

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: Posec Hawaii, Inc., a Hawaii corporation
Address: 1001 Bishop Street, Suite 1560, Honolulu, HI 96813

Project Name (*): 909 KAPIOLANI
Address: 909 Kapiolani Boulevard, Honolulu, HI 96814

Registration No. 5205
Effective date: August 7, 2006
Expiration date: September 7, 2007

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. A Final Public Report will be issued by the developer when complete information is filed.

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

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

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

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

Updated Title Report: An updated title report dated May 18, 2006 has been obtained from Island Title Corporation. See page 14 of this Report. Exhibit G was revised to reflect the updated report. The updated title report reflects certain changes to the encumbrances against title since the effective date of the Contingent Final Public Report, as follows:

- a. **First Amendment to the Declaration of Condominium Property Regime of 909 Kapiolani** (Condominium Map No. 1749) dated May 11, 2006 was filed with the Land Court on May 12, 2006 as Document No. 3427964 and amends Section 6(b) and Exhibit B to correct apartment and parking stall numbers and designations. Corrections made include: the storage units are designated as limited common elements appurtenant to Apartment No. 3307 (incorrectly identified as Apartment No. 3108 in Section 6(b)); designation of Apartment No. 605 (incorrectly identified as Apartment No. 604 on Exhibit B), and Apartment No. 606 (incorrectly identified as Apartment No. 605 on Exhibit B); designation of one of the two parking stalls assigned to Apartment No. 2903 being TC4049 (incorrectly identified as TC3049); designation of the two of the parking stalls assigned to Apartment No. 3307 as tandem compact stalls (incorrectly identified as tandem parking stalls).

The updated Condominium Map filed with the First Amendment reflects revised elevations for the project building, corrections to typographical errors and other minor revisions, and also includes a revised table identifying revised sizes of certain storage units as follows:

Unit No.	Orig sf	Revised sf	Unit No.	Orig sf	Revised sf
3213	94	93	S411	44	47
S309	48	44	S412	45	47
S310	44	43	S417	93	95
S311	44	47	S509	48	44
S312	45	47	S510	44	43
S317	93	95	S511	44	47
S409	48	44	S512	45	47
S410	44	43	S517	93	95

- b. **HCDA Development Agreement.** The Agreement dated April 20, 2006, entered into among the Developer, the Musicians' Building Corporation and HCDA, was filed with the Land Court on May 17, 2006 as Document No. 3429936. See Exhibit G of this Report. Under the Agreement, Developer agrees, among other things, to maintain the Project in compliance with the PD Permit and the Mauka Rules. Also, the Developer has committed to convey, and cause the Musicians' Building Corporation to convey, the 10-foot road widening strip of land along Waimanu Street to HCDA or the City and County of Honolulu, at no cost, in fee simple. If for any reason subdivision approval is not obtained prior to the completion of the Project and conveyance of the apartments to buyers, such obligation to obtain subdivision approval and convey the 10-foot road widening strip to the HCDA or the City could become the obligation of the Association of Apartment Owners.

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- c. Mortgage, Security Agreement, and Collateral Assignment Document No. 3370315; Assignment of Rents and Leases Document No. 2005-260735; and UCC Financing Statement Document No. 2005-261029 were filed to secure a loan from POSCO Investment Co., Ltd. of up to \$89.9 million for the construction of the Project.
- d. Withdrawal of Lis Pendens. There was a lis pendens for litigation concerning the 20th Floor apartments (formerly 18th floor apartments) discussed in Section V. C.p. on page 20b of the Contingent Final Public Report. Globalmart, Inc. (dba Landmark Development Co.) filed a complaint against the Developer denying Developer's termination of certain sales contracts and alleging certain rights under a Memorandum of Understanding dated June 20, 2004 to acquire all of the eight apartments located on the 20th floor (previously on the 18th floor). The First Circuit Court of the State of Hawaii granted summary judgment in favor of the Developer and the lis pendens has been withdrawn. It is unknown at this time whether Globalmart will appeal the summary judgment decision.

Utilities. Electricity for each apartment will be sub-metered and separately billed. See Section IV.C of this Report.

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of 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: Posec Hawaii, Inc., a Hawaii corporation Phone: (808) 599-1990
Name* (Business)
1001 Bishop Street, Suite 1560
Business Address
Honolulu, HI 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):

In Jung Yi (President); Tae Hyun Hwang (Director); In Hwan Kwag (Director); and
Seung-ji R. Lee (Secretary, Director)

Real Estate Broker*: Prudential Locations LLC Phone: (808) 735-4200
Name (Business)
3465 Waialae Avenue, Fourth Floor
Business Address
Honolulu, HI 96816

Escrow: Island Title Corporation Phone: (808) 531-0261
Name (Business)
1132 Bishop Street, Suite 400
Business Address
Honolulu, HI 96813

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

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

Attorney for Developer: Julia K. Kane & Associates Phone: (808) 735-2760
Name (Business)
2328 Halehaka Street
Business Address
Honolulu, HI 96821

* 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:

<input type="checkbox"/>	Proposed			
<input type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. -	_____
			Book _____	Page _____
<input checked="" type="checkbox"/>	Filed -	Land Court:	Document No. .	<u>3347779</u>

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

First Amendment to Declaration of Condominium Property Regime dated May 11, 2006, filed as Document No. 3427964 (the "First Amendment").

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			
<input type="checkbox"/>	Recorded -	Bureau of Conveyances Condo Map No.	_____	
<input checked="" type="checkbox"/>	Filed -	Land Court Condo Map No.	<u>1749</u>	

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

The Condominium Map dated May 8, 2006 attached to First Amendment, filed as Document No. 3427964.

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:

<input type="checkbox"/>	Proposed			
<input type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No.	_____
			Book _____	Page _____
<input checked="" type="checkbox"/>	Filed -	Land Court:	Document No. .	<u>3347780</u>

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	_____	<u>Majority of the Bd of Dir</u>

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

2. **Developer:**

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

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

As further described in Section 25 of the Declaration, the Developer reserves the right until November 30, 2008, to subdivide that 10 foot strip of land along Waimanu Street as designated on the Condominium Map and any improvements located thereon from the operation of the Declaration, and to convey said withdrawn land to HCDA or the City and County of Honolulu to meet in part its public facilities dedication requirement. Upon the exercise of said reserved rights, Developer shall, at Developer's expense and without being required to obtain the consent or joinder of any owner or lienholder, execute and file with the Land Court, an amendment to the Declaration and the Condominium Map: (i) describing the withdrawn land and any improvements thereon; and (ii) describing the realigned boundaries of the Land then constituting the Project. If for any reason subdivision approval is not obtained prior to the completion of the Project and conveyance of apartments to buyers, such obligation to obtain subdivision approval and convey the 10-foot road widening strip to the HCDA or the City shall become the obligation of the Association of Apartment Owners.

As further described in Section 22 of the Declaration, the Declaration (including the Bylaws and, when applicable, the Condominium Map) may be amended by Developer (a) by filing the verified statement of a registered architect or professional engineer (with plans, if applicable) certifying that the final plans recorded with such statement fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built; (b) to effect any change or amendment required by an administrative agency of any county, state, or federal government or by any territory, possession, or foreign country or other foreign jurisdiction or a mortgagee of the fee or leasehold interests in the Land as a condition to governmental approvals, marketing the Project or making a loan to finance the construction and/or the sales of the Project; (c) to correct any misstatements of fact, (d) as required to comply with any laws that apply to the Project, the Association, or Developer, and (e) to do all things necessary or convenient to satisfy the requirements of the HCDA in connection with the Planned Development Permit issued with respect to the Project.

Moreover, the Declaration (including the Bylaws and, when applicable, the Condominium Map) may be amended by Developer in any way and for any reason before the date when Developer first records a deed transferring an apartment to someone other than the Developer or its Lender.

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: 909 Kapiolani Boulevard, Honolulu, HI 96814

Tax Map Key (TMK): (1) 2-3-003-073

Address TMK is expected to change because individual CPR numbers will be assigned to each unit.

Land Area: 58,799 square feet acre(s) Zoning: Kakaako Commercial District (MUZ-C)
Hawaii Community Development Authority

Fee Owner: Posec Hawaii, Inc., a Hawaii corporation
 Name
1001 Bishop Street, Suite 1560
 Address
Honolulu, HI 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 Floors Per Building: 35 stories (5 story platform, 30 story tower) numbered 1 - 36 (excludes a 13th floor)
 Exhibit A contains further explanations.

3. **Principal Construction Material:**

Concrete Hollow Tile Wood

Other - Masonry, glass, and appropriate trim

4. **Uses Permitted by Zoning:**

		<u>No. of Apts.</u>	<u>Use Permitted by Zoning</u>	
<input checked="" type="checkbox"/>	Residential	<u>227</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/>	Commercial	<u>4</u>	<input checked="" 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 checked="" type="checkbox"/>	Industrial	<u>1</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/>	Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/>	Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/>	Other	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

5. Special Use Restrictions:

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

Pets: Not more than one dog of less than 20 inches in height at the shoulder, or one cat, or other single household pet needing no access to the outside, approved by the Board or Site Manager is allowed.

Number of Occupants: _____

Other: See Exhibit B

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 3

Stairways: 2*
*36th floor has 1 stairway
Floors 1-5 have 3 stairways

Trash Chutes: 1

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
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See page 11a

Total Number of Apartments: 232 (227 residential; 4 commercial; and 1 industrial)

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

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

Boundaries of Each Apartment: See Exhibit C

Permitted Alterations to Apartments: See Exhibit D

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.

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6. Interior (fill in appropriate numbers)(continued):

<u>Apartment Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)</u>	<u>Net Other Area (sf)</u>	
A1	27	2BR/2BA	850	42	Lanai
A2	27	2BR/2BA	839	42	Lanai
B1	26	2BR/2BA	992	45	Lanai
B2	27	2BR/2BA	978	45	Lanai
C1	27	1BR/1BA	618	42	Lanai
C2	27	1BR/1BA	601	42	Lanai
C3	27	1BR/1BA	603	42	Lanai
C4	27	1BR/1BA	607	42	Lanai
P1	2	3BR/2.5BA	1631	87	Lanai
P2	2	2BR/2BA	1342	87	Lanai
P3	2	2BR/2.5BA	1333	42	Lanai
P4	2	2BR/2BA	940	42	Lanai
P5	2	2BR/2BA	882	84	Lanai
P6	1	2BR/2.5BA	1469	1861	Lanai
P7	1	3BR/2.5BA	1774	1369	Lanai
C-A	1	n/a	660	4827*	Outside
C-B	1	n/a	1342	6977*	Outside*
C-C	1	n/a	1147	1954*	Outside*
C-D	1	n/a	774	1022*	Outside*
Industrial	1	n/a	4838	414	Loading
Total	232				

* Subject to easements that may be granted across and over the areas (which may result in reduction of the outside areas) and the limitations on use as set forth in Sections 6 and 8 of the Declaration.

7. Parking Stalls:

Total Parking Stalls: 404

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		TOTAL
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (total) (for each unit)	<u>153</u>	<u>0</u>	<u>37</u>	<u>0</u>	<u>120</u>	<u>0</u>	<u>310*</u>
Guest	<u>22</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25**</u>
Unassigned	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1***</u>
Extra for Purchase	<u>22</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>44</u>	<u>0</u>	<u>68****</u>
Other: _____	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Covered & Open:	<u>198</u>		<u>42</u>		<u>164</u>		<u>404</u>

*Stalls 2001 through 2014 are outside the security gate.

**15 commercial guest parking stalls (one of which is accessible) and 10 residential guest parking stalls (one of which is accessible)

***Loading stall D2034

**** Five are accessible.

Each apartment will have the exclusive use of at least 1 parking stall(s).

Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

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

The Condominium Map shows a total of 64 storage units. Developer has reserved the right to assign any of such storage units to any owner or buyer as a limited common element to any of the apartments.

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)

Spa, Party Room

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

There are no violations. Violations will not be cured.

Violations and cost to cure are listed below: Violations will be cured by _____
(Date)

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:

In the Planned Development Permit, HCDA approved the following modifications from the Mauka Rules: (1) reduction of the front yard setback along Waimanu Street from 15 to 10 feet. (2) encroachments of the podium, tower and canopy into the Kapiolani Boulevard view corridor, (3) additional height of 2 feet to the podium above the 45-foot height limit, (4) inclusion of certain areas under storefront overhangs as open space, and (5) reduction in size of the loading space all as set forth in the Development Permit as amended issued by HCDA approving this Project.

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 F.

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 F.

as follows:

Note: Land areas referenced herein are not legally subdivided lots.

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 F.

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 G describes the encumbrances against the title contained in the title report dated May 18, 2006 and issued by Island Title Corporation.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage Lien of Developer's Lender	Buyer's interest in the Project may be extinguished and Buyer's deposit returned in full.

F. **Construction Warranties:**

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

1. Building and Other Improvements: See Exhibit H.

2. Appliances: See Exhibit H.

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

Construction began October 2005. The estimated date of completion of the Project is November 2007.

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): N/A

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 I contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated December 9, 2003
Exhibit J contains a summary of the pertinent provisions of the escrow agreement.
- Other Form of Disclosure Addendum which is a part of the sales contract.

B. Buyer's Right to Cancel Sales Contract:

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

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

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

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

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

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

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

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

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

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 a part of Registration No. 5205, filed with the Real Estate Commission on October 2, 2003.

Reproduction of Report. When reproduced, this report must be on:

YELLOW paper stock WHITE paper stock PINK paper stock GREEN paper stock

C. Additional Information Not Covered Above

a. Easements in the Common Elements. Each apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes as ingress to, egress from, drainage (whether natural or manmade), utility services for and support, maintenance and repair of such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided herein; and in all other apartments for the purposes of utility services for such apartment, and the maintenance and repair of said utility services, including, without limitation, electricity, gas, water, sewage, telephone, radio, television and cable television.

b. Easement for Encroachments. If any part of the common elements or limited common elements now or hereafter encroaches upon any apartment, or if any apartment now or hereafter encroaches upon any other apartment or upon the common elements or limited common elements, or if any part of the common elements now or hereafter encroaches upon any part of the limited common elements, or if any part of the limited common elements now or hereafter encroaches upon any part of the common elements or other limited common elements, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event any improvements of the Project shall be partially or totally destroyed and then rebuilt, minor encroachments by any common element or limited common element upon any apartment, by any apartment on any common element or limited common element, by any apartment upon any other apartment, by any common element upon any limited common element, or by any limited common element upon any common element or other limited common element due to such construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

c. Easement for Access to Apartments. The apartment owners and the Association shall have the irrevocable right, to be reasonably exercised by its Board or the Managing Agent, to enter each apartment and the limited common elements from time to time during reasonable hours as may be necessary for the operation of the Project, for making emergency repairs therein necessary to prevent damage to any apartment or common element.

d. Easement to Use Common Elements. Each apartment owner shall have an easement in common with the owners of all other apartments to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in, under or over any of the other apartments, the common elements and the limited common elements and serving such owner's apartment. Each apartment and the limited common elements shall be subject to an easement in favor of the owners of all other apartments to use and for access to the pipes, wires, ducts, cables, conduits, public utility lines and other common elements serving such other apartments and the limited common elements and located in such apartments and the limited common elements.

e. Conveyance of Easements. The Association shall have the right, exercisable by its Board of Directors, to designate, grant, convey, transfer, cancel, relocate or otherwise deal with any easements over, under, across or through the common elements for any reasonable purpose, which may include, but shall not be limited to, those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any apartment or the common elements or any easements for utilities or for any public purpose; provided, however, that such right of the Association is subject to, and may not be exercised in any manner which is inconsistent with, in derogation of or which would materially limit, abrogate or materially interfere with, the exclusive use of any limited common elements or any rights or easements reserved in favor of Developer or any owner.

f. Developer's Easement for Sales Activities. Developer, its brokers, sales agents and other related persons approved by Developer shall have the right to conduct extensive sales activities on the Project, which right shall include, without limitation, the use of model apartments, sales and management offices, and extensive sales displays and activities until the earlier of three (3) years from the date of recordation of the Declaration or the closing of the sale of the last unsold apartment in the Project.

g. Developer's Easement to Complete Improvements. Developer, its agents, employees, contractors, licensees, successors and assigns shall have an easement over, under and upon the Project as may be reasonably necessary for the completion of improvements to and correction of defects in the Project for a period of three (3) years from the date of recordation of the Declaration.

Continued on page 20a, 20b and 20c

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h. Developer's Easement for Noise and Dust. For a period of three (3) years from the date of recordation of the Declaration, Developer, its agents, employees, contractors, licensees, successors and assigns, shall have an easement over, under and upon the Project or any portion thereof, to create and cause noise, dust and other nuisances created by and resulting from any work connected with or incidental to the development, construction and sale of any apartment or other improvements in the Project, and each apartment owner, lessee, mortgagee, lien holder or other person with an interest in the Project waives any right, claim, or action which such person may have or acquire against Developer, its agents, employees, contractors, licensees, successors and assigns as a result of such activity or activities.

i. Developer's Right to Designate and Grant Utility Easements. For a period of three (3) years from the date of recordation of the Declaration, Developer shall have, incidental to the development and construction of the Project, the right to designate and grant easements, exclusive or nonexclusive, for electrical, gas, telephone, cable television, communications and other utility purposes, and for sanitary sewer, drainage and drainline, waterline, and flowage purposes, over, under, across, along, upon and through the Project, and together also with the rights of reasonable access thereto in connection with the exercise of said easement rights; provided, however, that such easement rights must be exercised in such manner as to not reasonably interfere with the use of the Project by the apartment owners and those claiming by, through or under the apartment owners, in connection with the installation, maintenance or repair of any facilities pursuant to any of said easements of the Project shall be promptly restored by and at the expense of the person owning and exercising such easement rights to substantially the same condition as was the Project immediately prior to the exercise thereof. Each and every party acquiring an interest in the Project, by such acquisition, consents to such granting and/or realignment of easements and/or rights of way as provided in this paragraph and to the recordation of any and all documents necessary to effect the same, including any amendment or amendments of this Declaration and the Condominium Map; agrees to execute such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints Developer, its successors and assigns as such party's attorney-in-fact with full power of substitution to execute such documents and instruments and to do such things on such party's behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties.

j. Developer's Right to Designate and Grant Other Easements. For a period of three (3) years from the date of recordation of the Declaration, Developer shall have the right to designate and grant nonexclusive easements across, along, upon and through certain parts of the Project for the benefit of the adjoining parcel owned by the Musicians' Building Corporation for (i) access to and from said adjoining parcel and (ii) access to and from the industrial apartment and its limited common elements appurtenant thereto and said adjoining parcel; and (b) easement for pedestrian sidewalks or any other purposes required by an administrative agency of any county, state, or federal government as a condition to governmental approvals for the Project, upon terms determined by the Developer (which, without limiting the generality of the foregoing, may result in the reduction of the outside areas designated as limited common elements appurtenant to the commercial apartments). Each and every party acquiring an interest in the Project, by such acquisition, consents to such granting and/or realignment of easements and/or rights of way as provided in this paragraph and to the recordation of any and all documents necessary to effect the same, including any amendment or amendments of this Declaration and the Condominium Map; agrees to execute such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints Developer, its successors and assigns as such party's attorney-in-fact with full power of substitution to execute such documents and instruments and to do such things on such party's behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties.

k. Hawaii Community Development Authority; Joint Development. The Project is subject to the Kakaako Community Development District Mauka Area Plan and Rules ("Mauka Rules") of the Hawaii Community Development Authority ("HCDA"). Developer is developing the Project with approval by HCDA of the Planned Development Permit issued on September 9, 2005 as amended (the "Planned Development Permit"). HCDA approved the development of the Project as a joint development. Joint development is being made pursuant to that certain Joint Development Agreement dated August 5, 2004 and filed with the Land Court as Document No. 3153450 by and between Developer and the Musicians' Building Corporation (the "Joint Development Agreement") for the joint development of: (a) the Land, on which the Project shall be located, and (b) an adjoining parcel of land on which there is an existing building, the adjoining parcel of land and the existing building owned and to be retained by the Musicians' Building Corporation, to allow the Project to increase its density as a result of underused density on the adjoining parcel.

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l. Planned Development Permit. The conditions imposed by the Planned Development Permit shall run with the Land and shall bind and constitute notice to all subsequent Lessees, grantees, assignees mortgagees, lienors and any other persons who shall claim an interest in the Land and the HCDA shall have the right to enforce the terms and conditions of the Planned Development Permit by appropriate action.

m. Industrial Apartment. The industrial apartment shall be located on the ground floor of the Project and shall be conveyed to the Musicians' Building Corporation together with three (3) parking stalls and the adjoining loading and access area as limited common elements appurtenant thereto. Developer reserves the right, and has agreed, to grant to the Musicians' Building Corporation an easement for access purposes for the benefit of the adjacent parcel as well as access to and from the industrial apartment. Owners, occupants and invitees of the Project shall not be permitted to access the industrial apartment by virtue of an ownership interest in the Project. The Musicians' Building Corporation's present plans are to use the industrial apartment initially as a rehearsal facility for its members, the Honolulu Symphony, the Honolulu Opera Theatre and other similar organizations but the industrial apartment is not restricted to such use. The use is limited only by laws and regulations as to the industrial use of the apartment. The apartments in the Project may be affected by noise, increased traffic and/or other adverse conditions and nuisances as a result of activities that may be conducted in or in connection with the industrial apartment. All owners and any other persons with an interest in the Project assume the risks associated with such activities, and waive any and all claims related thereto against the Developer and the owner(s) and tenant(s) of the industrial apartment.

n. Kakaako Community Development District Assessments. The Project shall be subject to assessments for its pro rata share of the cost of improvements which may, in the future, be undertaken in the vicinity of the Project under HCDA or other government agency improvement programs. The Project will be assessed under the same methods and in the same manner as other properties in the area. Such assessments shall be added from time to time as part of common expenses and assessed against all of the apartments in their respective proportionate shares.

o. No Lanai Enclosure. The floor areas of the lanais were not included to calculate the allowed density for the Project. Accordingly, the lanais may not be enclosed unless and until (i) the requirements of the Mauka Rules relating to the addition of floor area have been satisfied, and (ii) such enclosure is approved by the Board. The Board shall have the right to determine that no lanai shall be enclosed even if addition of floor area can be satisfied under the Mauka Rules. Note the reversion of density described below.

p. Reversion of Density. The Joint Development Agreement provides that density remaining unused on the first anniversary of the issuance of the certificate of occupancy for the Project will not be available for use by the Project but will be available for use solely for the adjacent property owned by the Musicians' Building Corporation. Such an agreement will limit any floor area expansion of of the Project (e.g., enclosure of lanais). Moreover, in the event that the Project is no longer a condominium property regime, pursuant to the provisions of Section 514-A-21 of the Hawaii Revised Statutes (which requires a vote of the owners owning 80% of the common interests), then, pursuant to the Joint Development Agreement, the right to the density allowed for the adjacent property before the Joint Development Agreement shall revert back to the Musicians' Building Corporation, its successors and assigns and the Joint Development Agreement shall be terminated. In such event of termination of this Project as a condominium property regime, the residual value of each owner's interest in the Land shall be less given the lower density available for future development of the land.

q. Environmental Issues - Mold. Mold and mold spores are present throughout the environment and residential condominium construction cannot practicably be designed to exclude the introduction of mold spores. All mold is not necessarily harmful, but certain strains of mold have been found to have adverse health effects on susceptible persons. Moisture is the primary mold growth factor that can be controlled in a condominium setting. Affirmative steps taken by owners to minimize or control moisture in their respective apartments can minimize mold growth in a residential condominium. Each owner acknowledges, understands and agrees that the Developer can not ensure that mold and mold spores will not be present in the Project and that the failure of an owner to follow proper steps to minimize moisture may

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increase the risk of mold growth and mold spores being present in their apartments. Each owner agrees that the Developer shall not be liable for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory, with respect to the presence and/or existence of molds, mildew and/or microscopic spores at the Project unless caused by the sole negligence or willful misconduct of the Developer.

r. Views. Neither the Developer nor any of its authorized agents, representatives or employees makes any representations, warranties or promises concerning any view, present or future, that may be enjoyed from all or any portion of any apartment or the Project. The views from any apartment or the Project may change, be affected or be obstructed by (i) construction or installation of buildings, improvements, structures, walls and/or landscaping by the Developer or owners of property outside the Project, and/or (ii) the growth of trees, landscaping and/or vegetation within or outside the Project.

s. Security. The Association and the Developer have the right, but not the duty to take steps designed to make the Project safer than it otherwise might be. The Association and the Developer, and each of their representatives, are not in any way to be considered insurers or guarantors of safety or security within the Project, nor can any of them be held liable for any loss or damage by reason of failure to provide adequate or effective safety or security measures. Developer makes no representation or warranty that any fire protection or other safety or security system or measures, including anything intended to limit access to the Project, (i) will be effective in all cases and cannot be compromised or circumvented; (ii) will prevent all losses; (iii) will limit access to the Project; or (iv) will provide the detection or protection which it is designed or intended to provide. Each person using the Project assumes all risks of personal injury, death, or loss or damage to property resulting from the acts of third parties.

t. Parking Stalls and Storage Units for Sale. The parking stalls and the storage units assigned to Apartment # 3307 may be retained by the Developer. Developer plans to sell such parking stalls and storage units to other owners of apartments in the building by amendment to the Declaration and respective apartment deeds.

- 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.

POSEC HAWAII, INC., a Hawaii corporation
Printed Name of Developer

By:  May 22, 2006
Duly Authorized Signatory* Date

In Jung Yi, President
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT "A"

DESCRIPTION OF BUILDING

Capitalized terms have the same meanings ascribed to them in the Declaration.

The following is from Section 3 of the Declaration:

DESCRIPTION OF BUILDING. The Project will consist of a thirty-five (35) story building, which will be numbered 1 through 36 (excluding the thirteenth floor). The first five floors will be a podium, with floors 6 through 36 (excluding the thirteenth floor) to be a tower constructed on top of the podium. There will be two-hundred-twenty-seven (227) residential apartments located on floors numbered 6 through 36 (excluding the thirteenth floor). Four-hundred-four (404) parking stalls and sixty-four (64) storage units will be located within the lower five levels of the podium. The building will be constructed primarily of reinforced concrete, masonry, glass, aluminum and appropriate trim. The building will not contain a basement.

Of the 227 residential apartments, one-hundred thirteen (113) apartments shall have two bedrooms and two bathrooms, one hundred eight (108) apartments shall have one bedroom and one bathroom, three (3) apartments shall have three bedrooms and two and one-half bathrooms, and three (3) apartments shall have two bedrooms and two and one-half bathrooms.

The ground floor of the building, designated as the first floor on the Condominium Map, is located on even grade with the street, and shall have a lobby, fire control room, electrical room, janitorial room, restroom facilities, and three (3) elevators. Immediately adjacent to the building's lobby area, there is a trash collection room. Adjacent to the parking areas on this level are the commercial apartments, the industrial apartment, and restroom facilities. There are also other utility rooms located in the parking areas to be used as a pump room, transformer room, electrical room, communication room and a generator room as shown on the Condominium Map.

The second floor of the building, as depicted on the Condominium Map, includes the main residential lobby, a mailroom, an office, three (3) elevators, storage areas and parking. Outside the main entrance of the second floor is the area to be used for passenger loading and unloading.

There will be three (3) exterior stairways for the podium with access to Waimanu Street, Ward Avenue, and Kapiolani Boulevard, respectively. There will also be two (2) interior stairways that connect upward beyond the podium into the tower above. These stairways provide access to Waimanu Street and the ground floor parking areas. Each of the third, fourth, and fifth floors of the building include parking, storage units, three (3) elevators, an electrical room, two (2) interior stairways, and access to three (3) exterior stairways.

The sixth floor of the building will have an outdoor recreation area containing a swimming pool, spa, barbecue and picnic seating areas, restroom and shower facilities, an enclosed party room, a total of seven (7) residential apartments (three (3) two bedroom, two

bathroom apartments, and four (4) one bedroom, one bathroom apartments), three (3) elevators, a trash chute room, an electrical room, a communications room, storage rooms, and access to three (3) exterior stairways.

Each of the floors numbered seven through thirty-three (excluding a thirteenth floor) shall have a total of eight (8) residential apartments (four (4) two bedroom, two bathroom apartments and four (4) one bedroom, one bathroom apartments), three (3) elevators, an electrical room, communications room, and a trash chute room.

Floors numbers thirty-four and thirty-five shall each have a total of five (5) residential apartments (three (3)) two bedrooms, two bathroom apartments, one (1) three bedroom, two and one-half bathroom apartment and one (1) two bedroom, two and one half bathroom, three elevators, an electrical room communications room, and a trash chute room. Floor number thirty-six shall have a total of two (2) residential apartments (one (1) three bedroom, two and one-half bathroom apartment and one (1) two bedroom, two and one-half bathroom apartment), two elevators, an electrical room, communications room, and a trash chute room.

For the floors numbered 6 through 35 (excluding a thirteenth floor), there are two (2) interior stairways, with access to Waimanu Street and also the ground level parking. The 36th floor has a single stairway with access to Waimanu Street.

The Project contains a total of four hundred four (404) covered parking stalls, one-hundred ten (110) of which are compact stalls, two-hundred ninety-two (292) of which are standard stalls, and two (2) of which are accessible stalls. (One hundred sixty four of the standard and compact stalls are tandem stalls.)

The 1st Level of parking shall have nineteen (19) parking stalls (nine (9) standard stalls, three (3) compact stalls, two (2) tandem standard stalls, four (4) tandem compact stalls, and one (1) accessible stall).

The 2nd Level of parking shall have sixty-five (65) parking stalls (forty-one (41) standard stalls, three (3) compact stalls, eight (8) tandem standard stalls, twelve (12) tandem compact stalls, and one (1) accessible stall). Parking stall numbered D2034 is designated as a loading stall.

The 3rd Level and 4th Level of parking shall each have one hundred six (106) covered parking stalls (forty-eight (48) standard stalls, twelve (12) compact stalls, twenty-nine (29) tandem standard stalls, and seventeen (17) tandem compact stalls).

The 5th Level of parking shall have one-hundred eight (108) covered parking stalls (forty-nine (49) standard stalls, thirteen (13) compact stalls, twenty-nine (29) tandem standard stalls, and seventeen (17) tandem compact stalls).

The Project contains a total of sixty-four (64) storage units located on the second through the fifth floors of the podium.

END OF EXHIBIT A

EXHIBIT "B"

USE RESTRICTIONS FOR APARTMENTS AND COMMON ELEMENTS

Capitalized terms have the same meanings ascribed to them in the Declaration.

The following provisions in the Declaration, Bylaws and House Rules, as indicated, contain restrictions on the use of the apartments and the common elements of the Project:

1. Section 10 of the Declaration provides the following:

a. Use. Subject to the provisions of this Declaration, and excepting the industrial and commercial apartments, the apartments shall at all times be occupied and used only for residential purposes by the respective owners thereof, their tenants, licensees, families, domestic servants and social guests. No such apartment shall be used as a tenement or rooming house or in connection with the carrying on of any business, trade, profession whatsoever unless permitted by law. Said apartments shall not be rented by the apartment owners thereof for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty (30) days; or (ii) any rental in which the occupants of the apartment are provided customary hotel services, such as room service for food and beverage, daily maid services, daily laundry and linen services, and bellboy service. Neither said apartments nor any interest therein shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program including, without limitation, any so-called "vacation license," "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. No owner of a residential apartment in the Project shall enter into any arrangement with any other apartment owner whereby any rental pool or apartments or other sharing of rental income from apartments is created. Other than the foregoing restrictions, the residential apartment owners in the Project shall have the absolute right to lease the same, provided that such lease covers an entire apartment, is in writing and is made subject to the covenants and restrictions contained in this Declaration and in the Bylaws.

Notwithstanding anything herein to the contrary: (i) the commercial apartments, as further described in **Exhibit B** and the Condominium Map, shall be used for the carrying on of any business, trade, profession, or other commercial purpose permitted by law, and (ii) the industrial apartment, as further described in **Exhibit B** and the Condominium Map, shall be used for the carrying on of any industrial purpose or other purpose permitted by law. Notwithstanding anything to the contrary in this Declaration, the Bylaws, the House Rules, or any other document governing this Project, there shall be no use restrictions imposed on the industrial apartment other than the use restrictions provided under the applicable laws and regulations including, without limitation, the Mauka Rules, so long as any such use does not adversely affect the Project. Without limiting the foregoing, the Musicians' Building Corporation intends to use the industrial apartment as a music rehearsal facility. The Musicians'

Building Corporation, its successors and assigns shall have no responsibility for adding to, or modifying, the sound proofing for the industrial apartment. Notwithstanding anything to the contrary, the rights relating to the industrial apartment contained in this subsection shall not be amended without the written consent of the Musicians' Building Corporation, its successors and assigns.

b. Prohibition on Activities which Jeopardize the Project. No apartment owner shall do or suffer or permit to be done anything on any apartment or elsewhere on the Project which will: (1) injure the reputation of the Project, (2) jeopardize the safety or soundness of the Project, (3) create a nuisance or interfere with or unreasonably disturb the rights of other owners and occupants, (4) reduce the value of the Project, (5) result in the cancellation of insurance applicable to the Project or adversely affect the right of recovery thereunder or result in reputable companies refusing to provide insurance as required or permitted by the Bylaws, or (6) increase the rate of insurance applicable to the apartments or the contents thereof, or to the Project.

c. Prohibited Alterations. Except as otherwise specifically provided in this Declaration or in the Bylaws, an apartment owner shall not, without the prior written consent of the Board, make any structural alterations in or additions to the apartment, make any interior alterations in or additions to the apartment visible from the exterior of the apartment, or make any alterations or additions to the exterior of the apartment or to any other portion or portions of the common elements.

d. No Lanai Enclosure. The lanais may not be enclosed unless and until (i) the requirements of the Mauka Rules relating to the addition of floor area have been satisfied, and (ii) such enclosure is approved by the Board. The Board shall have the right to determine that no lanai shall be enclosed notwithstanding any allowed addition of floor areas under the Mauka Rules.

e. Limitation on Leasing. The owner of an apartment shall not lease less than such owner's entire apartment and any appurtenant limited common elements. Any lease agreement for an apartment in the Project shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Act, this Declaration, the apartment owner's Deed, the Bylaws and the House Rules promulgated thereunder and that the failure of either the lessor or the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing and a copy of each lease agreement shall be filed with the Association.

f. Lease of Parking Stalls and Storage Units. Any provision of this Declaration to the contrary notwithstanding, apartment owners may lease the right to use parking stalls and storage units that are appurtenant to their respective apartments to other occupants of the Project, subject to any provisions of the House Rules, the Bylaws and this Declaration, and on the further condition that such apartment owners must notify the Managing Agent of the identity of the lessee with such lessee's vehicle description (as applicable), and length of anticipated use and such other information as the Managing Agent shall reasonably request. As used herein "occupants" shall mean persons who reside or work in the Project on a regular basis.

g. Density under Joint Development Agreement. The Joint Development Agreement provides that any density remaining unused on the first anniversary of the issuance of the certificate of occupancy for the Project will not be available for use by the Project but will revert to and be available for use solely for the adjacent parcel retained by the Musicians' Building Corporation. Any expansion of floor area of the Project will be limited in the event of any such reversion.

h. Planned Development Permit. The conditions imposed by the Planned Development Permit for the Project govern the Project, shall run with the Land, and shall bind and constitute notice to all subsequent lessees, grantees, assignees, mortgages, lienors and any other persons who shall claim an interest in the Land. HCDA shall have the right to enforce the Planned Development Permit by appropriate action at law or a suit in equity against all such persons.

2. Article V, Section 10 of the Bylaws provides generally as follows:

a. Each apartment shall be used only for such purposes as stated in the Declaration.

b. No garbage, refuse or trash of any kind shall be thrown, placed or kept on any common element other than the disposal facilities provided for such purposes.

c. Nothing shall be allowed, done or kept in any apartment or common element which will cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance maintained by or for the Board with respect thereto, nor shall any noxious or offensive activity or nuisance be made or suffered thereon.

d. No owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of such owner's or occupant's apartment or the common elements.

e. No owner or occupant shall use or keep anything in the common elements which would in any way hinder the full use and enjoyment thereof by any other owner or occupant, or obstruct ingress or egress through, or use of, such common elements.

f. Each apartment owner shall keep his apartment and limited common elements in a strictly clean and sanitary condition, and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority for the time being applicable to the apartment and limited common elements, or the use thereof.

g. Each apartment owner shall well and substantially repair, maintain, amend and keep his apartment and limited common elements with all necessary reparations and amendments whatsoever in good order and condition, and maintain and keep all walkways and other areas included within said apartment or limited common element and which are adjacent to any street boundary of the Project, in a neat and attractive condition.

h. Each apartment owner shall observe any setback lines affecting the Project and not erect, place or maintain any building or structure whatsoever, except approved fences or walls between any street boundary of the Project and the setback line along such boundary.

i. No emissions from ducts located in any apartment shall be discharged into any other apartment.

j. Anything to the contrary notwithstanding, the Developer may engage in real estate sales activities in such apartments or on the premises of the Project for the purpose of selling such apartments.

k. No improvement shall be made to an apartment as shown on the initial Condominium Map unless in conformity with the Declaration.

l. With the exception of aquarium fish, no animals of any kind shall be raised, bred or kept in the Project, except that not more than one dog of less than 20 inches in height at the shoulder, or one cat, or other single household pet needing no access to the outside, approved and licensed by the Board or Managing Agent, may be brought on the Project and suitably housed in an apartment. The animals shall not include those described as pests under section 150A-2, HRS or animals prohibited from importation under sections 141-2, 150A-5 or 150A-6, HRS. If the owner of an apartment has agreed in writing to allow the owner's tenants to keep a pet in the apartment, the tenants may keep only those types of pets which may be kept by the apartment owner.

No pet may be kept, bred or maintained for any commercial purposes. Any pet causing or creating a nuisance or unreasonable disturbance or noise, shall be permanently removed from the Project subject to these restrictions upon three (3) days' written notice from the Board. In no event shall any dog be permitted access to any portion of the common elements unless carried or on a leash. Dogs shall be permitted only upon license from the Board. Pursuant to the license agreement executed by each owner of a dog permitted in the Project, a dog shall carry a conspicuous tag and may be picked up by any person, and detained if found running loose. Such dog will be released to its owner upon the payment of a reasonable charge which shall be paid over to the person picking up and delivering the dog to the Association or Managing Agent. The owner of such dog shall compensate any person hurt or bitten by the dog, and shall hold the Board, the Association and the Managing Agent harmless from any claim resulting from any action of his dog. Notwithstanding any other provision herein, visually impaired persons, hearing impaired persons and physically impaired persons shall be allowed to keep certified seeing-eye dogs, certified signal dogs, and certified service dogs, respectively, in their apartments. Further, nothing herein shall hinder full access to the apartments and the common elements by persons with disabilities.

Any apartment owner who is keeping a pet, not prohibited in these Bylaws, as of the effective date of an amendment to these Bylaws which prohibits pets, may, upon the death of the pet, replace the animal with another and continue to do so for as long as the owner continues to reside in the owner's apartment or another apartment subject to the same Bylaws.

3. The House Rules provide restrictions relating to noise and nuisance matters including, without limitation, restrictions as to creating any improper, offensive or unreasonable nuisances in the Project; creating any excessive noise; slamming doors; the volume of noise devices during late evening and early morning hours; guest conduct; regulations relating to vehicles and the use of the recreational facilities, and excessive and late hour noise from entertaining. Rules generally affecting maintenance of the apartments and the building, including, without limitation, restrictions as to making structural changes within or outside the apartments; the display of signs, signals or lettering; and the exterior appearance of the apartments (e.g., prohibitions against window coverings not approved by the Board, radio or television antenna, waterbeds, and attaching other objects to the exterior of the apartments) are also provided.

END OF EXHIBIT B

EXHIBIT "C"

DESCRIPTION OF BUILDING INTERIOR AND APARTMENTS

Capitalized terms have the same meanings ascribed to them in the Declaration.

The following is from Section 4 of the Declaration:

DESCRIPTION OF APARTMENTS. There are hereby established in the Project a total of two hundred thirty-two (232) apartments: two hundred twenty-seven (227) residential apartments, four (4) commercial apartments, and one (1) industrial apartment, as shown on the Condominium Map. Each apartment is designated as a separate freehold estate. Each apartment consists of the spaces within the perimeter walls, floors and ceilings of the respective apartment as shown on the Condominium Map. Each residential apartment is designated on the Condominium Map by an apartment number. Each residential apartment as so designated and identified by an apartment number is located in the Project as shown on the Condominium Map.

Each type A1, A2, B1 and B2 apartment on the floors numbered 6th through the 33rd (excluding a 13th floor) shall have two bedrooms, two bathrooms, a kitchen, a living/dining room and one lanai. (There is no B1 apartment on the 6th floor.)

Each type C1, C2, C3 and C4 apartment on the floors numbered 6th through the 33rd (excluding a 13th floor) shall have one bedroom, one bathroom, a kitchen, a living/dining room and one lanai.

Each type P1 apartment on the floors numbered 34th and 35th shall have three bedrooms, two and one-half bathrooms, a kitchen, living/dining room, and two lanais.

Each type P2 apartment on the floors numbered 34th and 35th shall have two bedrooms, two bathrooms, a kitchen, a living/dining room and two lanais.

Each type P3 apartment on the floors numbered 34th and 35th shall have two bedrooms, two and one-half bathrooms, a kitchen, a living room, a dining room and one lanai

Each type P4 and P5 apartment on the floors numbered 34th and 35th shall have two bedrooms, two bathrooms, a kitchen, and a living/dining room. Type P4 has one lanai, type P5 has two lanais.

The P6 apartment on the floor numbered 36th shall have two bedrooms, two and one-half bathrooms, a kitchen, a dining/ living room and one lanai.

The P7 apartment on the floor numbered 36th shall have three bedrooms, two and one-half bathrooms, a kitchen, a dining/ living room, and two lanais.

The industrial apartment located on the first floor shall consist of approximately 4,838 square feet. The Musicians' Building Corporation, its successors and assigns have the exclusive right to name the industrial apartment.

The four (4) spaces designated C-A through C-D on the first floor shall be commercial apartments with areas of approximately 660, 1342, 1147, and 774 square feet, respectively.

Each residential apartment will have the number of rooms (exclusive of lanais), approximate net living floor area in square feet (exclusive of lanais), and approximate net lanai floor area in square feet, as set forth in **Exhibit B** attached hereto and made a part hereof.

The approximate net living floor areas as set forth in **Exhibit B** are based on measurements taken from the undercoated or unfinished interior surface of all perimeter walls, except that no reduction has been made to account for interior walls, ducts, vents, shafts and the like located within the perimeter walls. All approximate net lanai floor areas that are set forth in **Exhibit B** are based on measurements taken from the inner surfaces of all perimeter walls and boundaries of the lanai areas. All floor areas set forth in **Exhibit B** are not exact but are approximations based on the floor plans of each type of apartment. All floor areas set forth in **Exhibit B** have also been rounded to the full square foot where the approximation of such floor areas exceed a square foot by any fraction of a square foot. For these reasons, the measurements of the floor areas set forth in **Exhibit B** do not follow the designation of the limits of the apartments (the legally designated areas of the apartments) set forth below, and the floor areas set forth in **Exhibit B** may be different from the floor areas of the apartments as so designated and described below. The Condominium Map for the Project is intended to show only the layout, location, apartment numbers and dimensions of the apartments in the Project. The Condominium Map is not intended to be and does not constitute any representation or warranty by Developer to construct or install the improvements, amenities or facilities as they are depicted thereon.

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

Notwithstanding the floor areas set forth in **Exhibit B** and the manner in which such floor areas have been measured, the respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls and partitions, the foundations, columns, girders, beams, floor slabs, supports, roofs, and ceilings located within or at the perimeter of or surrounding such apartment, any pipes, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust or air conditioning running through or otherwise within such apartment which are utilized for or serve more than one apartment, all of which are deemed common elements as hereinafter provided. Each apartment shall be deemed to include all of the walls and partitions which are not load-bearing and are within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, roofs and ceilings, all glass windows, window frames, louvers (if any), shutters (if any), panels, doors and door frames along its perimeter, the lanais shown on the Condominium Map to the inner decorated or finished surfaces of the exterior perimeter walls of such lanais and to the exterior edge of the exterior railings or other boundaries of such lanais, and all of the fixtures and appliances (if any) originally installed therein.

END OF EXHIBIT C

EXHIBIT "D"

PERMITTED ALTERATIONS TO APARTMENTS

Capitalized terms have the same meanings ascribed to them in the Declaration.

The following is from Section 19 of the Declaration:

a. General. Except as otherwise provided in this Declaration or the Act or as otherwise required by law, neither the Association nor any apartment owner shall perform any of the following acts except pursuant to plans and specifications therefor first approved in writing by the Board: (1) repairing, replacing or rebuilding any apartment or any of the common and limited common elements in a manner different in any material respect from the Condominium Map; (2) engaging in any alterations which will affect the structural integrity of any apartment or the common and limited common elements; (3) constructing on the common and limited common elements any new building or structure; or (4) enclosing any lanai, deck, balcony, patio or parking stall. Upon the completion of any such work, there shall be filed with the Board a final "as built" set of the plans and specifications for such work, and if any such work should constitute a material alteration to the Project as shown on the Condominium Map (as determined by the Board), the Association or apartment owner, as the case may be, shall file an amendment to this Declaration describing such alteration and amending the Condominium Map to show such alteration, together with a certificate signed by a registered architect or professional engineer, certifying that the plans showing such alterations accurately reflect such alterations, as built. Such amendment shall be signed by the Association or the apartment owner, as the case may be, and approved by the Board, and no consent or joinder of any other apartment owner or person shall be required. Except as otherwise provided in this Declaration, the Bylaws and the House Rules, each apartment owner shall be free, with the consent of all mortgagees of record of any interest in such apartment owner's apartment, to make such alterations and improvements within such apartment owner's apartment or within or on the limited common elements appurtenant thereto, without the consent or joinder of the Board, the Association, any apartment owner, Developer or any other person.

Notwithstanding any other provision to the contrary contained in this Declaration, no lanai may be enclosed unless and until (i) the requirements of the Mauka Rules relating to the addition of floor area have been satisfied, and (ii) such enclosure is approved by the Board. The Board shall have the right to determine that no lanai shall be enclosed notwithstanding any addition to floor area allowed under the Mauka Rules.

b. Certain Work Prohibited. Notwithstanding anything to the contrary in this Declaration, unless required by law, no apartment owner (1) shall do any work which could jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement or hereditament; (2) shall add any material structure or excavate any basement or cellar, or (3) shall rebuild, repair or restore the Project in the event of substantial or total destruction of the Project, without in every such case obtaining the prior consent of seventy-five percent (75%) of the apartment owners, together with the prior written consent of all mortgagees of record and apartment owners whose apartments or limited common elements appurtenant thereto are directly affected; provided that nonmaterial structural additions to the common elements,

including "solar energy devices" as defined in Section 514A-89 if the Act, or additions to or alterations of an apartment made within such apartment or within a limited common element appurtenant to and for the exclusive use of the apartment, shall require approval only by the Board and such percentage, number, or group of apartment owners or other parties as maybe required by this Declaration or the Bylaws. As used in this subsection, "nonmaterial structural additions to the common elements" means a structural addition to the common element which does not jeopardize the soundness of safety of the Project, reduce the value thereto, impair any easement or hereditament, detract from the appearance of the Project, interfere with or deprive any non-consenting apartment owner of the use or enjoyment of any part of the Project or directly affect any non-consenting apartment owner. Notwithstanding anything in this Declaration to the contrary, no alterations or changes of any nature under any circumstances shall be made to the structural elements of the building, including, without limitation, roofs, floors, supporting walls, foundations, columns, girders, floor slabs, supports, perimeter, party or load bearing walls and partitions without first obtaining the certification from a licensed structural engineer reasonably acceptable to the Association that the plans for such alterations or changes will not in any way diminish the present structural integrity of the building and the elements therein.

c. Connection between Apartments.

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

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

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

iv. Notwithstanding any alteration or additions permitted under this subsection c., such shall not affect the common interest or limited common interest allocable to any apartment.

d. Floor Covering and Sound Transmission. All residential apartment owners must minimize the transmission of footsteps and other floor sounds into neighboring units below. Any owner or occupant of a residential apartment (except the apartments on the 6th floor) who wishes to change the floor covering on any floor areas that customarily have carpeting with cushion padding, must first: (1) provide written evidence that the new floor covering shall have sound absorbent material and will not exceed the maximum decibel level to be established as described in the House Rules, and (2) obtain the Board's prior written approval of such floor covering change. The Board shall have the right to require that any new floor covering installed without the Board's prior written approval shall be removed at the owner's expense.

END OF EXHIBIT D

EXHIBIT E

PARKING STALLS

Capitalized terms have the same meanings ascribed to them in the Declaration.

The Project contains a total of four hundred four (404) covered parking stalls, one-hundred ten (110) of which are compact stalls, two-hundred ninety-two (292) of which are standard stalls, and two (2) of which are accessible stalls. (One hundred sixty four of the standard and compact stalls are tandem stalls.)

Section 3 of, and **Exhibit B** attached to, the Declaration provide additional information about the stalls.

NOTE CONCERNING ASSIGNMENT OF STALLS: Hawaii Revised Statutes provides owners of apartments with the right to change the designation of parking stalls as follows:

§514A-14 Parking Stalls Notwithstanding any provision of the declaration, apartment owners shall have the right to change the designation of parking stalls which are appurtenant to their respective apartments by amendment of the declaration and respective apartment leases or deeds involved. The amendment need only be signed and approved by the lessor (in the case of a leasehold project) and the owners (and their respective mortgagees if any) of the apartments whose parking stalls are being changed. The amendment shall be effective only upon recording or filing of the same of record with the bureau of conveyances.

Accordingly, the Declaration may be subsequently amended by Developer or individual apartment owners in order to reallocate parking stalls. Developer reserves the right to reallocate parking stalls among units solely owned and controlled by it in order to promote a more orderly sales process or to accommodate the needs of purchasers of its apartments.

END OF EXHIBIT E

EXHIBIT "F"

DESCRIPTION OF COMMON ELEMENTS, LIMITED COMMON ELEMENTS, AND COMMON INTERESTS

Capitalized terms have the same meanings ascribed to them in the Declaration.

The following is from Sections 5, 6, and 7 of the Declaration:

5. COMMON ELEMENTS. One freehold estate is hereby designated in all common elements of the Project, which include all portions of the Project other than the apartments (except as specifically included herein), and all other common elements mentioned in the Act which are actually included in the Project, including specifically, but not limited to:

- a. The Land in fee simple.
- b. All structured components such as foundations, floor slabs, columns, girders, beams, supports perimeter, party and load-bearing walls and partitions (excluding the finishes thereon within an apartment), and roofs.
- c. All lobby areas, stairways, walkways, corridors, ramps, loading areas and platforms, fences, entrances, entryways and exits of the Project, all maintenance rooms, elevator machine rooms, the swimming pool, pool equipment room, mechanical rooms, electrical rooms, trash rooms, recreation areas, the mail room, mailboxes and parcel lockers, security and reception station, and common toilet facilities.
- d. All grounds, paths, walkways, walkway railings, planters, planting areas, landscaping, refuse and like facilities.
- e. All driveways and driveway ramps, loading and service areas, and all parking area entryways and exitways designated on the Condominium Map.
- f. All cables, conduits, ducts, vents, sewer lines, electrical equipment, wiring, pipes, catch basins and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas (if any), sewer, storm water, refuse, cable television, telecommunications and television signal distribution.
- g. All other apparatus and installations existing for common use, such as elevators, tanks, fans, ducts, vents, pumps, motors, compressors, fire suppression equipment and other such installations and apparatus existing for common use.
- h. All mechanical, electrical and air conditioning equipment originally installed and located within any pump room, transformer room, cooling room, or electrical room or located elsewhere in the Project (whether or not utilized for or only serving one apartment).
- i. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safe operation and

normally in common use.

j. The limited common elements described below.

6. LIMITED COMMON ELEMENTS. Certain parts of the common elements, called and designated as the "limited common elements," are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

a. The parking stall(s) designated for those apartments in the building as set forth in **Exhibit B**; subject, however, to the rights of apartment owners (including the Developer, its successors, and assign) to redesignate such stalls pursuant to Section 514A-14 of the Act.

b. The storage units designated for apartment number 3307 in the building shall be appurtenant to and for the exclusive use and enjoyment of such apartment; subject, however, to the right of the apartment owners (including the Developer, its successors, and assigns) to redesignate one or more of such storage units from time to time to other owners of apartments in the building by amendment to this Declaration and the respective apartments deeds. Notwithstanding anything to the contrary in this Declaration, the amendment to the Declaration need only be signed and approved by the owners (and their respective mortgagees if any) of the apartments whose storage units are being assigned. The assignment shall be effective only upon filing of the amendment with the Land Court.

c. The mailbox corresponding to the apartment number of each apartment, such mailbox being located in the mailroom of the building, as shown on the Condominium Map.

d. The lanais immediately adjacent to each residential apartment in the building shall be appurtenant to and for the exclusive use and enjoyment of the adjacent apartment as shown on the Condominium Map.

e. The outdoor areas immediately adjacent to the commercial apartments as shown on the Condominium Map, excluding the landscaped areas and any public use easements granted by Developer as further described below, shall be appurtenant to and for the exclusive use and enjoyment of the adjacent commercial apartments. The limited common area shall not include (i) any areas for which Developer may designate and grant easements over, under or across for pedestrian sidewalks, public access or any other public purposes required by an administrative agency of any county, state, or federal government as a condition to governmental approvals for the Project, or (ii) the landscaped areas located within such outdoor areas as designated on the Condominium Map, the same being common elements, to be maintained by the Association of Apartment Owners of 909 Kapiolani (the "Association") as common expenses to which the Association and its agents shall at all times have access for such purpose. No apartment owner shall make any improvements to or on such outdoor limited common element areas and only tables, chairs, umbrellas and similar furniture and accessories in good order and repair may be located thereon.

f. The loading area immediately adjacent to the industrial apartment as shown on the Condominium Map shall be appurtenant to and for the exclusive use and enjoyment of the industrial apartment.

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

7. PERCENTAGE OF UNDIVIDED INTEREST. Each apartment shall have appurtenant thereto an undivided percentage interest in the common elements of the Project as shown in **Exhibit B** (the "common interest"), and the same percentage share in all common profits and expenses of the common elements of the Project, and for all other purposes, including without limitation voting, except as otherwise provided in this Declaration. Pursuant to an unrecorded agreement with the Musicians' Building Corporation regarding joint development, the industrial apartment shall be assigned only a 0.00001% common interest and the same percentage share in all common profits and expenses of the common elements of the Project, and for all other purposes including, without limitation, voting. The rights of the Musicians' Building Corporation and its successors and assigns to use the common elements of the Project shall be limited only for access purposes to and from its parcel and to and from the industrial apartment and the limited common elements appurtenant thereto. The repair and maintenance of the industrial apartment and all limited common elements appurtenant thereto shall be at the sole cost and expense of the Musicians' Building Corporation and its successors and assigns.

END OF EXHIBIT F

EXHIBIT "G"

ENCUMBRANCES AGAINST TITLE

The encumbrances against title appearing in the title report dated May 18, 2006 prepared by Island Title Corporation are as follows:

1. AS TO LOT 430-A:

- a.) 8 Foot Road Setback Line along the Southwesterly boundary along Waimanu Street, as shown on Maps 20 and 26, filed with said Land Court Application 670.
- b.) The following as shown on survey Map of Alden S. Kajioka, Licensed Land Surveyor, Certificate No. 6605-LS, dated May 4, 1995, to wit:
 - (1) A 15 foot building setback line along Kapiolani Boulevard, Ward Avenue and Waimanu Street.
 - (2) A 10 foot road setback line along Waimanu Street.
 - (3) Encroachment of building facia appurtenant to Lot 444 into said Lot 430-A.
 - (4) Encroachment of two story building appurtenant said Lot 430-A into the 15 foot building setback line.
 - (5) Encroachment of traffic control box on the corner of Kapiolani Boulevard and Ward Avenue into said Lot 430-A by approximately 10 inches.
- c.) Terms, conditions and provisions of the Master Plan affecting the Kakaako Community Development for the Mauka District filed in the Office of the Hawaii Community Development Authority of the State of Hawaii, as disclosed in Deed dated November 27, 1990, recorded as Land Court Document No. 1784620.

2. AS TO LOT 444:

- a.) 8 Foot Road Setback Line along Waimanu Street, as shown on Map 28, filed with said Land Court Application 670.
- b.) The following as shown on survey Map of Alden S. Kajioka, Licensed Land Surveyor, Certificate No. 6605-LS, dated May 4, 1995, to wit:
 - (1) A 15 foot building setback line along Kapiolani Boulevard and Waimanu Street.
 - (2) A 10 foot road setback line along Waimanu Street.
 - (3) A HECO box and water meter sits within said Lot 444.

- (4) Encroachment of rock wall appurtenant to said Lot 444 into Lot 430-A.
- (5) Encroachment of rock wall appurtenant to said Lot 444 into Kapiolani Boulevard.
- (6) Encroachment of building roof appurtenant to said Lot 444 into Kapiolani Boulevard.
- (7) Encroachment of two story building appurtenant to the premises described herein into the 15 foot building setback line.

c.) Terms, conditions and provisions of the Master Plan affecting the Kakaako Community Development for the Mauka District filed in the Office of the Hawaii Community Development Authority of the State of Hawaii, as disclosed in Instrument dated May31, 1990, recorded as Land Court Document No. 1734659.

3. 909 KAPIOLANI PLANNED DEVELOPMENT PROJECT JOINT DEVELOPMENT AGREEMENT

Dated: August 5, 2004
Filed: Document No. 3153450
Between: POSEC HAWAII, INC., a Hawaii corporation, "Posec", and
MUSICIANS' ASSOCIATION OF HAWAII, LOCAL 677, AMERICAN
FEDERATION OF MUSICIANS, BUILDING CORPORATION, a
Hawaii non-profit corporation, "Association"

4. DECLARATION OF CONDOMINIUM PROPERTY REGIME OF 909 KAPIOLANI

Dated: October 19, 2005
Filed: Document No. 3347779

FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF 909 KAPIOLANI

Dated: May 11, 2006
Filed: Document No. 3427964

5. BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF 909 KAPIOLANI

Dated: October 19, 2005
Filed: Document No. 3347780

6. MORTGAGE

Mortgagor: POSEC HAWAII, INC., a Hawaii corporation
Mortgagee: POSCO INVESTMENT CO., LTD., a Hong Kong corporation
Dated: October 6, 2005
Filed: Document No. 3370315
Principal Sum: \$89,900,000.00

7. ASSIGNMENT OF RENTS AND LEASES

Assignor: POSEC HAWAII, INC., a Hawaii corporation
Assignor: POSCO INVESTMENT CO., LTD., a Hong Kong corporation
Dated: October 6, 2005
Recorded: Document No. 2005-260735
Re: All of Assignor's rights, title and interest as security for the repayment of \$89,900,000.00

8. UCC FINANCING STATEMENT

Filed: December 22, 2005
Recorded: Document No. 2005-261029
Debtor: POSEC HAWAII, INC.
Secured Party: POSCO INVESTMENT CO., LTD.\

9. AGREEMENT

Dated: April 20, 2006
Filed: Document No. 3429936
Between: HAWAII COMMUNITY DEVELOPMENT AUTHORITY, a body corporate and a public instrumentality of the State of Hawaii, "HCDA", POSEC HAWAII, INC., a Hawaii corporation, "Posec", and MUSICIANS' ASSOCIATION OF HAWAII, LOCAL 677, AMERICAN FEDERATION OF MUSICIANS, BUILDING CORPORATION, a Hawaii nonprofit corporation, "Musicians' Building Corporation"

10. Real property tax as may be due and owing. Check with the Office of Tax Assessor, City and County of Honolulu.

Without limiting the rights reserved by Developer as set forth in the Declaration, it is anticipated that the following additional documents shall also be encumbrances against title, to be filed with the Land Court, at the time of conveyance to apartment owners:

1. Easement across, along, upon and through certain parts of the Project in favor of the adjoining parcel owned by the Musicians' Building Corporation for (i) access to and from said adjoining parcel, and (ii) access to and from the industrial apartment and its limited common elements appurtenant thereto and said adjoining parcel.

2. Easement across, along, upon and through certain parts of the Project for public sidewalk and other public access within the Project along Kapiolani Boulevard and Ward Avenue which may, without limitation, result in a decrease in the square footage of the outdoor areas designated as limited common elements appurtenant to the commercial apartments.
3. Second Mortgage of Central Pacific Bank in the principal amount of \$10,000,000.00.

END OF EXHIBIT G

EXHIBIT "H"

SUMMARY OF CONSTRUCTION WARRANTIES

Capitalized terms have the same meanings ascribed to them in the Sales Contract.

The following is from Section 20 of the Declaration:

Disclaimer of Warranties. Developer makes no warranty itself with respect to the building or any other improvements in the Project. However, Developer agrees to attempt to assign to each apartment owner any and all warranties given the Developer by the general contractor for the Project and by any subcontractors or any materialmen. The general contractor's warranty to the Developer is expected to be one (1) year from the date of substantial completion of the Project. Developer makes no warranty itself with respect to any of the appliances or other personal property which is included as part of the apartment. However, Developer will attempt to assign to each apartment owner the benefit of any manufacturers' or dealers' warranties covering the appliances or other personal property in his or her apartment. Each apartment owner shall have the direct benefit of any such warranties that are assigned, if the Developer's attempted assignment is successful and binding. Such warranties, if available, will expire at different times, depending on the date of manufacture, sale or installation of the appliances or other personal property.

b. No Other Warranties by Developer. DEVELOPER MAKES NO WARRANTIES ITSELF, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION WITH RESPECT TO THE PROJECT, ANY APARTMENT, ANY COMMON ELEMENT, LIMITED COMMON ELEMENT, OR ANYTHING INSTALLED THEREIN.

c. Waiver of Certain Construction and Design Claims. As covenants running with the land and equitable servitudes and liens thereon, which are binding upon and inure to the benefit of Developer, its successors and assigns, and all subsequent owners and lessees of all or any part of the Project and their respective successors, successors in trust, heirs, devisees, personal representatives, executors, administrators and assigns, each owner for owner and each of owner's lessee, mortgagee, lien holder, heirs, personal representatives, successors, assigns, or other person with an interest in the Project, and on behalf of the Association (collectively, "Owner's Parties"), waives any liabilities, obligations, right, claim or action, of every kind or nature, character or description, known or unknown, suspected, or unsuspected (collectively, a "Claim"), which such person may have or acquire against Developer and its successors and assigns for:

i. any loss, injury or damage to person or property, including court costs and attorneys' fees (singularly and/or collectively, "Damages") relating to or resulting from the construction of the Project in excess of \$5 million in the aggregate with all other Claims or Damages of any other apartment owner, association or other person; and

ii. any Damages in excess \$500,000 in the aggregate with all other

claims or Damages of any other apartment owner, association or other person, relating to or resulting from the work of any architect and/or other design consultant of the Project.

d. Without limiting in any way the foregoing provision, owner, for owner and Owner's Parties: (a) acknowledges and agrees that the Project will be constructed primarily of concrete and that concrete cracks must be expected because of concrete shrinkage; and (b) waives any liabilities, obligations, right, claim or action, of every kind of nature, character or description, known or unknown, suspected, or unsuspected, which such person may have or acquire against Developer, its successors and assigns for any Damages relating to or resulting from such concrete cracks to the extent such concrete cracks do not pose structural concerns.

e. The waivers contained in this Section shall not extend to any Damages on account of Developer's conduct which is determined by a final judgment or other final adjudication by a court having jurisdiction in the matter to have been knowingly fraudulent, deliberately dishonest or a result of willful misconduct or gross negligence.

END OF EXHIBIT H

EXHIBIT "I"

SUMMARY OF PERTINENT PROVISIONS OF THE SALES CONTRACT

Capitalized terms have the same meanings ascribed to them in the Sales Contract.

A specimen Deposit Receipt and Sales Contract, Addendum "A" and the Disclosure Addendum (together the "Contract") have been submitted to the Real Estate Commission. Among other things not described in this summary, the Contract covers in more detail the following items:

1. Buyer agrees to deliver to Seller, no later than fifteen (15) days after Buyer signs the Contract, written proof of Buyer's ability to make the cash payments under the Contract. Written proof shall include a pre-qualification letter based upon a full credit report. Seller will also have the right to require Buyer to give to Seller a letter of credit from a bank or other financial institution acceptable to Seller securing Buyer's promises and agreements under the Contract and any other information required by Seller.

2. Seller, in its sole discretion, and in addition to any other rights of cancellation or termination reserved to Seller, may elect to cancel the Contract if Buyer defaults under the Contract. Buyer may lose all of its deposits with Escrow and Seller. Seller may, at its option, pursue other legal remedies. If Seller defaults under the Contract, Buyer shall be entitled to specific performance of the Contract, or shall have the right to cancel and terminate the Contract.

3. The estimated Project completion date and closing date are described in the Contract.

4. Buyer is required to prepay maintenance fees, Additional Sums, Closing Costs and Prorations as more particularly described in the Contract.

5. The Contract confirms that Buyer has had or will have the opportunity to read and approve the project documents, including the Declaration, the Bylaws, the Condominium Map, the House Rules, the form of Apartment Deed, the Escrow Agreement, this Public Report and all amendments and supplements to all such documents. Buyer (or Buyer's lender, if any) may inspect copies of each of these documents at Seller's sales office. The Contract also provides that the rights of any construction lender with a mortgage against the Project will be superior to the rights of Buyer under the Contract.

6. Buyer specifically acknowledges and accepts certain enumerated conditions regarding the Project stated in the Contract, and expressly waives any rights, claims or action which Buyer might otherwise have against Seller or third parties as a result of such circumstances.

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

8. If Buyer cancels the Contract because of Seller's default, Seller will repay to Buyer all sums paid by Buyer to the Seller or to Escrow under the Contract, without interest (except that Buyer will get interest on sums held by Escrow in an interest-bearing account in favor of Buyer, if Buyer checked the appropriate box on the first page of the Contract). Buyer agrees that if Seller defaults at any time, Buyer will only have the rights mentioned in the Contract and that Buyer waives any other rights Buyer might otherwise have.

9. Seller shall have certain rights and remedies against Buyer in the event Buyer fails to perform any of the terms and conditions of the Contract, including failure to comply with the pre-closing and closing requirements, as more particularly described in the Contract, including the right to retain Buyer's deposit and the right to other actual and liquidated damages, the right to specifically enforce the Contract, and the right to charge late fees on amounts past due.

10. The Contract prohibits Buyer from assigning the Contract.

11. The execution, delivery and recordation of Buyer's Apartment Deed shall constitute the assignment by Seller to Buyer of any and all warranties given to Seller by the contractor for the Project, if any. The benefit of such warranties, if any, shall accrue to Buyer on closing without further instruments or documents. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO WARRANTIES ITSELF, EXPRESS OR IMPLIED INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION WITH RESPECT TO THE APARTMENT, THE PROPERTY, ANY COMMON ELEMENT, LIMITED COMMON ELEMENT, OR ANYTHING INSTALLED THEREIN.

12. Buyer waives certain construction and design claims including any loss, injury, or damage to person or property resulting from construction of the Project as further described in Exhibit "H" above and as set forth in the Declaration and the Contract.

13. Buyer agrees to intentionally waive, relinquish and subordinate the priority or superpriority of any interest under the Contract in favor of the liens or charges upon the Project of the construction lenders' mortgage loan.

14. The Disclosure Addendum contains numerous disclosures relating to the Project including, but not limited to, traffic, noise, mold, capital fund, and other matters and also includes Buyer's waiver of certain rights against Developer (including a hold harmless provision) that have a legal impact on the purchase and ownership of an apartment.

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

EXHIBIT "J"

SUMMARY OF PERTINENT PROVISIONS OF THE ESCROW AGREEMENT

Capitalized terms shall have the meaning ascribed to such terms under the Escrow Agreement or, if such term is not defined in the Escrow Agreement, under the Declaration.

A copy of the Escrow Agreement between the Seller and Island Title Corporation dated December 9, 2003 (Escrow") has been submitted to the Real Estate Commission. The Escrow Agreement, among other things, covers in more detail the following items:

1. Seller shall deliver an executed copy of each sales contract for the sale of a residential apartment to Escrow. Each sales contract shall be accompanied by the initial deposit required thereunder and the owner-occupant affidavit in the form approved by the Real Estate Commission.

2. Seller shall pay Escrow monies received from Buyer under the sales contracts covering apartments in the Project. Escrow shall receive and hold in escrow and disburse funds as set forth in detail in the Escrow Agreement. Escrow shall deposit all funds so received in an account at a federally-insured interest-bearing account at a bank, savings and loan association, or trust company authorized to do business in the State. Except for specific circumstances stated in the Escrow Agreement, any interest earned on funds deposited in escrow under the Escrow Agreement shall accrue to the credit of Seller.

3. No disbursements of funds held in escrow shall be made unless and until, among other conditions, (a) an effective date for a Final Public Report has been issued; (b) the Buyer has been given a copy of said Final Public Report and shall have acknowledged receipt of the same or shall have been deemed to have acknowledged receipt of the same; (c) Seller or Seller's attorney shall have delivered a written opinion to Escrow that the Buyer's sales contract has become effective; and (d) if applicable, the affidavit described in paragraph 1 above shall have been personally reaffirmed by all the prospective owner-occupants of the residential apartments no earlier than their receipt of a Final Public Report but not later than closing of escrow for the apartment, and the prospective owner-occupants shall have delivered to Escrow the reaffirmed affidavit.

4. Subject to certain provisions of the Escrow Agreement, upon the written request of Seller, Escrow shall make disbursements from the escrow fund to pay for construction costs and to pay for architectural, engineering, finance, and legal fees and other incidental expenses of the Project. Any funds remaining shall not be disbursed until construction of the Project has been completed (or until construction of the particular apartment being conveyed has been completed, to the extent that the Condominium Property Act permits such disbursement) and Escrow receives satisfactory evidence that all mechanics' and materialmen's liens have been cleared (or, to the extent permitted by the Condominium Property Act, have been dealt with in such a fashion as to avoid non-compliance with Section 514A-18 of the Condominium Property Act), unless sufficient funds have been set aside for any bona-fide dispute.

5. A Buyer shall be entitled to a return of funds and Escrow shall pay such funds to such Buyer, without any interest that may have accrued to the credit of Buyer, if any one of the following has occurred: (a) Escrow receives a written request from Seller to return to the Buyer the funds of the Buyer then being held hereunder by Escrow; (b) Seller notifies Escrow in writing of Seller's exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to Seller; and (c) the conditions providing for a refund under Section 514A-62 or under Section 514A-63 of the Hawaii Revised Statutes (as amended on the date upon which the sales contract becomes binding and effective) have been met, and written notice thereof has been provided by Seller.

In the event of a default by the Buyer in any matter being handled by Escrow, upon certification by the Seller of Seller's termination of the sales contract, Escrow will thereafter treat all funds of the Buyer paid on account of such Buyer's sales contract as funds of Seller and not as funds of the Buyer.

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

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

END OF EXHIBIT J

EXHIBIT "K"

ESTIMATE OF MAINTENANCE FEES

Capitalized terms have the same meanings ascribed to them in the Declaration.

**ESTIMATE OF INITIAL MAINTENANCE FEES AND
ESTIMATE OF MAINTENANCE FEES DISBURSEMENTS**

Maintenance fees are intended to cover the Common Expenses of the Project (i.e., the expenses attributable to the maintenance and operation of the "general" common elements of the Project). Maintenance fees shall be charged to each owner based upon said owner's common interest.

THE AMOUNTS SET FORTH IN THIS EXHIBIT ARE ESTIMATES ONLY AND MAY CHANGE. SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY THE DEVELOPER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.

DEVELOPER DISCLOSES THAT NO RESERVE STUDY WAS DONE IN ACCORDANCE WITH CHAPTER 514A-83.6, HAWAII REVISED STATUTES, AND RESERVE RULES, SUB-CHAPTER 6, TITLE 16, CHAPTER 107, HAWAII ADMINISTRATIVE RULES, AS AMENDED.

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

**Estimate of Maintenance Fee Disbursement for
909 Kapiolani
(232 units)**

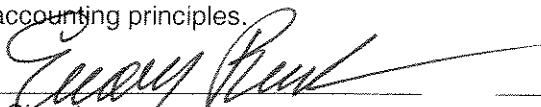
10-19-05

Utilities and Services	Monthly	Annually
Electricity (common)	\$20,000	\$240,000
Gas/Propane	\$250	\$3,000
Refuse	\$2,500	\$30,000
Sewer	\$5,600	\$67,200
Telephone	\$700	\$8,400
Water	\$4,320	\$51,840
Maintenance, Repairs, Supplies		
Building/Supplies/Repairs	\$1,500	\$18,000
Grounds	\$1,500	\$18,000
Pool & Spa Supplies	\$500	\$6,000
Elevator	\$2,500	\$30,000
Cleaning	\$200	\$2,400
Fire Systems	\$150	\$1,800
Equipment	\$450	\$5,400
Pest Control	\$125	\$1,500
Security System	\$300	\$3,600
Laternal Cleaning	\$100	\$1,200
Sub Metering	\$1,425	\$17,100
Odor Control/refuse	\$120	\$1,440
Window washing	\$150	\$1,800
Payroll and Benefits	\$0	\$0
Site Management	\$3,000	\$36,000
Housing	\$2,000	\$24,000
Security	\$14,000	\$168,000
Sanitorial	\$4,777	\$57,324
Maintenance	\$4,500	\$54,000
Admin Assistant	\$1,500	\$18,000
Workers Comp	\$1,400	\$16,800
CDI	\$100	\$1,200
Health Insurance	\$2,400	\$28,800
Payroll Prep	\$130	\$1,560
Uniforms	\$250	\$3,000
Bonus	\$200	\$2,400
Payroll Taxes	\$1,500	\$18,000
Management		\$0
Audit/Tax fees	\$125	\$1,500
Legal Fees	\$300	\$3,600
Management Fees	\$3,115	\$37,380
Admin Services/Supplies	\$1,100	\$13,200
Board Expense/Meetings	\$100	\$1,200
Taxes-Income	\$50	\$600
NET/Other	\$50	\$600
Insurance		\$0
Insurance	\$8,466	\$101,589
Flood	\$3,208	\$38,500
Reserves *	\$11,600	\$139,200
TOTAL	\$106,261	\$1,275,133
based on \$50 per unit		

Estimate of Maintenance Fee Disbursement for
909 Kapiolani
(232 units)

10-19-05

I, Emory Bush, as agent for/and/or employed by Hawaiiana Management Company, the condominium managing agent for 909 Kapiolani 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.


Signature

8-7-06
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.

ALLOCATION OF INITIAL MAINTENANCE FEES
909 Kapiolani
(232 Units)

<u>Apartment Number</u>	<u>Plan Type</u>	<u>Common Interest %</u>	<u>Monthly Maintenance Fee</u>	<u>Annual Total</u>
601	B2	0.53499%	568.49	6,821.87
602	A2	0.45896%	487.69	5,852.30
603	A1	0.46497%	494.09	5,929.03
604	C1	0.33806%	359.23	4,310.75
605	C2	0.32876%	349.35	4,192.17
607	C3	0.32986%	350.51	4,206.12
608	C4	0.33205%	352.84	4,234.02
701	B2	0.53499%	568.49	6,821.87
702	A2	0.45896%	487.69	5,852.30
703	A1	0.46497%	494.09	5,929.03
704	B1	0.54265%	576.63	6,919.53
705	C1	0.33806%	359.23	4,310.75
706	C2	0.32876%	349.35	4,192.17
707	C3	0.32986%	350.51	4,206.12
708	C4	0.33205%	352.84	4,234.02
801	B2	0.53499%	568.49	6,821.87
802	A2	0.45896%	487.69	5,852.30
803	A1	0.46497%	494.09	5,929.03
804	B1	0.54265%	576.63	6,919.53
805	C1	0.33806%	359.23	4,310.75
806	C2	0.32876%	349.35	4,192.17
807	C3	0.32986%	350.51	4,206.12
808	C4	0.33205%	352.84	4,234.02

901	B2	0.53499%	568.49	6,821.87
902	A2	0.45896%	487.69	5,852.30
903	A1	0.46497%	494.09	5,929.03
904	B1	0.54265%	576.63	6,919.53
905	C1	0.33806%	359.23	4,310.75
906	C2	0.32876%	349.35	4,192.17
907	C3	0.32986%	350.51	4,206.12
908	C4	0.33205%	352.84	4,234.02
1001	B2	0.53499%	568.49	6,821.87
1002	A2	0.45896%	487.69	5,852.30
1003	A1	0.46497%	494.09	5,929.03
1004	B1	0.54265%	576.63	6,919.53
1005	C1	0.33806%	359.23	4,310.75
1006	C2	0.32876%	349.35	4,192.17
1007	C3	0.32986%	350.51	4,206.12
1008	C4	0.33205%	352.84	4,234.02
1101	B2	0.53499%	568.49	6,821.87
1102	A2	0.45896%	487.69	5,852.30
1103	A1	0.46497%	494.09	5,929.03
1104	B1	0.54265%	576.63	6,919.53
1105	C1	0.33806%	359.23	4,310.75
1106	C2	0.32876%	349.35	4,192.17
1107	C3	0.32986%	350.51	4,206.12
1108	C4	0.33205%	352.84	4,234.02
1201	B2	0.53499%	568.49	6,821.87
1202	A2	0.45896%	487.69	5,852.30
1203	A1	0.46497%	494.09	5,929.03
1204	B1	0.54265%	576.63	6,919.53

1205	C1	0.33806%	359.23	4,310.75
1206	C2	0.32876%	349.35	4,192.17
1207	C3	0.32986%	350.51	4,206.12
1208	C4	0.33205%	352.84	4,234.02
1401	B2	0.53499%	568.49	6,821.87
1402	A2	0.45896%	487.69	5,852.30
1403	A1	0.46497%	494.09	5,929.03
1404	B1	0.54265%	576.63	6,919.53
1405	C1	0.33806%	359.23	4,310.75
1406	C2	0.32876%	349.35	4,192.17
1407	C3	0.32986%	350.51	4,206.12
1408	C4	0.33205%	352.84	4,234.02
1501	B2	0.53499%	568.49	6,821.87
1502	A2	0.45896%	487.69	5,852.30
1503	A1	0.46497%	494.09	5,929.03
1504	B1	0.54265%	576.63	6,919.53
1505	C1	0.33806%	359.23	4,310.75
1506	C2	0.32876%	349.35	4,192.17
1507	C3	0.32986%	350.51	4,206.12
1508	C4	0.33205%	352.84	4,234.02
1601	B2	0.53499%	568.49	6,821.87
1602	A2	0.45896%	487.69	5,852.30
1603	A1	0.46497%	494.09	5,929.03
1604	B1	0.54265%	576.63	6,919.53
1605	C1	0.33806%	359.23	4,310.75
1606	C2	0.32876%	349.35	4,192.17
1607	C3	0.32986%	350.51	4,206.12
1608	C4	0.33205%	352.84	4,234.02

1701	B2	0.53499%	568.49	6,821.87
1702	A2	0.45896%	487.69	5,852.30
1703	A1	0.46497%	494.09	5,929.03
1704	B1	0.54265%	576.63	6,919.53
1705	C1	0.33806%	359.23	4,310.75
1706	C2	0.32876%	349.35	4,192.17
1707	C3	0.32986%	350.51	4,206.12
1708	C4	0.33205%	352.84	4,234.02
1801	B2	0.53499%	568.49	6,821.87
1802	A2	0.45896%	487.69	5,852.30
1803	A1	0.46497%	494.09	5,929.03
1804	B1	0.54265%	576.63	6,919.53
1805	C1	0.33806%	359.23	4,310.75
1806	C2	0.32876%	349.35	4,192.17
1807	C3	0.32986%	350.51	4,206.12
1808	C4	0.33205%	352.84	4,234.02
1901	B2	0.53499%	568.49	6,821.87
1902	A2	0.45896%	487.69	5,852.30
1903	A1	0.46497%	494.09	5,929.03
1904	B1	0.54265%	576.63	6,919.53
1905	C1	0.33806%	359.23	4,310.75
1906	C2	0.32876%	349.35	4,192.17
1907	C3	0.32986%	350.51	4,206.12
1908	C4	0.33205%	352.84	4,234.02
2001	B2	0.53499%	568.49	6,821.87
2002	A2	0.45896%	487.69	5,852.30
2003	A1	0.46497%	494.09	5,929.03
2004	B1	0.54265%	576.63	6,919.53

2005	C1	0.33806%	359.23	4,310.75
2006	C2	0.32876%	349.35	4,192.17
2007	C3	0.32986%	350.51	4,206.12
2008	C4	0.33205%	352.84	4,234.02
2101	B2	0.53499%	568.49	6,821.87
2102	A2	0.45896%	487.69	5,852.30
2103	A1	0.46497%	494.09	5,929.03
2104	B1	0.54265%	576.63	6,919.53
2105	C1	0.33806%	359.23	4,310.75
2106	C2	0.32876%	349.35	4,192.17
2107	C3	0.32986%	350.51	4,206.12
2108	C4	0.33205%	352.84	4,234.02
2201	B2	0.53499%	568.49	6,821.87
2202	A2	0.45896%	487.69	5,852.30
2203	A1	0.46497%	494.09	5,929.03
2204	B1	0.54265%	576.63	6,919.53
2205	C1	0.33806%	359.23	4,310.75
2206	C2	0.32876%	349.35	4,192.17
2207	C3	0.32986%	350.51	4,206.12
2208	C4	0.33205%	352.84	4,234.02
2301	B2	0.53499%	568.49	6,821.87
2302	A2	0.45896%	487.69	5,852.30
2303	A1	0.46497%	494.09	5,929.03
2304	B1	0.54265%	576.63	6,919.53
2305	C1	0.33806%	359.23	4,310.75
2306	C2	0.32876%	349.35	4,192.17
2307	C3	0.32986%	350.51	4,206.12
2308	C4	0.33205%	352.84	4,234.02

2401	B2	0.53499%	568.49	6,821.87
2402	A2	0.45896%	487.69	5,852.30
2403	A1	0.46497%	494.09	5,929.03
2404	B1	0.54265%	576.63	6,919.53
2405	C1	0.33806%	359.23	4,310.75
2406	C2	0.32876%	349.35	4,192.17
2407	C3	0.32986%	350.51	4,206.12
2408	C4	0.33205%	352.84	4,234.02
2501	B2	0.53499%	568.49	6,821.87
2502	A2	0.45896%	487.69	5,852.30
2503	A1	0.46497%	494.09	5,929.03
2504	B1	0.54265%	576.63	6,919.53
2505	C1	0.33806%	359.23	4,310.75
2506	C2	0.32876%	349.35	4,192.17
2507	C3	0.32986%	350.51	4,206.12
2508	C4	0.33205%	352.84	4,234.02
2601	B2	0.53499%	568.49	6,821.87
2602	A2	0.45896%	487.69	5,852.30
2603	A1	0.46497%	494.09	5,929.03
2604	B1	0.54265%	576.63	6,919.53
2605	C1	0.33806%	359.23	4,310.75
2606	C2	0.32876%	349.35	4,192.17
2607	C3	0.32986%	350.51	4,206.12
2608	C4	0.33205%	352.84	4,234.02
2701	B2	0.53499%	568.49	6,821.87
2702	A2	0.45896%	487.69	5,852.30
2703	A1	0.46497%	494.09	5,929.03
2704	B1	0.54265%	576.63	6,919.53

2705	C1	0.33806%	359.23	4,310.75
2706	C2	0.32876%	349.35	4,192.17
2707	C3	0.32986%	350.51	4,206.12
2708	C4	0.33205%	352.84	4,234.02
2801	B2	0.53499%	568.49	6,821.87
2802	A2	0.45896%	487.69	5,852.30
2803	A1	0.46497%	494.09	5,929.03
2804	B1	0.54265%	576.63	6,919.53
2805	C1	0.33806%	359.23	4,310.75
2806	C2	0.32876%	349.35	4,192.17
2807	C3	0.32986%	350.51	4,206.12
2808	C4	0.33205%	352.84	4,234.02
2901	B2	0.53499%	568.49	6,821.87
2902	A2	0.45896%	487.69	5,852.30
2903	A1	0.46497%	494.09	5,929.03
2904	B1	0.54265%	576.63	6,919.53
2905	C1	0.33806%	359.23	4,310.75
2906	C2	0.32876%	349.35	4,192.17
2907	C3	0.32986%	350.51	4,206.12
2908	C4	0.33205%	352.84	4,234.02
3001	B2	0.53499%	568.49	6,821.87
3002	A2	0.45896%	487.69	5,852.30
3003	A1	0.46497%	494.09	5,929.03
3004	B1	0.54265%	576.63	6,919.53
3005	C1	0.33806%	359.23	4,310.75
3006	C2	0.32876%	349.35	4,192.17
3007	C3	0.32986%	350.51	4,206.12
3008	C4	0.33205%	352.84	4,234.02

3101	B2	0.53499%	568.49	6,821.87
3102	A2	0.45896%	487.69	5,852.30
3103	A1	0.46497%	494.09	5,929.03
3104	B1	0.54265%	576.63	6,919.53
3105	C1	0.33806%	359.23	4,310.75
3106	C2	0.32876%	349.35	4,192.17
3107	C3	0.32986%	350.51	4,206.12
3108	C4	0.33205%	352.84	4,234.02
3201	B2	0.53499%	568.49	6,821.87
3202	A2	0.45896%	487.69	5,852.30
3203	A1	0.46497%	494.09	5,929.03
3204	B1	0.54265%	576.63	6,919.53
3205	C1	0.33806%	359.23	4,310.75
3206	C2	0.32876%	349.35	4,192.17
3207	C3	0.32986%	350.51	4,206.12
3208	C4	0.33205%	352.84	4,234.02
3301	B2	0.53499%	568.49	6,821.87
3302	A2	0.45896%	487.69	5,852.30
3303	A1	0.46497%	494.09	5,929.03
3304	B1	0.54265%	576.63	6,919.53
3305	C1	0.33806%	359.23	4,310.75
3306	C2	0.32876%	349.35	4,192.17
3307	C3	0.32986%	350.51	4,206.12
3308	C4	0.33205%	352.84	4,234.02
PHA1	P2	0.73412%	780.08	9,361.02
PHA2	P3	0.72920%	774.85	9,298.24
PHA3	P1	0.89221%	948.07	11,376.89

PHA4	P4	0.51422%	546.41	6,556.94
PHA5	P5	0.48249%	512.70	6,152.37
PHB1	P2	0.73412%	780.08	9,361.02
PHB2	P3	0.72920%	774.85	9,298.24
PHB3	P1	0.89221%	948.07	11,376.89
PHB4	P4	0.51422%	546.41	6,556.94
PHB5	P5	0.48249%	512.70	6,152.37
PHC1	P7	0.97044%	1,031.20	12,374.36
PHC2	P6	0.80359%	853.91	10,246.89
<u>Apartment Number</u>	<u>Unit Type</u>	<u>Common Interest %</u>	<u>Monthly Maintenance Fee</u>	<u>Annual Total</u>
C-A	Comm.	0.36105%	383.65	4,603.84
C-B	Comm.	0.73412%	780.08	9,361.02
C-C	Comm.	0.62745%	666.74	8,000.83
C-D	Comm.	0.42341%	449.92	5,399.03
Total (Excl. Industrial)		99.99999%	106,261.17	1,275,134.04
<u>Apartment Number</u>	<u>Unit Type</u>	<u>Common Interest %</u>	<u>Monthly Maintenance Fee</u>	<u>Annual Total</u>
INDUST*	Ind.	0.00001%	0.01	0.12
Total (Incl. Industrial)		100.00000%	106,261.18	1,275,134.16

* Established at .00001% common interest under agreement with Musicians' Building Corporation.

END OF EXHIBIT K