE
LAND USE ORDINANCE (LUO)

DATED : February 24, 2003
FILED : Land Court Document No. 2909274
PARTIES : A&B WAIKIKI LLC, a Hawaii limited liability company
"Declarant"

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY
REGIME FOR "LANIKEA AT WAIKIKI"
CONDOMINIUM PROJECT

DATED : October 2, 2003
FILED : Land Court Document No. 3005302
MAP : 1573 and any amendments thereto

14. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : BYLAWS OF THE ASSOCIATION OF APARTMENT
OWNERS

DATED : October 2, 2003
FILED : Land Court Document No. 3005303

15. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

EXHIBIT "F"

INSTRUMENT : DECLARATION OF RESTRICTIVE COVENANTS
(PRIVATE PARK)

DATED : October 16, 2003

FILED : Land Court Document No. 3014043

16. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF RESTRICTIVE COVENANTS
(SPECIAL DESIGN)

DATED : October 16, 2003

FILED : Land Court Document No. 3014044

17. Real Property taxes as may be due and owing. Refer to the City and County of Honolulu Director of Finances for further information.

NOTE:

THE DEVELOPER HAS RESERVED SEVERAL RIGHTS IN THE DECLARATION (AS MORE FULLY DISCLOSED IN THIS PUBLIC REPORT) INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO CANCEL SOME OF THE EASEMENTS SHOWN ABOVE, TO GRANT AND DESIGNATE NEW EASEMENTS, AND TO RECORD AMENDMENTS TO THE PROJECT'S DOCUMENTS TO REFLECT RECORDATION OF THE DECLARATIONS OF RESTRICTIVE COVENANTS DISCLOSED ABOVE AND TO MAKE OTHER CHANGES TO THE PROJECT FOR WHICH THE DEVELOPER HAS RESERVED SPECIAL RIGHTS, ALL WITHOUT THE CONSENT OR JOINDER OF ANY OTHER PARTY. THE EXERCISE OF SOME OF THE DEVELOPER'S RESERVED RIGHTS MAY CHANGE SOME OF THE INFORMATION CONTAINED IN THIS EXHIBIT. AS DISCLOSED ON PAGE 20-B OF THIS PUBLIC REPORT, SUCH CHANGES WILL NOT REQUIRE THE DEVELOPER TO ISSUE SUPPLEMENTARY PUBLIC REPORTS, ALTHOUGH THE DEVELOPER WILL PROVIDE TO EACH PURCHASER A STATEMENT DISCLOSING ALL SUCH CHANGES.

Estimate of Initial Maintenance Fees and Estimate Maintenance Fee Disbursements for 5-18-04
Lanikea at Waikiki

Estimate of Initial Maintenance Fees:

| Apartment Type: | Monthly Fee | Yearly Total |
|--------------------------|-------------|--------------|
| A/AR | \$379.97 | \$218,863 |
| B/BR | \$379.97 | \$218,863 |
| PH1/PH1R | \$430.37 | \$10,329 |
| PH2/PH3 | \$484.65 | \$11,632 |
| PA-1,PA-2,PA-3,PA-4 | \$15.02 | \$2,343 |
| PA-5,PA-6,PA-7,PA-8,PA-9 | \$15.00 | \$3,240 |

Apartment owners shall not be obligated for the payment of their respective shares of the common expenses until such time as the Developer files with the Real Estate commission an amended abstract providing that, commencing upon a date certain stated in the amended abstract, each apartment owner shall become obligated to pay his respective share of the common expenses.

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

Estimate of Maintenance Fee Disbursements: With the exception of cold water for the apartments, the estimate of fee disbursements is for maintenance of service of the Common Elements only.

| | Monthly | Yearly |
|--|---------|----------|
| Utilities and Services | | |
| Electricity | \$2,500 | \$30,000 |
| Refuse | \$850 | \$10,200 |
| Sewer | \$2,500 | \$30,000 |
| Telephone | \$400 | \$4,800 |
| Water (Common elements & cold water for units) | \$2,260 | \$27,120 |
| Maintenance, Repairs Supplies | | |
| Site Management | \$4,334 | \$52,008 |
| Security | \$6,944 | \$83,328 |
| Building/Supplies/Repairs | \$500 | \$6,000 |
| Grounds | \$1,500 | \$18,000 |
| Pool Supplies | \$300 | \$3,600 |
| Elevator | \$1,300 | \$15,600 |
| Cleaning | \$2,000 | \$24,000 |
| Fire Systems | \$150 | \$1,800 |
| Equipment | \$450 | \$5,400 |
| Pest Control | \$125 | \$1,500 |
| Window washing | \$150 | \$1,800 |
| Management | | |
| Audit/Tax fees | \$200 | \$2,400 |
| Legal Fees | \$125 | \$1,500 |
| Management fees | \$1,600 | \$19,200 |
| Admin. Services/Supplies | \$700 | \$8,400 |
| Board Expense/Meetings | \$100 | \$1,200 |
| Taxes-Income | \$50 | \$600 |
| GET/Other | \$50 | \$600 |

Exhibit G

Estimate of Initial Maintenance Fees and Estimate Maintenance Fee Disbursements for 5-18-04
Lanikea at Waikiki

| | Monthly | Yearly |
|------------------------------|-----------------|------------------|
| Insurance | | |
| Property and Liability | \$2,771 | \$33,252 |
| Directors and Officers, Bond | \$140 | \$1,680 |
| Flood | \$1,273 | \$15,276 |
| Misc./Contingency | \$1,000 | \$12,000 |
| Reserves | \$7,000 | \$84,000 |
| TOTAL | \$38,772 | \$465,264 |

I, Phyllis Kacher, as agent for/and/or employed by Hawaiiana Management Company, the condominium managing agent Lanikea at Waikiki 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.

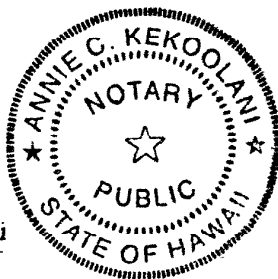
Phyllis Kacher
Signature

5-18-04
Date

Pursuant to 514A-83.6 HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The Budget amount for Reserves is an estimate only.

Subscribed and sworn to
Before me this 18th day
of May 2004.

[Signature]



Notary Public, State of Hawaii
Typed or Printed Name: **Annie C. Kekoolani**
My commission expires: 02-16-06

SUMMARY OF SALES CONTRACT AND ESCROW AGREEMENT

The Sales Contract provides for the sale of a condominium apartment (the "Apartment") by the Developer to a Buyer. The Escrow Agreement provides how the funds paid by the Buyer under the Sales Contract to Escrow are to be held and released. Both the Sales Contract and Escrow Agreement contain many important provisions which are not set out here and should be carefully reviewed by every prospective Buyer.

The Sales Contract provides for the number, amount and timing of payments the Buyer is to make to Escrow. The Escrow Agreement provides that Escrow is to collect these payments and hold them in accounts with banks or savings institutions that are federally insured. The Sales Contract and Escrow Agreement provide who gets to keep interest that may be earned on the funds with Escrow. If the Sales Contract is signed before the Real Estate Commission has issued an effective date for a Contingent Final or Final Public Report and before certain other things have happened (as described in the Sales Contract), the Sales Contract shall not be binding on the Buyer or the Seller, and either of them may cancel it at any time before it becomes binding. After the Sales Contract becomes binding, it may be cancelled by the Developer, among other reasons, if the Buyer is obtaining financing and fails to obtain a lender commitment within a certain time period specified in the Sales Contract, or if the Buyer is a cash buyer and fails to furnish satisfactory evidence of ability to pay within other time periods. In certain cases, the Buyer may be responsible for cancellation fees.

The Sales Contract provides that if the Sales Contract has become binding between Buyer and Seller in accordance with Section F.1 thereof *and* the Real Estate Commission has issued an effective date for a Final Public Report for the Project, Escrow may disburse to Seller all or portions of Buyer's funds deposited with Escrow (i) prior to closing and completion of construction of Buyer's Apartment to pay construction costs of the building(s) and other improvements of the Project, and (ii) after closing but prior to completion of construction of Buyer's Apartment to pay construction and other costs (including architectural, engineering, finance and legal fees and other incidental expenses of the Project), in accordance with and subject to the requirements of the Act and the Escrow Agreement. The Sales Contract provides that no interest will be earned or paid on Buyer's funds that are used to pay construction costs in accordance with the Sales Contract and the Escrow Agreement and the condominium law.

The Escrow Agreement provides for the closing or settlement of the sale. Escrow collects all payments and other amounts owed under the Sales Contract, including closing costs which are shared between the Developer and the Buyer as set forth in the Sales Contract.

If the Buyer defaults under the Sales Contract after an effective date is issued for a Final Public Report for the Project and the Final Public Report is "accepted" by the Buyer, the Buyer may lose all of the deposits with Escrow and the Developer, at its option, may pursue other legal remedies. If the Developer defaults under the Sales Contract, the Buyer shall be entitled to specific performance of the Sales Contract, or shall have the right to cancel and terminate the Sales Contract. Under the Sales Contract, the Developer promises to complete construction of the Apartment within two (2) years from the date the Sales Contract becomes binding on Buyer

and Seller, provided that the two (2) year period may be extended under certain circumstances specified in Section F.6 of the Sales Contract.

If the Buyer cancels and terminates the Sales Contract because of the Developer's default, the Developer shall repay to the Buyer all sums the Buyer has paid to the Developer or to Escrow under the Sales Contract, and the Buyer may pursue other legal or equitable remedies.

The Sales Contract confirms that the Buyer has had the opportunity to read and approve certain important legal documents for the Project, including the Declaration, Bylaws, and Rules and Regulations. The Sales Contract also provides that the rights of any construction lender with a mortgage against the Project will be superior to the rights of the Buyer under the Sales Contract.

The Sales Contract provides that prior to the date that the Sales Contract becomes binding on Buyer and Seller, Seller has the right to change the Project and to modify the Project's documents in any way, including (but not limited to) the right to change the purchase price under the Sales Contract or terminate the Project. The Seller also has the right to change the Project and the Project's documents in certain ways after the Sales Contract becomes binding, provided that such changes do not increase the purchase price of the Buyer's apartment or increase the Buyer's share of common expenses without the Buyer's consent, or reduce the Seller's obligations relating to unsold apartments, or result in a substantial physical change of the Buyer's apartment or the building in which the apartment is located.

The Sales Contract discloses that the Seller (as "Developer") has reserved various rights as more particularly described on pages 20 and 20-a of this Public Report and in Exhibits "J," "K," "L" and "M" attached to this Public Report.

The Sales Contract limits the Buyer's right to assign the Sales Contract and provides that the Seller may require a consent fee for any transfer. The Sales Contract provides for "pre-closing." "Pre-closing" means that Escrow may set a time for the Buyer to sign all of the documents Escrow asks the Buyer to sign, including the Apartment Deed and other closing documents, and the Buyer will pay the Buyer's share of the closing costs, as estimated by Escrow, even though the Buyer's Apartment may not be ready for occupancy. Buyer's share of closing costs include one-half of Escrow's fee, all recording fees, real property taxes and other prorations, Buyer's notary fees, up to four (4) months' maintenance start-up fees, title report and title insurance fees, conveyance tax, and fees charged by a lender if the Buyer is financing the purchase of his Apartment with a loan. Escrow then handles the closing, the transfer of title in accordance with the Escrow Agreement. The Apartment must be conveyed to the Buyer free and clear of any blanket liens, such as mortgages covering more than one apartment.

By signing the Sales Contract, the Buyer acknowledges that sales and construction activity at the Project by the Developer may continue after closing of the Buyer's purchase.

The Escrow Agreement provides certain protections to Escrow in the event of a dispute between the Buyer and the Developer. These protections include the right to file an

“interpleader” and the right to recover certain fees and costs. In an interpleader action the escrow deposit is given to the court to decide what action to take. The Escrow Agreement sets out escrow fees, escrow cancellation fees and the fees for certain policies of title insurance.

THIS SUMMARY IS NOT COMPLETE AND WILL NOT CONTROL IN THE EVENT OF ANY CONFLICT WITH A PROVISION IN THE SALES CONTRACT OR THE ESCROW AGREEMENT. PROSPECTIVE BUYERS ARE CAUTIONED AND ENCOURAGED TO READ CAREFULLY THE SALES CONTRACT AND ESCROW AGREEMENT.

**DESCRIPTION OF THE LAND
AND
TAX MAP KEY NUMBERS**

All of those certain parcels of land situate at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

-ITEM I:- TMK: (1) 2-6-016-002

-FIRST:-

LOT 127, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-SECOND:-

LOT 171, area 500 square feet, more or less, as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM II:- TMK: (1) 2-6-016-004

LOT 129, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM III:- TMK: (1) 2-6-016-006

LOT 131, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-ITEM IV:- TMK: (1) 2-6-016-007

LOT 132, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-ITEM V:- TMK: (1) 2-6-016-008

LOT 133, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-ITEM VI:- TMK: (1) 2-6-016-015 (por.)

-FIRST:-

LOT 116-A, area 3,780 square feet, as shown on Map 14, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-SECOND:-

LOT 181, area 420 square feet, more or less, as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM VII:- TMK: (1) 2-6-016-016

-FIRST:-

LOTS: 116-B, area 720 square feet, more or less; and
117-A, area 3,420 square feet, more or less,
as shown on Map 14, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-SECOND:-

LOTS: 179, area 380 square feet, more or less; and
180, area 80 square feet, more or less,
as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM VIII:- TMK: (1) 2-6-016-017

-FIRST:-

LOTS: 118-A, area 3,060.0 square feet, as shown on Map 11; and
117-B, area 1,080.0 square feet, as shown on Map 14,
filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-SECOND:-

LOTS: 177, area 340.0 square feet, and
178, area 120.0 square feet, as shown on Map 54,

filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM IX:- TMK: (1) 2-6-016-018

LOTS: 118-B, area 1,440 square feet, as shown on Map 11, and
119-A, area 3,060 square feet, as shown on Map 18,
filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-ITEM X:- TMK: (1) 2-6-016-064

LOT 119-B, area 1,440 square feet, to be used for the purposes of a roadway only, as shown on Map 18; filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-ITEM XI:- TMK: (1) 2-6-016-076

LOTS: 175, area 340 square feet, and
176, area 160 square feet, as shown on Map 54,
filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM XII:- TMK: (1) 2-6-016-077

LOT 174, area 160 square feet, as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 issued to John Francis Bowler and August Ahrens, Limited;

-ITEM XIII:- TMK: (1) 2-6-016-019

LOTS: 121, area 4,500 square feet, and
122, area 4,500 square feet, more or less,
as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM XIV:- TMK: (1) 2-6-016-070

LOT 172, area 500 square feet, more or less, as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM XV:- TMK: (1) 2-6-016-062

-FIRST:-

LOT 120-A, area 2,250 square feet, more or less, as shown on Map 18, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-SECOND:-

LOT 120-B, area 2,250 square feet, more or less, as shown on Map 18, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM XVI:- TMK: (1) 2-6-016-075

LOT 173, area 500 square feet, more or less, as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

Being land(s) described in Transfer Certificate of Title No. 676,671 issued to A&B WAIKIKI LLC, a Hawaii limited liability company.

**LANAIS AND PRIVATE PARK; RESERVED RIGHTS;
DECLARATIONS OF RESTRICTIVE COVENANTS**

As explained on pages 20 and 20-a of this Public Report, paragraph 23 of the Declaration relates to certain restrictive covenants pertaining to the Project's lanais and the common element area designated on the Condominium Map as "Private Park." Although the restrictive covenants are contained in paragraph 23 of the Declaration, the City and County of Honolulu (the "City and County") also required the Developer to record against the Project a Declaration of Restrictive Covenants (Special Design) (the "Lanai Declaration") and a Declaration of Restrictive Covenants (Private Park) (the "Park Declaration"). After issuance of the Developer's Contingent Final Public Report for the Project, the Developer exercised some of the rights reserved to the Developer in paragraph 23 of the Declaration (which rights were fully disclosed in the Contingent Final Public Report) by recording the Lanai Declaration in the Land Court as Document No. 3014044 and the Park Declaration in the Land Court as Document No. 3014043.

Reproduced below for the purchaser's convenience is all of paragraph 23 of the Declaration, which explains and states the restrictive covenants and the rights reserved in connection therewith, some of which the Developer has not yet exercised as of the effective date of this Public Report. Also reproduced below are recorded copies of the Lanai Declaration and the Park Declaration.

23. **Restrictive Covenants Regarding Lanais and Private Park.**

23.1 **Lanai Covenants.** The Project is being developed in accordance with the requirements of Waikiki Special District Permit No. 2003-SD-9 (the "Special District Permit"). Under the terms of the Special District Permit, the City and County of Honolulu (the "City and County") requires that certain restrictive covenants be declared in connection with the lanais that comprise part of the Apartments in the Project. Accordingly, and notwithstanding anything to the contrary in this Declaration, the Bylaws, the House Rules or in any other document or instrument pertaining to the Project, the Developer hereby expressly declares that the Project and the Project's lanais shall be and hereby are made subject to the following terms, conditions and restrictions:

(a) **Modification or Enclosure of Lanais.** All lanais of the Project, at all times during the term of this Declaration, shall not be enclosed or modified. This shall apply to structural and nonstructural alterations or additions (including, but not limited to, any walls, windows, doors, panels, awnings, railing, jalousies, or screens) that would further enclose any portion or portions of the lanais. This paragraph is not intended to prohibit or prevent painting or other modifications that do not further enclose any portion of the lanais and that are not otherwise prohibited by this Declaration, the Bylaws or the House Rules.

(b) **Enforcement.** The Director of the Department of Planning and Permitting of the City and County (the "Director") shall have the right to enforce the foregoing restrictions against the Association or against individual Apartment Owners (or both), and the

cost of such enforcement, including court costs and attorneys' fees, as may be permitted by law, shall be paid by the Association or by the individual Apartment Owners for violation of any of the foregoing restrictions.

(c) **Amendment.** Notwithstanding any other provision of this Declaration, this paragraph 23.1 shall continue in full force and effect in perpetuity and shall not be amended or altered in any way except by a majority vote of the owners of Apartments in the Project and the written approval of the Director or the Director's successor.

23.2 **Private Park Covenants.** The Project includes an area of approximately 11,000 square feet that is a common element of the Project and is designated on the Condominium Map as a "Private Park." The Private Park includes the swimming pool, shower, restrooms, kitchenette and other common element recreational facilities. In connection with the development of the Project, Rule 10 of the Park Dedication Rules and Regulations of the City and County requires certain restrictive covenants to be declared. Accordingly, and notwithstanding anything to the contrary in this Declaration, the Bylaws, the House Rules or in any other document or instrument pertaining to the Project, the Developer hereby expressly declares that the Project and the Private Park shall be and hereby are made subject to the following terms, conditions and restrictions:

(a) **Use of Private Park.** At all times during the term of this Declaration, the Private Park shall be improved, maintained and used exclusively for private park, playground and recreational purposes, by the occupants, owners or lessees of the Apartments.

(b) **Maintenance.** The Association shall be required to perpetually maintain the Private Park. In the event that the Association should fail to properly maintain the Private Park, the Director is hereby authorized to perform or to cause to be performed any necessary maintenance work on the Private Park. Upon the failure of the Association to properly maintain the Private Park, the Director shall have the right to collect from the Association the estimated costs and expenses of such maintenance, which may be incurred by the Director in performing any such maintenance work. The Director shall have, until all such costs and expenses of such maintenance work performed by the Director have been fully paid, a lien upon the Project's Land as may be permitted by law.

(c) **Enforcement.** The Director shall have the right to enforce any and all of the restrictions imposed by this paragraph 23.2 upon the Association and the cost of enforcement, including court costs and attorneys' fees, as may be permitted by law, shall be paid by the Association, for violations of any of the restrictions herein contained.

(d) **Amendment.** Notwithstanding any other provision of this Declaration, this paragraph 23.2 shall continue in full force and effect in perpetuity and shall not be amended or altered in any way except by a majority vote of the owners of Apartments in the Project and the written approval of the Director or the Director's successor.

23.3 Declarations of Restrictive Covenants; Developer's Reserved Rights.

The Declarant shall have and hereby reserves unto itself, its successors in interest and assigns, the right to do all things necessary or convenient, as requested or required by the City and County, to ensure and/or confirm that the Project is subject to the foregoing covenants contained in paragraph 23.1 and 23.2 above, including (but not limited to) the right, without the joinder or consent of any other party, including any Apartment Owner, Apartment purchaser, mortgagee, lienholder or any other person or entity whatsoever, to execute and record or cause to be recorded in the Land Court and/or in the Bureau of Conveyances of the State of Hawaii or both as may be appropriate or required, one or more Declarations of Restrictive Covenants concerning the foregoing restrictions regarding lanais and the Private Park, and containing such other terms, conditions, restrictions and provisions as the City and County may require. The Developer shall also have, and hereby reserves unto itself, its successors in interest and assigns, the right, without the joinder or consent of any other party, including any Apartment Owner, Apartment purchaser, mortgagee, lienholder or any other person or entity whatsoever, to execute and record in the Land Court one or more amendments to this Declaration and (if necessary or appropriate) the Bylaws and the Condominium Map to reflect the execution and recordation of such Declarations of Restrictive Covenants and the subordination of this Declaration to such Declarations of Restrictive Covenants.

23.4 Special Power Of Attorney. To the extent that the joinder or consent of the Owner of any Apartment shall be required to effect any of the changes contemplated by, caused by or arising in connection with the exercise of the rights reserved in the foregoing paragraph 23.3, such joinder or consent may be executed and given by the Developer as the attorney-in-fact for, and in the name and stead and on behalf of, such Apartment Owner. Each Apartment Owner, by acquiring or accepting such Apartment, shall be required to (i) appoint the Developer as such Owner's special attorney-in-fact as aforesaid for the limited purpose of accomplishing the purposes of paragraph 23.3, such appointment being coupled with an interest and being irrevocable, and (ii) agree that such Owner shall, promptly upon the Developer's request and for no further consideration, execute, acknowledge and deliver to the Developer such instruments as the Developer may require to fulfill the intent and purpose of this paragraph 23.

[END OF PARAGRAPH 23 OF THE DECLARATION]

ASSISTANT REGISTRAR
STATE OF HAWAII
(3300)

The original
recorded as follows

DOCUMENT NO. 3014044
DATE OCT 21 2003 2:00

Return by Mail (X) Pickup () To:

S. McGuigan
A & B PROPERTIES, INC.
822 Bishop Street
Honolulu, Hawaii 96813

Tax Map Key Nos. (1) 2-6-016-002, -004, -006 through -008, -015 through -019, -062, -064, -070, and -075 through -077
Total No. of Pages:

DECLARATION OF RESTRICTIVE COVENANTS (SPECIAL DESIGN)

THIS DECLARATION, made this 16 day of October, 2003, by A&B WAIKIKI LLC, a Hawaii limited liability company, hereinafter referred to as "Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of property at Kalaimoku and Olohana Streets, Tax Map Key Nos. (1) 2-6-016-002, -004, -006 through -008, -015 through -019, -062, -064, -070, and -075 through -077, Waikiki, City and County of Honolulu, State of Hawaii, which is more particularly described in Exhibit "A" attached hereto and incorporated by reference herein (the "Land"); and

WHEREAS, by Declaration of Condominium Property Regime dated October 2, 2003, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3005302 (noted on Transfer Certificate of Title No. 626,578) and related documents, the Declarant created on the Land a fee simple condominium project named Lanikea at Waikiki (the "Project") which will include lanais as part of certain condominium apartments; and

WHEREAS, in connection with Waikiki Special District Permit No. 2003-SD-9, the City and County of Honolulu requires certain restrictive covenants to be declared in connection with such lanais;

NOW, THEREFORE, in furtherance thereof, Declarant makes the following declaration of restrictive covenants and hereby declares and agrees that the Project is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to said declarations, which declarations shall constitute covenants running with the land and shall be binding on and for the benefit of Declarant, its successors and assigns, and all subsequent owners, lessees or occupants of all or any part of the property and their respective heirs, devisees, personal representatives, successors, and assigns.

1. Lanais. All lanais of the Project described on Exhibit "B" attached hereto and incorporated herein, at all times during the term of this Declaration, shall not be enclosed or modified. This shall apply to structural and nonstructural alterations or additions (including, but not limited to, any walls, windows, doors, panels, awnings, railing, jalousies, or screens) that would further enclose any portion or portions of the lanais. This paragraph is not intended to prohibit or prevent painting or other modifications that do not further enclose any portion of the lanais.

2. Amendment. This Declaration shall continue in full force and effect in perpetuity and shall not be amended or altered in any way except by a majority vote of the owners of units in the Project with the written approval of the Director of Planning and Permitting of the City and County of Honolulu (the "Director") or his, her and/or its successor.

3. Term. This Declaration shall continue in full force and effect in perpetuity and shall run with the land unless (a) the Project is abandoned and not built; (b) the destruction or demolition of all the apartment units and they are not rebuilt in substantial conformance with Exhibit "B" attached hereto; or (c) there is any change in law making this Declaration unnecessary.

4. Repeal. In the event of the occurrence of 3(a), 3(b) or 3(c) above and Declarant obtains the explicit written approval from the Director to terminate this restrictive covenant, then the Declarant shall execute an instrument evidencing the termination of this Declaration in a form suitable for recording in the Land Court of the State of Hawaii, and forward a certified recorded copy to the Director.


5. Enforcement. The Director shall have the right to enforce any and all of the restrictions imposed by this Declaration upon the condominium association, or owner(s) of individual apartment unit(s), and the cost of such enforcement, including court costs and attorneys' fees, as may be permitted by law, shall be paid by the condominium association, or owner(s) of individual apartment unit(s), for violation of any of the restrictions herein contained.

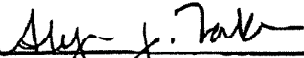
[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Declarant has caused these presents to be duly executed the day and year first above written.

A&B WAIKIKI LLC, a Hawaii limited liability company

By: A & B PROPERTIES, INC., a Hawaii corporation
Its Manager


By 
R.K.SASAKI
Its PRESIDENT


By 
ALYSON J. NAKAMURA
Its SECRETARY

This is to certify that the above described Declaration of Restrictive Covenants shall be filed with the Land Court of the State of Hawaii and/or recorded with the Bureau of Conveyances of the State of Hawaii, as may be applicable, as provided by Ordinance No. 4349, City and County of Honolulu.

A&B WAIKIKI LLC, a Hawaii limited liability company

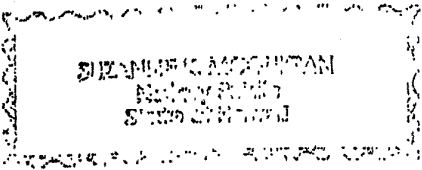
By: A & B PROPERTIES, INC., a Hawaii corporation
Its Manager

By 
R.K.SASAKI
Its PRESIDENT

By 
ALYSON J. NAKAMURA
Its SECRETARY

STATE OF HAWAII)
) SS
CITY AND COUNTY OF HONOLULU)

On this 16 day of October, 2003, before me personally appeared R.K.SASAKI ALYSON J. NAKAMURA to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

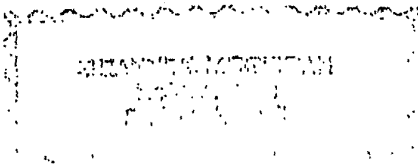


Suzanne K. McGuigan
Suzanne K. McGuigan
Notary Public, State of Hawaii

My commission expires: 2/18/05

STATE OF HAWAII)
) SS
CITY AND COUNTY OF HONOLULU)

On this 16 day of October, 2003, before me personally appeared R.K.SASAKI ALYSON J. NAKAMURA to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Suzanne K. McGuigan
Suzanne K. McGuigan
Notary Public, State of Hawaii

My commission expires: 2/18/05

EXHIBIT "A"

All of those certain parcels of land situate at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

-ITEM I:- TMK: (1) 2-6-016-002

-FIRST:-

LOT 127, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-SECOND:-

LOT 171, area 500 square feet, more or less, as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM II:- TMK: (1) 2-6-016-004

LOT 129, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM III:- TMK: (1) 2-6-016-006

LOT 131, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-ITEM IV:- TMK: (1) 2-6-016-007

LOT 132, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-ITEM V:- TMK: (1) 2-6-016-008

LOT 133, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-ITEM VI:- TMK: (1) 2-6-016-015 (por.)

-FIRST:-

LOT 116-A, area 3,780 square feet, as shown on Map 14, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-SECOND:-

LOT 181, area 420 square feet, more or less, as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM VII:- TMK: (1) 2-6-016-016

-FIRST:-

LOTS: 116-B, area 720 square feet, more or less; and
117-A, area 3,420 square feet, more or less,
as shown on Map 14, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-SECOND:-

LOTS: 179, area 380 square feet, more or less; and
180, area 80 square feet, more or less,
as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM VIII:- TMK: (1) 2-6-016-017

-FIRST:-

LOTS: 118-A, area 3,060.0 square feet, as shown on Map 11; and
117-B, area 1,080.0 square feet, as shown on Map 14,
filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-SECOND:-

LOTS: 177, area 340.0 square feet, and
178, area 120.0 square feet, as shown on Map 54,
filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM IX:- TMK: (1) 2-6-016-018

LOTS: 118-B, area 1,440 square feet, as shown on Map 11, and
119-A, area 3,060 square feet, as shown on Map 18,
filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land
Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-ITEM X:- TMK: (1) 2-6-016-064

LOT 119-B, area 1,440 square feet, to be used for the purposes of a roadway only, as
shown on Map 18; filed in the Office of the Assistant Registrar of the Land Court of the State of
Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens,
Limited;

-ITEM XI:- TMK: (1) 2-6-016-076

LOTS: 175, area 340 square feet, and
176, area 160 square feet, as shown on Map 54,
filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land
Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM XII:- TMK: (1) 2-6-016-077

LOT 174, area 160 square feet, as shown on Map 54, filed in the Office of the Assistant
Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and
550 issued to John Francis Bowler and August Ahrens, Limited;

-ITEM XIII:- TMK: (1) 2-6-016-019

LOTS: 121, area 4,500 square feet, and
122, area 4,500 square feet, more or less,
as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State
of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August
Ahrens, Limited;

-ITEM XIV:- TMK: (1) 2-6-016-070

LOT 172, area 500 square feet, more or less, as shown on Map 54, filed in the Office of
the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application
Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM XV:- TMK: (1) 2-6-016-062

-FIRST:-

LOT 120-A, area 2,250 square feet, more or less, as shown on Map 18, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

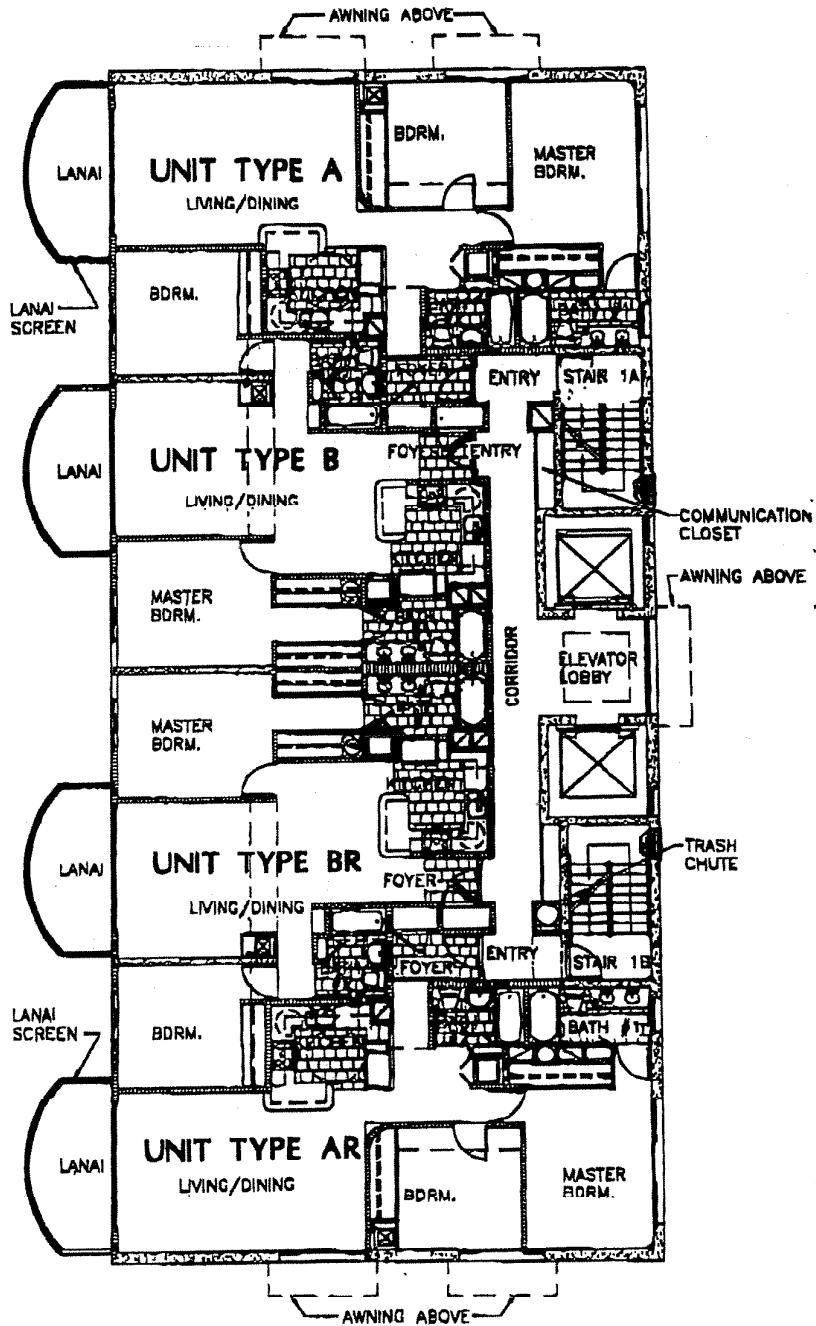
-SECOND:-

LOT 120-B, area 2,250 square feet, more or less, as shown on Map 18, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

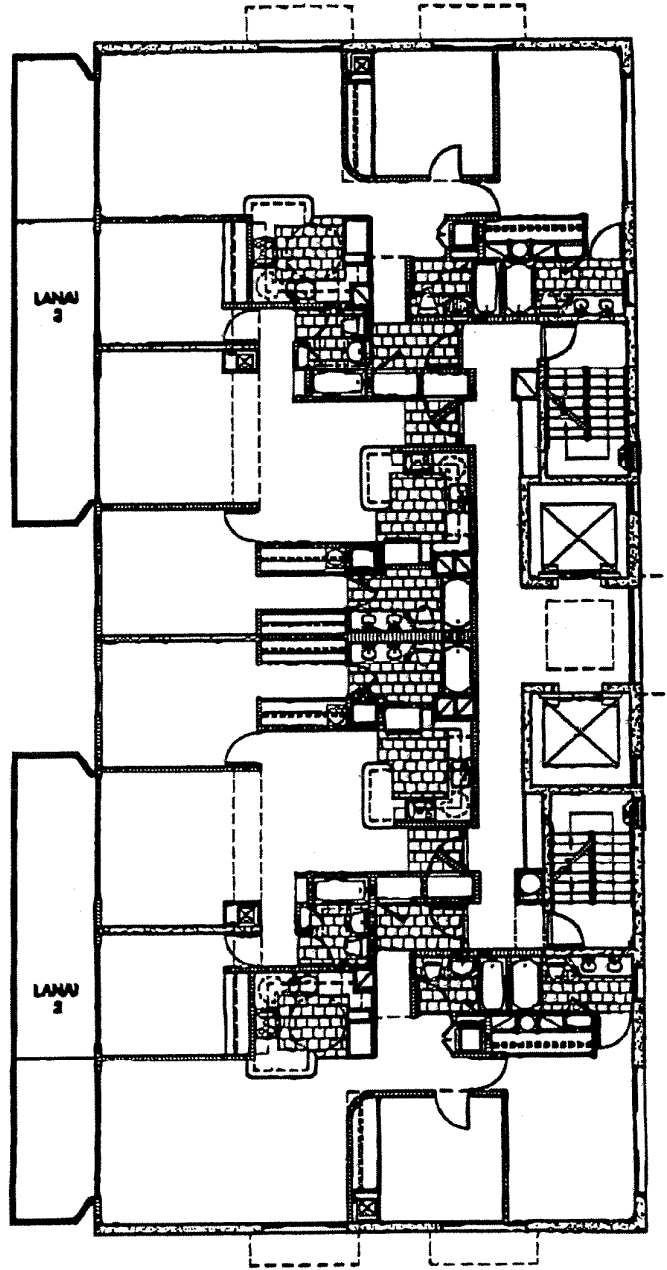
-ITEM XVI:- TMK: (1) 2-6-016-075

LOT 173, area 500 square feet, more or less, as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

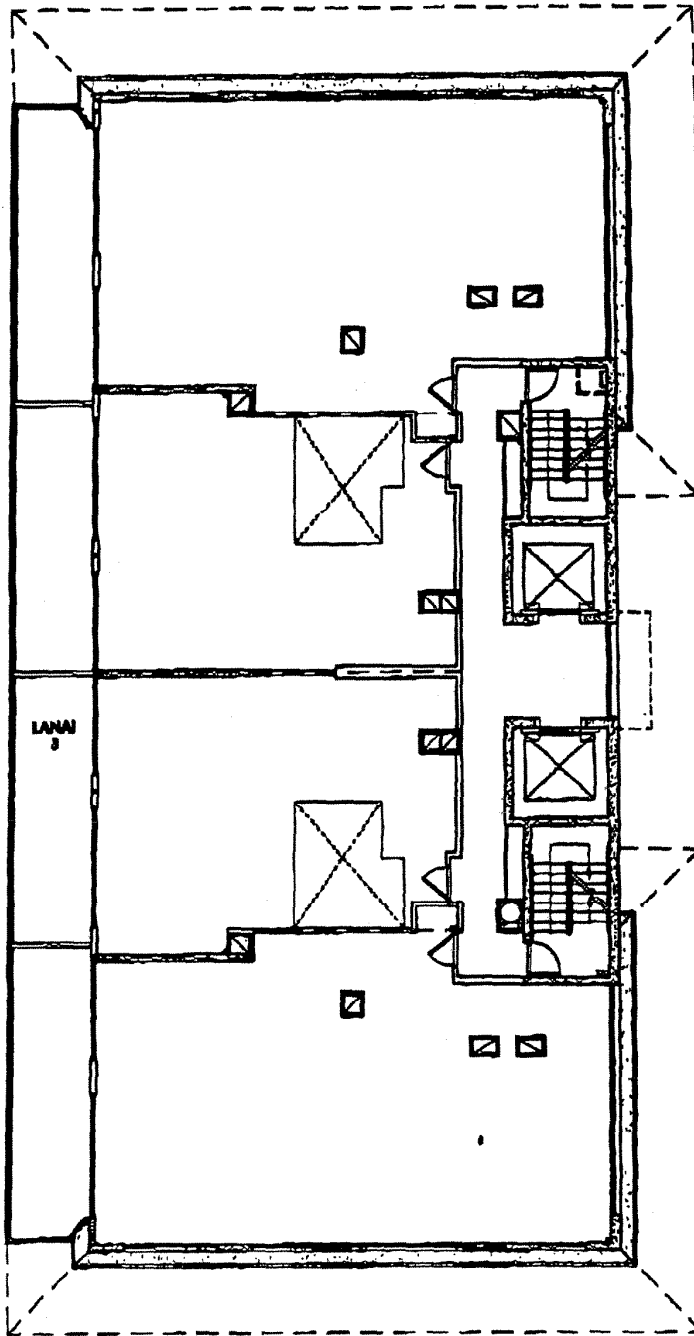
Being land(s) described in Transfer Certificate of Title No. 626,578 issued to A&B WAIKIKI LLC, a Hawaii limited liability company.



TYPICAL 6th-29th FLOOR PLAN



30th FLOOR PLAN



31st FLOOR PLAN

OFFICE OF THE
ASSISTANT REGISTRAR OF THE LAND COURT
STATE OF HAWAII
(FLOOR 1)

The office is
recording documents

DOCUMENT NO. 3014043
DATE OCT 21 2003 2:00

Return by Mail (X) Pickup () To:

S. McGuigan
A & B PROPERTIES, INC.
822 Bishop Street
Honolulu, Hawaii 96813

Tax Map Key Nos. (1) 2-6-016-002, -004, -006 through -008, -015 through -019, -062, -064, -070, and -075 through -077
Total No. of Pages:

DECLARATION OF RESTRICTIVE COVENANTS (PRIVATE PARK)

THIS DECLARATION, made this 16 day of October, 2003, by A&B WAIKIKI LLC, a Hawaii limited liability company, hereinafter referred to as "Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of property at Kalaimoku and Olohana Streets, Tax Map Key Nos. (1) 2-6-016-002, -004, -006 through -008, -015 through -019, -062, -064, -070, and -075 through -077, Waikiki, City and County of Honolulu, State of Hawaii, which is more particularly described in Exhibit "A" attached hereto and incorporated by reference herein (the "Land"); and

WHEREAS, by Declaration of Condominium Property Regime dated October 2, 2003, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3005302, noted on Transfer Certificate of Title No. 626,578 (the "Condominium Declaration"), and related documents, the Declarant created on the Land a fee simple condominium project named Lanikea at Waikiki (the "Project") which will include in its common areas certain park areas (the "Private Park"); and

WHEREAS, the Condominium Declaration also created the Association of Apartment Owners of Lanikea at Waikiki (the "Association") to, among other things, maintain the common elements of the Project, which include the Private Park; and

WHEREAS, in connection with the development of the Project, Rule 10 of the Park Dedication Rules and Regulations of the City and County of Honolulu, Hawaii, adopted pursuant to Chapter 22.7, R.O. 1990 of the City and County of Honolulu, requires certain restrictive covenants to be declared;

NOW, THEREFORE, in furtherance thereof and in order to provide active and passive recreation for the occupants of the Project, Declarant makes the following declaration of restrictive covenants and hereby declares and agrees that the real property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to said declarations, which declarations shall constitute covenants running with the land and shall be binding on and for the benefit of Declarant, its successors and assigns, and all subsequent owners, lessees or occupants of all or any part of the real property and their respective heirs, executors, administrators, successors, and assigns.

1. Master Plan. Attached hereto as Exhibit "B" (and incorporated by reference herein), is a plan of the Private Park. The landscaping depicted on Exhibit "B" outside the Private Park area (as defined below) is shown for purposes of illustration only, and the final landscaping installed in such area may vary from that shown.

2. Park and Recreational Areas. At all times during the term of this Restrictive Covenant, the area in Exhibit "B" (the "Private Park area") shall be improved, maintained and used exclusively for private park, playground and recreational purposes, by the occupants, owners or lessees of the real property.

3. Term. This Declaration shall continue in full force and effect in perpetuity and shall not be repealed, amended or altered in any way except by a majority vote of the owners of units in the Project with written approval of the Declarant and the Director of Planning and Permitting of the City and County of Honolulu (the "Director") or his and/or its successor.

4. Use of Private Park. The use of the Private Park area is and shall be restricted for park and playground purposes for the use of all of the purchasers, lessees or occupants of units in the Project.

5. Obligations. All owners of units in the Project shall be required to be members of the Association. Under the Condominium Declaration, the Association shall be obligated to perpetually maintain the Private Park.

6. Maintenance. The covenant to perpetually maintain the Private Park contained in paragraph 5 hereof may be enforced by the Director. In the event that the Association should fail to properly maintain the Private Park, the Director is hereby authorized to perform or to cause to be 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 land and properties (Exhibit "A") of the Project subject to this Declaration as may be permitted by law.

The Declarant shall indemnify the City and save it harmless from and indemnify it 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 or wrongful death, and/or damage to property arising from the use of the facility by any party and, including but not limited to, any and all claims in connection with the City's authority under Section 6 above. In case the City shall be made a party to any litigation commenced by or against the Declarant, then the Declarant 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.


7. Enforcement. The Director shall have the right to enforce any and all of the restrictions imposed by this Declaration upon the Association and the cost of enforcement, including court costs and attorneys' fees, as may be permitted by law, shall be paid by the Association, for violations of any of the restrictions herein contained.


[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Declarant has caused these presents to be duly executed the day and year first above written.

A&B WAIKIKI LLC, a Hawaii limited liability company

By: A & B PROPERTIES, INC., a Hawaii corporation
Its Manager


By 
R.K. SASAKI
Its PRESIDENT


By 
ALYSON J. NAKAMURA
Its SECRETARY

This is to certify that the above described Declaration of Restrictive Covenants shall be filed with the Land Court of the State of Hawaii and/or recorded with the Bureau of Conveyances of the State of Hawaii, as may be applicable.

A&B WAIKIKI LLC, a Hawaii limited liability company

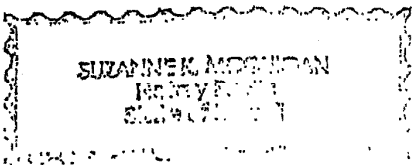
By: A & B PROPERTIES, INC., a Hawaii corporation
Its Manager

By 
R.K. SASAKI
Its PRESIDENT

By 
ALYSON J. NAKAMURA
Its SECRETARY

STATE OF HAWAII)
) SS
CITY AND COUNTY OF HONOLULU)

On this 16 day of October, 2003, before me personally appeared R.K.SASAKI ALYSON J. NAKAMURA to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

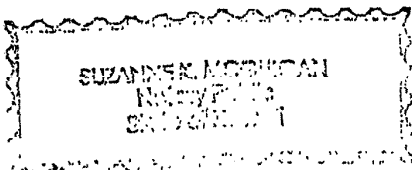


Suzanne K. McGowan
Suzanne K. McGowan
Notary Public, State of Hawaii

My commission expires: 2/18/05

STATE OF HAWAII)
) SS
CITY AND COUNTY OF HONOLULU)

On this 16 day of October, 2003, before me personally appeared R.K.SASAKI ALYSON J. NAKAMURA to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Suzanne K. McGowan
Suzanne K. McGowan
Notary Public, State of Hawaii

My commission expires: 2/18/05

EXHIBIT "A"

All of those certain parcels of land situate at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

-ITEM I:- TMK: (1) 2-6-016-002

-FIRST:-

LOT 127, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-SECOND:-

LOT 171, area 500 square feet, more or less, as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM II:- TMK: (1) 2-6-016-004

LOT 129, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM III:- TMK: (1) 2-6-016-006

LOT 131, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-ITEM IV:- TMK: (1) 2-6-016-007

LOT 132, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-ITEM V:- TMK: (1) 2-6-016-008

LOT 133, area 4,500 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-ITEM VI:- TMK: (1) 2-6-016-015 (por.)

-FIRST:-

LOT 116-A, area 3,780 square feet, as shown on Map 14, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-SECOND:-

LOT 181, area 420 square feet, more or less, as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM VII:- TMK: (1) 2-6-016-016

-FIRST:-

LOTS: 116-B, area 720 square feet, more or less; and
117-A, area 3,420 square feet, more or less,
as shown on Map 14, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-SECOND:-

LOTS: 179, area 380 square feet, more or less; and
180, area 80 square feet, more or less,
as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM VIII:- TMK: (1) 2-6-016-017

-FIRST:-

LOTS: 118-A, area 3,060.0 square feet, as shown on Map 11; and
117-B, area 1,080.0 square feet, as shown on Map 14,
filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-SECOND:-

LOTS: 177, area 340.0 square feet, and
178, area 120.0 square feet, as shown on Map 54,
filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM IX:- TMK: (1) 2-6-016-018

LOTS: 118-B, area 1,440 square feet, as shown on Map 11, and
119-A, area 3,060 square feet, as shown on Map 18,
filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land
Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

-ITEM X:- TMK: (1) 2-6-016-064

LOT 119-B, area 1,440 square feet, to be used for the purposes of a roadway only, as
shown on Map 18; filed in the Office of the Assistant Registrar of the Land Court of the State of
Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens,
Limited;

-ITEM XI:- TMK: (1) 2-6-016-076

LOTS: 175, area 340 square feet, and
176, area 160 square feet, as shown on Map 54,
filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land
Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM XII:- TMK: (1) 2-6-016-077

LOT 174, area 160 square feet, as shown on Map 54, filed in the Office of the Assistant
Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and
550 issued to John Francis Bowler and August Ahrens, Limited;

-ITEM XIII:- TMK: (1) 2-6-016-019

LOTS: 121, area 4,500 square feet, and
122, area 4,500 square feet, more or less,
as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State
of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August
Ahrens, Limited;

-ITEM XIV:- TMK: (1) 2-6-016-070

LOT 172, area 500 square feet, more or less, as shown on Map 54, filed in the Office of
the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application
Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM XV:- TMK: (1) 2-6-016-062

-FIRST:-

LOT 120-A, area 2,250 square feet, more or less, as shown on Map 18, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

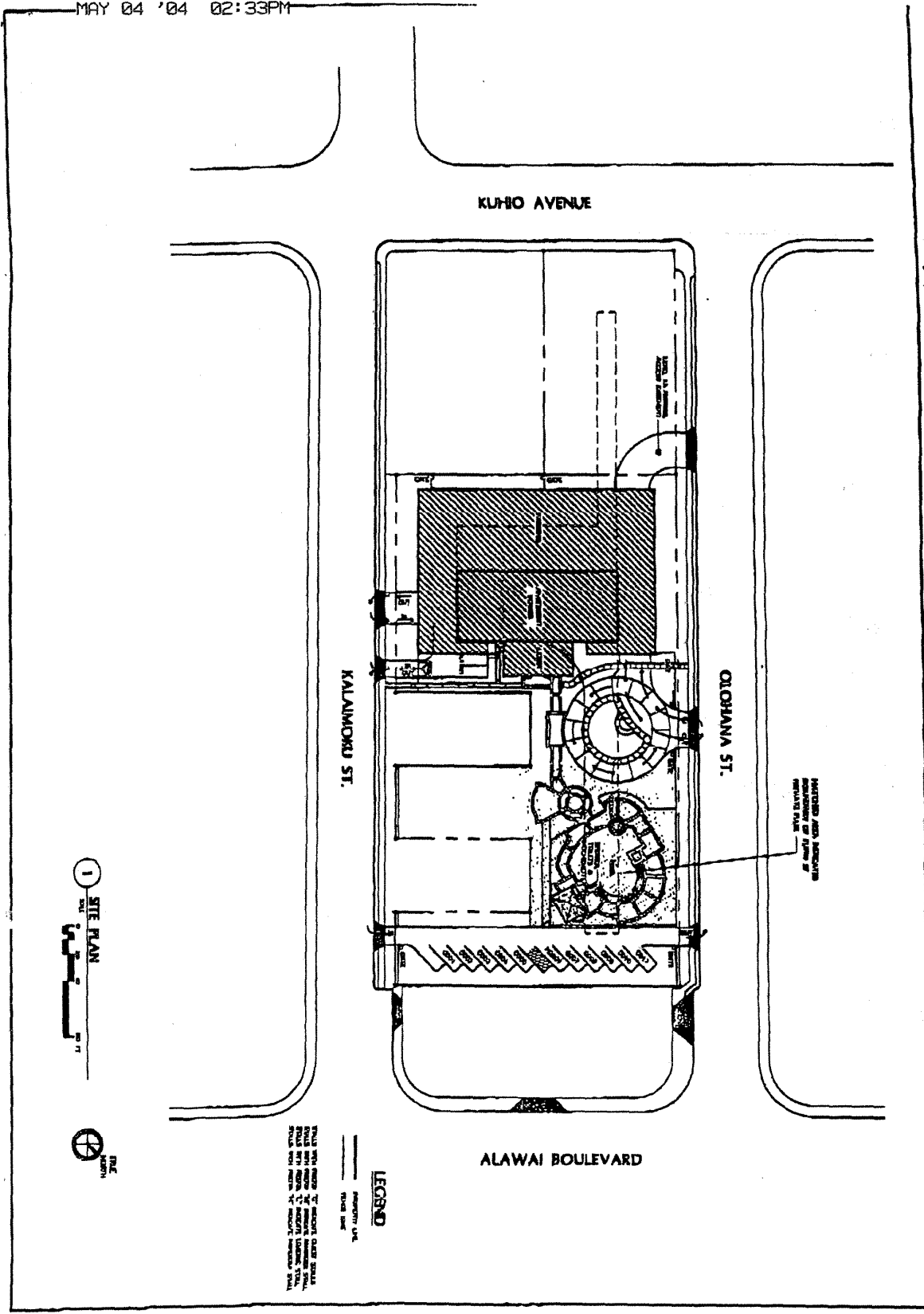
-SECOND:-

LOT 120-B, area 2,250 square feet, more or less, as shown on Map 18, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

-ITEM XVI:- TMK: (1) 2-6-016-075

LOT 173, area 500 square feet, more or less, as shown on Map 54, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application Nos. 537 and 550 of John Francis Bowler and August Ahrens, Limited;

Being land(s) described in Transfer Certificate of Title No. 626,578 issued to A&B WAIKIKI LLC, a Hawaii limited liability company.



1 SITE PLAN



THIS PLAN SHOWS THE PROPOSED LAYOUT OF THE BUILDING AND THE SURROUNDING SITE. THE PROPOSED LAYOUT OF THE BUILDING IS SHOWN WITH A HATCHED PATTERN. THE PROPOSED LAYOUT OF THE SURROUNDING SITE IS SHOWN WITH A DOTTED PATTERN. THE PROPOSED LAYOUT OF THE SURROUNDING SITE IS SHOWN WITH A DOTTED PATTERN.

LEGEND

PROPERTY LINE
LANDSCAPING

ALAWAI BOULEVARD

KUHIO AVENUE

KALAMOROU ST.

OLORIANA ST.

LANDSCAPING AND HATCHING
INDICATE THE PROPOSED LAYOUT OF THE SURROUNDING SITE.

| | |
|-----|-------------------|
| NO. | REVISION |
| 1 | ISSUED FOR PERMIT |
| 2 | ISSUED FOR PERMIT |
| 3 | ISSUED FOR PERMIT |
| 4 | ISSUED FOR PERMIT |
| 5 | ISSUED FOR PERMIT |
| 6 | ISSUED FOR PERMIT |
| 7 | ISSUED FOR PERMIT |
| 8 | ISSUED FOR PERMIT |
| 9 | ISSUED FOR PERMIT |
| 10 | ISSUED FOR PERMIT |

CPR-1

SITE PLAN

LANIKEA
AT WAIKIKI
WAIKIKI, OAHU

ARCHITECTS
HAWAII
LIMITED
1001 KALANIANA'OLA
DRIVE, SUITE 1000
HONOLULU, HAWAII 96813
PHONE: (808) 551-1111
FAX: (808) 551-1112
WWW.LANIKEA.COM

PRIOR DEEDS; RESERVED RIGHTS

As explained on page 20-a of this Public Report, paragraph 24 of the Declaration relates to certain conditions and restrictions pertaining to certain small lots comprising part of the Project. These conditions and restrictions are contained in prior deeds to those lots. Paragraph 24 reserves to the Developer various rights to do such things as are necessary or convenient to terminate the conditions and restrictions in the prior deeds or to comply with them. Reproduced below is all of paragraph 24 of the Declaration, which relates to the conditions and restrictions and the rights reserved in connection therewith.

24. Restrictions in Prior Deeds; Developer's Reserved Rights.

24.1 **Restrictions in Prior Deeds.** The Project's Land includes several subdivided lots, including certain small lots (identified in Exhibit "A" as Lots 171 through 181) that were originally conveyed by the City and County of Honolulu (the "City and County") to the Developer's predecessors in interest, who also acquired adjacent larger lots that are also part of the Project. The City and County deeds to Lots 171 through 181 contain certain conditions and restrictions, including a requirement that the Lots must be consolidated with the larger adjacent lots under certain circumstances.

24.2 **Developer's Reserved Rights.** The Developer has contacted the City and County in an effort to have the deed restrictions removed or otherwise to take such steps as may be required to comply with the terms of the prior deeds to Lots 171 through 181. To accomplish these purposes, the Developer hereby reserves the right, for itself and its successors in interest and assigns, to do all things necessary or convenient, unilaterally or in conjunction with the City and County or such other persons, entities or agencies whose cooperation may be required, to terminate the restrictions in the deeds to Lots 171 through 181 or to obtain such waivers or permits or other agreements or do such other things as may be required to comply with the terms of the prior deeds to Lots 171 through 181, including (but not limited to) the consolidation of such Lots with adjacent lots that are also part of the Project, all without the joinder or consent of any other party, including any Apartment Owner, Apartment purchaser, mortgagee, lienholder, or any other person or entity whatsoever. The Developer shall also have, and hereby reserves unto itself, its successors in interest and assigns, the right, without the joinder or consent of any other party, including any Apartment Owner, Apartment purchaser, mortgagee, lienholder or any other person or entity whatsoever, to execute and record in the Land Court one or more amendments to this Declaration and (if necessary or appropriate) the Bylaws and the Condominium Map to reflect the removal or waiver of the deed restrictions and/or the consolidation of some or all of Lots 171 through 181 with any other lots comprising a portion of the Project's Land.

24.3 **Special Power Of Attorney.** To the extent that the joinder or consent of the Owner of any Apartment shall be required to effect any of the changes contemplated by, caused by or arising in connection with the exercise of the rights reserved in the foregoing paragraph 24.2, such joinder or consent may be executed and given by the Developer as the attorney-in-fact for, and in the name and stead and on behalf of, such Apartment Owner. Each

Apartment Owner, by acquiring or accepting such Apartment, shall be required to (i) appoint the Developer as such Owner's special attorney-in-fact as aforesaid for the limited purpose of accomplishing the purposes of paragraph 24.2, such appointment being coupled with an interest and being irrevocable, and (ii) agree that such Owner shall, promptly upon the Developer's request and for no further consideration, execute, acknowledge and deliver to the Developer such instruments as the Developer may require to fulfill the intent and purpose of paragraph 24.2.

ACCESS EASEMENT A-1; RESERVED RIGHTS

As explained on page 20-a of this Public Report, paragraph 25 of the Declaration relates to a portion of the common elements identified in Exhibit "A" attached to the Condominium Map as Easement A-1. Easement A-1 is over and across a portion of the lands described in the Declaration as "Adjacent Land" currently owned by the Developer. Although Easement A-1 has been formally approved by the City and County of Honolulu as disclosed on Page 20-a of this Public Report, it has not yet been formally granted and/or designated in the Land Court of the State of Hawaii. Paragraph 25 reserves to the Developer various rights to take all such steps as are necessary or convenient to grant and/or designate Easement A-1 in the Land Court. Reproduced below is all of paragraph 25 of the Declaration, which relates to Easement A-1 and the rights reserved in connection therewith.

25. Access Easement; Developer's Reserved Rights.

25.1 **Access Easement A-1.** Vehicular access to Level 1A and the Parking Apartments is by way of an access easement designated in Exhibit "A" attached hereto as "Easement A-1". Easement A-1 is over and across a portion of the Adjacent Land described in paragraph 17.1 above. Easement A-1 is included in the condominium property regime established by this Declaration and is part of the Project. However, as of the date of recordation of this Declaration, Easement A-1 has not been formally granted or designated in the Land Court. The Developer, as the current owner of the Adjacent Land, intends to grant and/or designate Easement A-1 in the Land Court and hereby reserves the right, to itself and to its successors in interest and assigns, to take all such steps as are necessary or convenient to grant and/or designate Easement A-1 in the Land Court without the joinder or consent of any other party, including any Apartment Owner, Apartment purchaser, mortgagee, lienholder, or any other person or entity whatsoever. The Developer shall also have, and hereby reserves unto itself, its successors in interest and assigns, the right, without the joinder or consent of any other party, including any Apartment Owner, Apartment purchaser, mortgagee, lienholder or any other person or entity whatsoever, to execute and record in the Land Court one or more amendments to this Declaration and (if necessary or appropriate) the Bylaws and the Condominium Map to reflect the grant and/or designation of Easement A-1 in the Land Court.

25.2 **Special Power Of Attorney.** To the extent that the joinder or consent of the Owner of any Apartment shall be required to effect any of the changes contemplated by, caused by or arising in connection with the exercise of the rights reserved in the foregoing paragraph 25.1, such joinder or consent may be executed and given by the Developer as the attorney-in-fact for, and in the name and stead and on behalf of, such Apartment Owner. Each Apartment Owner, by acquiring or accepting such Apartment, shall be required to (i) appoint the Developer as such Owner's special attorney-in-fact as aforesaid for the limited purpose of accomplishing the purposes of paragraph 25.1, such appointment being coupled with an interest and being irrevocable, and (ii) agree that such Owner shall, promptly upon the Developer's request and for no further consideration, execute, acknowledge and deliver to the Developer such instruments as the Developer may require to fulfill the intent and purpose of paragraph 25.1.

OTHER EASEMENTS; RESERVED RIGHTS

As explained on page 20-a of this Public Report, several of the Project's lots are currently encumbered by various easements. Also, the Developer has obtained the approval of the City and County of two new easements, intended to replace some of the existing easements, all as explained on page 20-a. Paragraphs 8.7 and 8.9 of the Declaration reserve to the Developer various rights to deal with easements in various ways. Reproduced below are all of paragraphs 8.7 and 8.9 of the Declaration, which relate to easements generally and the rights reserved in connection therewith.

8.7 The Developer hereby reserves for itself, its successors in interest and assigns, the right, without the joinder or consent of any other party, including any Apartment Owner, Apartment purchaser, mortgagee, lienholder, or any other person or entity whatsoever, to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across, or through the common elements (including the limited common elements) for any reasonable purpose, which may include, but shall not be limited to, those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment or the common elements or any easements for utilities or for any public purpose; provided, however, that in exercising its rights under this paragraph, the Developer shall not do anything or permit anything to be done which shall unreasonably interfere with the use of the affected common or limited common element for its originally intended purpose, unless such action is required to ensure the public health, safety or welfare or to comply with any governmental rule, regulation, law or ordinance. The rights set forth in this paragraph shall continue for a period of twelve (12) months following recordation of the last apartment deed transferring title to an Apartment to any person or entity other than the Developer, a party related to the Developer or the Developer's successor in interest.

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8.9 Each of the rights reserved in this paragraph 8 includes the right to execute and cause to be recorded in the Land Court any and all legal documents and other instruments required by law to accomplish the tasks for which such rights are reserved, including (but not limited to) one or more amendments to this Declaration, the Bylaws and/or the Condominium Map as may be necessary to reflect changes to the Project or the Land caused by or otherwise related to the exercise of the rights reserved herein. Any such instrument or amendment need only be signed by the person or entity that is entitled under this paragraph 8 to exercise such rights, without the joinder or consent of any other party, including any Apartment Owner, Apartment purchaser, mortgagee, lienholder, or any other person or entity whatsoever.