

**DEVELOPER'S PUBLIC REPORT  
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	PACIFICANA ATLAS
Project Address	1125 Young St., Honolulu, HI 96814 and 1150 South King St., Honolulu, HI 96814
Registration Number	6300 ( <b>conversion</b> )
Effective Date of Report	<b>June 6, 2007</b>
Developer (s)	HIDC PACIFICANA LLC, a Hawaii limited liability company

**Preparation of this Report**

The Developer prepared this report to disclose relevant information, including "material facts," that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

---

*This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.*

0701.REC DPR

## **SPECIAL ATTENTION**

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

The Project was initially established as a 2-unit condominium project comprised of (a) the entirety of the Pacificana Building as one unit ("the Pacificana Apartment"), and (b) the entirety of the Atlas Building as one unit ("the Atlas Apartment"), by that certain Declaration of Condominium Property Regime of Pacificana Atlas dated April 4, 2007, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2007-066845 ("the Declaration"), together with that certain Condominium Map recorded concurrently as Condominium Map No. 4429. The Pacificana Apartment was thereafter subdivided into 69 individual units ("the Residential Units") to create a 70-unit condominium project by that certain First Amendment to Condominium Property Regime of Pacificana Atlas dated April 12, 2007, recorded in said Bureau as Document No. 2007-067733 ("the First Amendment"). The Declaration was further amended by that certain Second Amendment to Condominium Property Regime of Pacificana Atlas dated June 1, 2007, recorded in said Bureau as Document No. 2007-099818 ("the Second Amendment"). Pursuant to the First Amendment and Second Amendment, portions of the Pacificana Building have been designated as limited common elements appurtenant to and for the exclusive use of the Residential Units located in the Pacificana Building. See Item 6.f. on page 18a of this Public Report for more information.

## TABLE OF CONTENTS

	<u>Page</u>
Preparation of this Report .....	1
General Information On Condominiums .....	2
Operation of the Condominium Project .....	2
1. THE CONDOMINIUM PROJECT .....	3
1.1 The Underlying Land .....	3
1.2 Buildings and Other Improvements .....	3
1.3 Unit Types and Sizes of Units .....	3
1.4 Parking Stalls .....	4
1.5 Boundaries of the Units .....	4
1.6 Permitted Alterations to the Units .....	4
1.7 Common Interest .....	4
1.8 Recreational and Other Common Facilities .....	4
1.9 Common Elements .....	5
1.10 Limited Common Elements .....	5
1.11 Special Use Restrictions .....	5
1.12 Encumbrances Against Title .....	5
1.13 Uses Permitted by Zoning and Zoning Compliance Matters .....	6
1.14 Other Zoning Compliance Matters .....	6
1.15 Conversions .....	7
1.16 Project In Agricultural District .....	8
1.17 Project with Assisted Living Facility .....	8
2. PERSONS CONNECTED WITH THE PROJECT .....	9
2.1 Developer .....	9
2.2 Real Estate Broker .....	9
2.3 Escrow Depository .....	9
2.4 General Contractor .....	9
2.5 Condominium Managing Agent .....	9
2.6 Attorney for Developer .....	9
3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS .....	10
3.1 Declaration of Condominium Property Regime .....	10
3.2 Bylaws of the Association of Unit Owners .....	10
3.3 Condominium Map .....	10
3.4 House Rules .....	11
3.5 Changes to the Condominium Documents .....	11
3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents .....	11
4. CONDOMINIUM MANAGEMENT .....	12
4.1 Management of the Common Elements .....	12
4.2 Estimate of the Initial Maintenance Fees .....	12
4.3 Utility Charges to be included in the Maintenance Fee .....	12
4.4 Utilities to be Separately Billed to Unit Owner .....	12
5. SALES DOCUMENTS .....	13
5.1 Sales Documents Filed with the Real Estate Commission .....	13
5.2 Sales to Owner-Occupants .....	13
5.3 Blanket Liens .....	13
5.4 Construction Warranties .....	13
5.5 Status of Construction, Date of Completion or Estimated Date of Completion .....	14

## TABLE OF CONTENTS

	<u>Page</u>
5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance .....	14
5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance .....	14
5.6.2 Purchaser Deposits Will Be Disbursed Before Closing.....	14
5.7 Rights Under the Sales Contract.....	16
5.8 Purchaser's Right to Cancel or Rescind a Sales Contract.....	16
5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract .....	16
5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed .....	17
5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change	17
6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT .....	18
EXHIBIT A: Description of Unit Types and Sizes of Units, Boundaries of the Units, and Common Interests	
EXHIBIT B: Description of Parking Plan	
EXHIBIT C: Permitted Alterations to the Units	
EXHIBIT D: Common Elements and Limited Common Elements	
EXHIBIT E: Encumbrances Against Title	
EXHIBIT F: Developer's Rights to Make Changes to the Project or Condominium Documents	
EXHIBIT G: Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursements	
EXHIBIT H: Summary of Sales Contract	
EXHIBIT I: Summary of Escrow Agreement	
EXHIBIT J: Disclosure Abstract	

## **General Information On Condominiums**

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. 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 and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

## **Operation of the Condominium Project**

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit 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 a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first 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 purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

**1. THE CONDOMINIUM PROJECT**

**1.1 The Underlying land**

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	Hirano Enterprises, a Hawaii general partnership ("Hirano")
Address of Project	1125 Young St, Honolulu, HI 96814 and 1150 S. King St., Honolulu, HI 96814
Address of Project is expected to change because	N/A
Tax Map Key (TMK)	(1) 2-4-003-003
Tax Map Key is expected to change because	Individual CPR numbers may be assigned to the units.
Land Area	27,592 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	Pursuant to that certain DROA dated October 3, 2006 by and between Fee Owner and Developer, as amended

**1.2 Buildings and Other Improvements**

Number of Buildings	2 buildings
Floors Per Building	Pacificana Building contains 10 floors and Atlas Building contains 12 floors
Number of New Building(s)	N/A
Number of Converted Building(s)	2 buildings
Principal Construction Materials (concrete, wood, hollow tile, steel glass, etc.)	Reinforced concrete, masonry, steel, aluminum and appropriate trim

**1.3 Unit Types and Sizes of Units**

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai,garage,etc.)	Total Area
A	7	1BR/1BA	490	--	49	539
B	7	Studio	293	--	--	293
C	7	1BR/1BA	510	--	49	559
D	7	1BR/1BA	510	--	49	559
E	7	2BR/1BA	627	--	49	676
F	7	2BR/1BA	641	--	49	676
G	7	1BR/1BA	510	--	49	559
H	7	1BR/1BA	519	--	49	559
J	6	Studio	293	--	--	293
K	6	1BR/1BA	490	--	49	539
L	1	1BR/1BA	432	--	--	432
Atlas Apt.	1	N/A	--	59,639	--	59,639

See Exhibit   A  .

<b>70</b>	<b>Total Number of Units</b>
-----------	------------------------------

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

#### 1.4 Parking Stalls

Total Parking Stalls in the Project :	238 regular, handicap accessible, commercial valet ("CV"), commercial tandem ("CT"), and loading stalls
Number of Guest Stalls in the Project:	65 CV and CT stalls
Number of Parking Stalls Assigned to Each Unit:	1 parking stall per unit.
Attach Exhibit <u> B </u> specifying the Parking Stall number(s) assigned to each unit and the type of parking Stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. Each unit owner, by purchasing a unit in the Project, agrees to submit their parking stall to the Project's common parking plan. The initial assignment of parking stalls shall be as set forth in <u>Exhibit B</u> attached hereto and as described in the Declaration and the House Rules. The parking stalls are subject at all times to the right of the Board or its Managing Agent to assign, re-assign and manage such stalls pursuant to Section 27 of the Declaration and the House Rules.	

#### 1.5 Boundaries of the Units

Boundaries of the unit: See Exhibit A.
---

#### 1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project): See Exhibit C.
---

#### 1.7 Common Interest

<u>Common Interest:</u> Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest." It is used to determine each unit'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 unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit <u> A </u> .
As Follows:

#### 1.8 Recreational and Other Common Facilities (Check if applicable):

<input checked="" type="checkbox"/>	Swimming pool: For use by the owners and occupants of the Residential Units in the Pacificana Building only
<input type="checkbox"/>	Laundry Area
<input checked="" type="checkbox"/>	Storage Area: For use by the Association as shown on the Condominium Map
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input checked="" type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input checked="" type="checkbox"/>	Security Gate: Driveway gates at the entryways of the Shared Parking Area; secured lobby entrances in each building
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): Project grounds, yards, walkways

**1.9 Common Elements**

<p><b>Common Elements:</b> Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common element for this project, as described in the Declaration, are set forth below.</p>	
<p>Described in Exhibit <u>D</u>.</p>	
<p>Described as follows:</p>	
<b>Common Element</b>	<b>Number</b>
Elevators	2 in Pacificana Building; 3 in Atlas Building
Stairways	2 in Pacificana Building; 2 in Atlas Building
Trash Chutes	1 in Pacificana Building; 1 in Atlas Building

**1.10 Limited Common Elements**

<p><b>Limited Common elements:</b> A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.</p>
<p>Described in Exhibit <u>D</u>.</p>
<p>Described as follows:</p>

**1.11 Special Use Restrictions**

<p>The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.</p>	
<input checked="" type="checkbox"/>	Pets: Pets allowed subject to restrictions set forth in the House Rules
<input type="checkbox"/>	Number of Occupants
<input type="checkbox"/>	Other
<input type="checkbox"/>	There are no special use restrictions.

**1.12 Encumbrances Against Title**

<p>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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).</p>
<p>Exhibit <u>E</u> describes the encumbrances against title contained in the title report described below.</p>
<p>Date of the title report: March 9, 2007</p>
<p>Company that issued the title report: Title Guaranty of Hawaii, Incorporated.</p>



**1.13 Uses Permitted by Zoning and Zoning Compliance Matters**

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input type="checkbox"/>	Residential		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Mix Residential/Commercial	69 Residential Units 1 Commercial Unit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	BMX-3 Community Business District
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Other (specify)		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Variances to zoning code have been granted. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Describe any variances that have been granted to zoning code.				

**1.14 Other Zoning Compliance Matters**

Conforming/Non-Conforming Uses, Structures and Lots
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>

	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p>
--

**1.15 Conversions**

<p><b>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</b></p>	<p><input checked="" type="checkbox"/> <b>Applicable</b></p> <p><input type="checkbox"/> <b>Not Applicable</b></p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p> <p>See the Disclosure Abstract attached hereto as Exhibit J.</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p> <p>See the Disclosure Abstract attached hereto as Exhibit J.</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p> <p>N/A.</p>	
<p>Estimated cost of curing any violations described above:</p> <p>N/A.</p>	

<p><b>Verified Statement from a County Official</b></p>
<p>Regarding any converted structures in the project, attached as Exhibit <u>J</u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> <li>(i) Any variances or other permits that have been granted to achieve compliance;</li> <li>(ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and</li> <li>(iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance;</li> </ul> <p>or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>
<p>Other disclosures and information:</p>

**1.16 Project In Agricultural District**

<p><b>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii?</b>  <b>If answer is "Yes", provide information below.</b></p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws?      <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation.</p>	
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws?      <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.</p>	
<p>Other disclosures and information:</p>	

**1.17 Project with Assisted Living Facility**

<p><b>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS?</b>  <b>If answer is "Yes", complete information below.</b></p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.</p>	
<p>The nature and the scope of services to be provided.</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p>	
<p>The duration of the provision of the services.</p>	
<p>Other possible impacts on the project resulting from the provision of the services.</p>	
<p>Other disclosures and information.</p>	

## 2. PERSONS CONNECTED WITH THE PROJECT

<p><b>2.1 Developer (s)</b></p>	<p>Name: HIDC PACIFICANA LLC, a Hawaii limited liability company</p> <p>Business Address: 931 University Avenue, Suite 105 Honolulu, HI 96826</p> <p>Business Phone Number: (808) 946-3224</p> <p>E-mail Address: <a href="mailto:peters@hihltd.com">peters@hihltd.com</a></p>
<p>Name of the officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary.)</p>	<p>Managing Member: Hawaiian Island Development Co., Inc., a Hawaii corporation Peter Savio, Its President, Vice-President, Secretary, Treasurer &amp; Director</p> <p>Fee Owner: Hirano Enterprises, a Hawaii general partnership Herbert Hirano, Trustee, General Partner</p>
<p><b>2.2. Real Estate Broker</b></p>	<p>Name: Hawaiian Island Homes, Ltd.</p> <p>Business Address: 931 University Avenue, Suite 105 Honolulu, HI 96816 Attn: Barry Kaplan</p> <p>Business Phone Number: (808) 864-1500</p> <p>E-mail Address: <a href="mailto:barryk@hihltd.com">barryk@hihltd.com</a></p>
<p><b>2.3 Escrow Depository</b></p>	<p>Name: Title Guaranty Escrow Services, Inc.</p> <p>Business Address: 235 Queen Street, 1<sup>st</sup> Floor Honolulu, HI 96813 Attn: Theresa Widmer</p> <p>Business Phone Number: (808) 521-0211</p>
<p><b>2.4 General Contractor</b></p>	<p>Name: N/A</p> <p>Business Address:</p> <p>Business Phone Number:</p>
<p><b>2.5 Condominium Managing Agent</b></p>	<p>Name: CEN PAC Properties, Inc.</p> <p>Business Address: 1150 South King St., Suite 1101 Honolulu, HI 96814-1968 Attn: Louis S. Shiraishi</p> <p>Business Phone Number: (808) 593-2902</p>
<p><b>2.6 Attorney for Developer</b></p>	<p>Name: Chun Kerr Dodd Beaman &amp; Wong, LLLP</p> <p>Business Address: 745 Fort Street, 9<sup>th</sup> Floor Honolulu, HI 96813 Attn: Andrew R. Bunn, Esq. Kaleen S. H. Miyasato, Esq.</p> <p>Business Phone Number: (808) 528-8200</p>

### 3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

#### 3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
<b>Bureau of Conveyances</b>	April 4, 2007	2007-066845

#### Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
<b>Bureau of Conveyances</b>	April 12, 2007	2007-067733
	June 1, 2007	2007-099818

#### 3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
<b>Bureau of Conveyances</b>	April 4, 2007	2007-066846

#### Amendments to the Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

#### 3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	
Bureau of Conveyances Map Number	4429
Dates of Recordation of Amendments to the Condominium Map:	

**3.4 House Rules**

The Board of Directors may adopt rules and regulations (commonly called "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. Changes to House Rules do not need to be recorded to be effective.	
The House Rules for this project:	
Are Proposed	<input type="checkbox"/>
Have been Adopted and Date of Adoption	<input checked="" type="checkbox"/> April 13, 2007
Developer does not plan to adopt House Rules	<input type="checkbox"/>

**3.5 Changes to the Condominium Documents**

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Maps are effective only if they are duly adopted and recorded. Where permitted, the minimum percentage of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.		
Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

**3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents**

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House Rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:  See Exhibit F.

## 4. CONDOMINIUM MANAGEMENT

### 4.1 Management of the Common Elements

<p><b>Management of the Common Elements:</b> The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.</p>	
<p>The Initial Condominium Managing Agent for this project is (check one):</p>	
<input checked="" type="checkbox"/>	Not affiliated with the Developer
<input type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

### 4.2 Estimate of the Initial Maintenance Fees

<p><b>Estimate of the Initial Maintenance Fees:</b> The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.</p>
<p>Exhibit <u>G</u> contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.</p>

### 4.3 Utility Charges to be Included in the Maintenance Fee

<p>If checked, the following utilities are included in the maintenance fee:</p>	
<input checked="" type="checkbox"/>	Electricity for the common elements
<input checked="" type="checkbox"/>	Gas for the common elements
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input type="checkbox"/>	TV cable
<input checked="" type="checkbox"/>	Other (specify): Refuse collection, telephone (common elements only)

### 4.4 Utilities to be Separately Billed to Unit Owner

<p>If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:</p>	
<input type="checkbox"/>	Electricity for the Unit only
<input type="checkbox"/>	Gas for the Unit only
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV cable
<input type="checkbox"/>	Other (specify)

## 5. SALES DOCUMENTS

### 5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>H</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: <u>March 22, 2007</u> Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u>I</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other

### 5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

<input checked="" type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input checked="" type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit <u>A</u> .
<input type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

### 5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some types of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

Type of Lien	Effect on the Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage Lien(s) of Developer's Lender	Purchaser's interest is specifically made subject and subordinate to such lien(s). Purchaser's sales contract may be canceled and Purchaser may lose all rights to acquire the unit. Purchaser's deposit, less escrow cancellation fee, will be returned if default and foreclosure occur before conveyance. However, should Purchaser's deposit be disbursed by Escrow and the lien foreclosed prior to conveyance to Purchaser, Purchaser may not be able to recover any deposits. Note: At the time of the first conveyance of each unit, Developer's lender's lien(s) will be paid and satisfied of record, and the unit being conveyed and its common interest shall be released therefrom.

### 5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:
Building and Other Improvements: The units are being sold in "As Is" condition.
Appliances: The appliances, if any, in a unit are being sold in "As Is" condition.



**5.5 Status of Construction, Date of Completion or Estimated Date of Completion**

Status of Construction: The Project was constructed in 1966.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract:
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A

**5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance**

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

**5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance**

<input checked="" type="checkbox"/>	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project.
-------------------------------------	---

**5.6.2 Purchaser Deposits Will Be Disbursed Before Closing**

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain projects costs. For this project, the Developer indicates that purchaser deposits may be used to the following purposes (check applicable box):	
<input type="checkbox"/>	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
<input type="checkbox"/>	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

In connection with the use of purchaser deposits (check Box A or Box B):

<p><b>Box A</b>  <input type="checkbox"/></p>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><b><u>Important Notice Regarding Your Deposits:</u></b> Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p>
<p><b>Box B</b>  <input type="checkbox"/></p>	<p>The Developer has <b>not</b> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <b><u>Important Notice Regarding Your Deposits</u></b> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <b><u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u></b> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <b><u>Important Notice Regarding Your Deposits</u></b> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

**Material House Bond.** If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

## 5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1. **Developer's Public Report**
2. **Declaration of Condominium Property Regime (and any amendments)**
3. **Bylaws of the Association of Unit Owners (and any amendments)**
4. **Condominium Map (and any amendments)**
5. House Rules, if any
6. Escrow Agreement
7. Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted
8. Other:

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

Website to access official copy of laws: [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov)

Website to access rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

## 5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

### 5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

(1) The purchaser has signed the sales contract.

(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

### **5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed**

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

### **5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change**

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30<sup>th</sup> calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

## 6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

a. Hazardous Materials. The Developer has made no independent investigation as to asbestos or other hazardous substances in the units or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Purchaser acknowledges that in light of the age of the Project, there may be hazardous substances in the units or in, under or around the Project. Because of the possible presence of such substances, Purchaser should have the unit inspected to determine the extent (if any) of such contamination and of any necessary remedial action. The Developer will not correct any defects in the units or in the Project or anything installed or contained therein and Purchaser expressly releases the Developer from any liability to Purchaser if any hazardous materials are discovered.

b. Mold/Mildew. Purchaser is hereby advised that tropical climates with warm temperatures, high humidity and frequent precipitation are conducive to the propagation of mold, mildew, fungus and other types of bacterial growths. Though the buildings and other improvements that are a part of the Project may be cleaned to satisfactory appearance, the Developer cannot guaranty that mold, mildew, fungus and other types of bacterial growths can be eliminated. The buildings in the Project are old and may have had incidences of leaking and water exposure which may have resulted in the introduction of mold, mildew, fungus and other types of bacterial growths. Buyer should be aware that, as with all properties, the buildings may have hidden, enclosed and unreachable areas where growths can occur and cannot be detected and that there may in the future be mold and mildew growth in the Project if the Association and occupants of the apartments do not properly maintain the Project. If Purchaser, any member of Purchaser's family, or any person who will inhabit the Property has respiratory, skin or other health ailments or conditions that can be affected by mold, mildew, fungus or other types of bacterial growths they should seek professional advice before purchasing an apartment in the Project. Neither the Developer nor its agents associated with the Project have the requisite knowledge to provide counsel as to the presence, likelihood of conditions conducive to propagation of mold, mildew, fungus and other types of bacterial growth in the Project or as to the effect of the aforementioned conditions can have related to their health, welfare and continued enjoyment of the Property. Individuals who may be capable of providing such advice are professional home inspectors, medical professionals, scientific research professionals, certified industrial hygienist or other environmental specialists and/or others who have requisite knowledge in matters of detection and lab analysis services.

c. Lead-Based or Lead-Containing Paint. Purchaser is hereby notified that the Project may present exposure to lead from lead-based or lead-containing paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Developer is required by law to provide Purchaser with any information on lead-based or lead-containing paint hazards from risk assessments or inspections in the Developer's possession and notify Purchaser of any known lead-based or lead-containing paint hazards. A risk assessment or inspection for possible lead-based or lead-containing paint hazards is recommended prior to purchase. As a condition to closing the sale of a unit, Purchaser shall provide written acknowledgement of receipt of all relevant information regarding lead-based or lead-containing paint hazards together with a waiver of liability regarding the presence of such hazards.

c. Asbestos. Purchaser is hereby notified that the Project may present exposure to asbestos materials. Asbestos materials are hazardous to one's health, particularly if asbestos are released into the air and inhaled. In the past (before 1979, but possibly since) asbestos was a commonly used insulation material in heating facilities and in certain types of floor and ceiling materials, shingles, plaster products, cement and other building materials. Each Purchaser shall make appropriate inquiry into the possible existence of asbestos on the Property. Structures having "popcorn" or "cottage cheese" type ceilings may contain asbestos fibers or asbestos-containing material. Such ceilings should not be disturbed because it could release asbestos fibers in the air. Any disturbance should be done only by licensed abatement contractors. As a condition to closing the sale of a unit, Purchaser shall provide written acknowledgement of receipt of all relevant information regarding asbestos materials hazards together with a waiver of liability regarding the presence of such hazards.

d. General Condition of the Project. Based on letters for the Project obtained from an architect, a structural/civil engineer, a mechanical engineer and an electrical engineer, Developer believes that the buildings are in such condition as is consistent with their age. The letters are included in Exhibit J to this public report; all recommended work described therein will be the responsibility of the owners of the units and the Association and not that of Developer or any other party. Notwithstanding anything to the contrary contained herein, the units, fixtures, appliances and electrical and plumbing equipment included in the buildings and the units and common elements appurtenant thereto will be sold "AS IS" with "ALL FAULTS", and neither Developer nor any of its affiliates or representatives make any warranties, express or implied, as to their working order and condition. Developer makes no warranties or representations regarding the completeness or accuracy of the foregoing reports. The Developer further discloses that the Project may be subject to exterior weathering, rust, earthquake, fire, floods, erosion, high water table, dangerous underground soil conditions and similar occurrences or conditions which may alter the Project's condition or affect its suitability for any proposed use. The Developer shall have no responsibility or liability for or with respect to any such occurrence or condition or any conditions disclosed in any of the reports included in Exhibit J to this public report or otherwise made available to the Purchaser.

e. Common Parking Plan. Due to the mixed-nature of the Project, and to facilitate the most efficient use of the parking stalls located on the Basement, Sub-Basement and Entry levels ("Shared Parking Area"), the Project has a common parking plan for the use and administration of the parking stalls for the benefit of the Association and the unit owners. The parking plan is governed by the Declaration and the House Rules. Sixty-nine (69) parking stalls located within the Shared Parking Area are designated in favor of the owners of the Residential Units in the Pacificana Building ("the Pacificana Stalls"). All parking stalls located outside of the Shared Parking Area, e.g., on the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Floors of the parking area, are reserved for the exclusive use of the Atlas Apartment owner ("the Atlas Stalls"). The Shared Parking Area and the Pacificana Stalls shall be subject to restrictions on use and access, including permitted hours of use, as set forth in Section 27 of the Declaration and in the House Rules.

f. Master Association and Pacificana Sub-Association. Pursuant to the Declaration and Bylaws for the Project, all owners of units in the Project shall constitute the Association of Unit Owners of Pacificana Atlas (the Master Association") for the management and operation of the Project's common elements, which include the Shared Parking Area, the security gates and enterphones located on the Entry Level of the Parking Area, and other common elements described in the Declaration, as amended. The Declaration further provides that a sub-association for the Residential Units ("the Pacificana Sub-Association") will be formed for the management and operation of the limited common elements and limited common element areas appurtenant to such Residential Units, which include the Pacificana Stalls, certain areas of the Shared Parking Area and other limited common elements located within the Pacificana Building such as lobbies, elevators, hallways, etc. that are appurtenant to and for the exclusive use of all of the Residential Units ("the Pacificana Limited Common Elements"). Upon formation, all owners of the Residential Units shall automatically become members of the Pacificana Sub-Association and shall remain members thereof until such time as the owner's interest in such Residential Unit ceases for any reason, at which time the owner's membership in the Pacificana Sub-Association shall automatically cease. The Residential Unit owners shall each have a common interest in the Pacificana Limited Common Elements only and in all common profits and expenses arising therefrom, and for all other purposes regarding matters governed by the Pacificana Sub-Association Bylaws, as set forth in Exhibit D attached to the First Amendment. With respect to the Project's common elements, the Residential Unit owners, through the Pacificana Sub-Association, will be responsible to the Master Association for payment of their respective share of (1) the maintenance costs arising from the use and ownership of the Shared Parking Area (twenty-five percent (25%) of which will be allocated to the Residential Unit owners, and seventy-five percent (75%) of which will be allocated to the Atlas Apartment owner), and (2) the maintenance costs arising from the use of the shared security gates and enterphones (fifty percent (50%) of which will be allocated to the Residential Unit owners and fifty percent (50%) of which will be allocated to the Atlas Apartment owner). These percentages were based on the anticipated usage of such common elements by the owners and occupants of the Residential Units and the Atlas Apartment and have been determined to be reasonable and fair by the Developer. Notwithstanding the above, with respect to each unit's common interest in the Project, the Residential Units and the Atlas Apartment shall each have an undivided percentage interest in the common elements of the Project as set forth in Exhibit C attached to the Second Amendment, and in all common profits and expenses of the Project and for all other purposes, including, without limitation, voting.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Sections 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

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 purchasers 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. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

HIDC PACIFICANA LLC, a Hawaii limited liability company  
Printed Name of Developer

By: Hawaiian Island Development Co., Inc., a Hawaii corporation  
Its Member

By: Peter Savio      4/17/07  
Duly Authorized Signatory\*      Date

Peter Savio, 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; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

**DESCRIPTION OF UNIT TYPES AND SIZES OF UNITS, BOUNDARIES OF  
THE UNITS, AND COMMON INTEREST**

1. Description of Unit Types and Sizes of Units.

The Project contains sixty-nine (69) residential units and one (1) commercial unit for a total of seventy (70) units. The units are configured into the following unit types, designated in the Declaration and on the Condominium Map. The different unit types are more particularly described as follows:

Types A and K: The Project contains seven (7) Type A units and six (6) Type K units, each of which shall have one bedroom, one bathroom, a living room, a kitchen and a lanai. The approximate net living area of each Type A and K unit is 490 square feet.

Types B and J: The Project contains seven (7) Type B units and six (6) Type J units, each of which shall be a studio type unit with no lanai. The approximate net living area of each Type B and J unit is 293 square feet.

Types C, D, G and H: The Project contains seven (7) units each of units designated as Type C, D, G and H, each of which shall have one bedroom, one bathroom, a living room, a kitchen and a lanai. The approximate net living area of each Type C, D, G and H unit is 510 square feet.

Type E: The Project contains seven (7) Type E units, each of which shall have two bedrooms, one bathroom, a living room, a kitchen and a lanai. The approximate net living area of each Type E unit is 627 square feet.

Type F: The Project contains seven (7) Type F units, each of which have two bedrooms, one bathroom, a living room, a kitchen and a lanai. The approximate net living area of each Type F unit is 641 square feet.

Type L: The Project contains one (1) Type L unit, which shall have one bedroom, one bathroom, a living room, a kitchen and no lanai. The approximate net living area of the Type L unit is 432 square feet.

Atlas Apartment Type: The Atlas Apartment consists of the entirety of the Atlas Building and contains an area of approximately 59,639 square feet.

2. Boundaries of the Units.

a. Residential Units. Each Residential Unit will have the number of rooms (exclusive of lanais), approximate net living floor area in square feet (exclusive of lanais), and approximate net lanai floor area in square feet, as set forth below. The approximate net living floor areas set forth below are based on measurements taken from the undecorated or unfinished interior surface of all perimeter walls as shown on the



Condominium Map, except that no reduction has been made to account for interior walls, ducts, vents, shafts and the like located within the perimeter walls. All approximate net lanai floor areas set forth below are based on measurements taken from the inner surfaces of all perimeter walls and boundaries of the lanai areas. All floor areas set forth below are not exact but are approximations based on the floor plans of each type of unit. All floor areas set forth below have also been rounded to the lowest full square foot where the approximations 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 below may not follow the designation of the limits of the units (the legally designated areas of the units) set forth below, and the floor areas set forth below may be different from the actual floor areas of the units as constructed.

Notwithstanding the floor areas set forth below and the manner in which such floor areas have been measured, the Residential Units shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, supports, roofs, and ceilings located within or at the perimeter of or surrounding such unit, 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 unit which are utilized for or serve more than one unit, all of which are deemed common elements as hereinafter provided. Each Residential Unit shall be deemed to include all of the walls and partitions which are not load-bearing and which are within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, and ceilings; all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces of each unit; all spaces, interior non-loadbearing partitions, and other fixtures and improvements within the boundaries of a unit; all glass windows, window frames, louvers (if any), shutters (if any), panels, doors and door frames along its perimeter, the lanais shown on the Condominium Map to the inner decorated or finished surfaces of the exterior perimeter walls of such lanais and to the exterior edge of the exterior railings or other boundaries of such lanais; and all of the fixtures and appliances (if any) originally installed therein.

b. Atlas Apartment. The Atlas Apartment shall be deemed to include the entirety of the Atlas Building, including, but not limited to (i) all interior and exterior surfaces, foundations, columns, girders, beams, floor slabs, supports, roofs, ceilings, perimeter and interior walls, perimeter and interior doors and door frames, windows and window frames, lanais, lobbies, decks, balconies, corridors, elevators and elevator shafts, stairways, walkways, entrances, exits and refuse facilities located within or for the exclusive use of such unit; (ii) all supporting fixtures and appliances in such unit; and (iii) all mechanical rooms, switchboard rooms, fan rooms, primary vaults, trash chutes and plenums and areaways, intake areaways, generators, all central and appurtenant installations for services such as power, lights, telephone, gas, hot and cold water lines, television and cable lines, sewage disposal and other utilities (including all pipes, ducts, wires, cables and conduits used in connection therewith), and all boilers, tanks, pumps,

motors, fans, ducts and other apparatus and installations existing for or in the Atlas Apartment for its exclusive use.

c. Access. Each Residential Unit will have immediate access to the walkways, corridors, stairways and/or elevators of the Pacificana Building which lead to the lobby areas and other common areas of the Project. The Atlas Apartment shall have immediate access to the grounds of the Project adjacent to South King Street.

3. Specific Identification of Units and Common Interest. The units are specifically identified below. The Residential Units which are designated for sale to owner-occupants only are indicated by an asterisk (\*):

Unit No.	Unit Type	BD/BA	Approx. Net Living (s.f.)	Approx. Net Lanai Area (s.f.)	Residential Units %Common Interest in Pacificana Bldg. Only	%Common Interest of all Units in Entire Project
401*	F	2BD/1BA	641	49	1.8520%	0.5442%
402*	E	2BD/1BA	627	49	1.8630%	0.5442%
403*	G	1BD/1BA	510	49	1.5890%	0.5442%
404*	D	1BD/1BA	510	49	1.5890%	0.5442%
405*	H	1BD/1BA	510	49	1.5890%	0.5442%
406*	C	1BD/1BA	510	49	1.5890%	0.5442%
407*	L	1BD/1BA	432	--	1.1890%	0.5442%
408*	B	Studio	293	--	0.8190%	0.5442%
410*	A	1BD/1BA	490	49	1.3590%	0.5442%
501	F	2BD/1BA	641	49	1.8520%	0.5442%
502	E	2BD/1BA	627	49	1.8630%	0.5442%
503	G	1BD/1BA	510	49	1.5890%	0.5442%
504	D	1BD/1BA	510	49	1.5890%	0.5442%
505	H	1BD/1BA	510	49	1.5890%	0.5442%
506	C	1BD/1BA	510	49	1.5890%	0.5442%
507	J	Studio	293	--	0.8190%	0.5442%
508	B	Studio	293	--	0.8190%	0.5442%
509*	K	1BD/1BA	490	49	1.3590%	0.5442%
510	A	1BD/1BA	490	49	1.3590%	0.5442%
601*	F	2BD/1BA	641	49	1.8520%	0.5442%
602*	E	2BD/1BA	627	49	1.8630%	0.5442%
603*	G	1BD/1BA	510	49	1.5890%	0.5442%
604*	D	1BD/1BA	510	49	1.5890%	0.5442%
605*	H	1BD/1BA	510	49	1.5890%	0.5442%
606*	C	1BD/1BA	510	49	1.5890%	0.5442%
607*	J	Studio	293	--	0.8190%	0.5442%
608*	B	Studio	293	--	0.8190%	0.5442%
609*	K	1BD/1BA	490	49	1.3590%	0.5442%
610*	A	1BD/1BA	490	49	1.3590%	0.5442%
701	F	2BD/1BA	641	49	1.8520%	0.5442%
702	E	2BD/1BA	627	49	1.8630%	0.5442%
703	G	1BD/1BA	510	49	1.5890%	0.5442%
704	D	1BD/1BA	510	49	1.5890%	0.5442%
705	H	1BD/1BA	510	49	1.5890%	0.5442%

**EXHIBIT A**

Unit No.	Unit Type	BD/BA	Approx. Net Living (s.f.)	Approx. Net Lanai Area (s.f.)	Residential Units %Common Interest in Pacificana Bldg. Only	%Common Interest of all Units in Entire Project
706	C	1BD/1BA	510	49	1.5890%	0.5442%
707	J	Studio	293	--	0.8190%	0.5442%
708	B	Studio	293	--	0.8190%	0.5442%
709	K	1BD/1BA	490	49	1.3590%	0.5442%
710	A	1BD/1BA	490	49	1.3590%	0.5442%
801*	F	2BD/1BA	641	49	1.8520%	0.5442%
802*	E	2BD/1BA	627	49	1.8630%	0.5442%
803*	G	1BD/1BA	510	49	1.5890%	0.5442%
804*	D	1BD/1BA	510	49	1.5890%	0.5442%
805*	H	1BD/1BA	510	49	1.5890%	0.5442%
806*	C	1BD/1BA	510	49	1.5890%	0.5442%
807*	J	Studio	293	--	0.8190%	0.5442%
808*	B	Studio	293	--	0.8190%	0.5442%
809*	K	1BD/1BA	490	49	1.3590%	0.5442%
810*	A	1BD/1BA	490	49	1.3590%	0.5442%
901	F	2BD/1BA	641	49	1.8520%	0.5442%
902	E	2BD/1BA	627	49	1.8630%	0.5442%
903	G	1BD/1BA	510	49	1.5890%	0.5442%
904	D	1BD/1BA	510	49	1.5890%	0.5442%
905	H	1BD/1BA	510	49	1.5890%	0.5442%
906	C	1BD/1BA	510	49	1.5890%	0.5442%
907	J	Studio	293	--	0.8190%	0.5442%
908	B	Studio	293	--	0.8190%	0.5442%
909	K	1BD/1BA	490	49	1.3590%	0.5442%
910	A	1BD/1BA	490	49	1.3590%	0.5442%
1001*	F	2BD/1BA	641	49	1.8520%	0.5443%
1002*	E	2BD/1BA	627	49	1.8630%	0.5443%
1003*	G	1BD/1BA	510	49	1.5890%	0.5442%
1004*	D	1BD/1BA	510	49	1.5890%	0.5442%
1005*	H	1BD/1BA	510	49	1.5890%	0.5442%
1006*	C	1BD/1BA	510	49	1.5890%	0.5442%
1007*	J	Studio	293	--	0.8190%	0.5442%
1008*	B	Studio	293	--	0.8190%	0.5442%
1009*	K	1BD/1BA	490	49	1.3590%	0.5442%
1010*	A	1BD/1BA	490	49	1.3590%	0.5442%
Residential Units Subtotal:					100.0000%	37.5500%
Atlas Apt	Atlas Apt	n/a	59,639	n/a	--	62.4500%
TOTAL:					100.0000%	100.0000%

**EXHIBIT A**  
Page 4 of 4

**PARKING STALLS**

Pursuant to the Project’s parking plan, the parking stalls assigned to the Residential Units in the Pacificana Building and the Atlas Apartment are described below. All parking stalls are covered.

1. Residential Units Parking Stalls

Unit No.	Parking Stall No(s).
401	1
402	2
403	3
404	4
405	5
406	6
407	7
408	8
410	9
501	10
502	11
503	12P*
504	13
505	14
506	15
507	16*
508	17
509	18P*
510	19
601	20
602	21P
603	22
604	23
605	24
606	25
607	26
608	27
609	28
610	29*
701	30*
702	31*
703	32
704	33
705	34
706	35

Unit No.	Parking Stall No(s).
707	36
708	37
709	38
710	39
801	40
802	41
803	42
804	43
805	44
806	45
807	46
808	47
809	48
810	49
901	50
902	51
903	52
904	53
905	54
906	55
907	56
908	57
909	58
910	59
1001	60
1002	61
1003	62
1004	63
1005	64
1006	65
1007	66
1008	67
1009	68
1010	69

2. Atlas Apartment Parking Stalls

Unit No.	Unit Type	BD/BA	Net Floor Area (s.f.)	Lanai Area (s.f.)	Parking Stall No(s).
Atlas Apt	Atlas Apt	n/a	59,639	n/a	<u>Regular Stalls:</u> 106-108, 109P, 110-114, 118, 119P, 120-124, 128-152, 162-191, 201-230  <u>CV Stalls:</u> 70-80, 83-89, 92-99, 103-105, 115-117, 125-127, 153-161, 192-200, 231-238  <u>CT Stalls:</u> 81, 82, 90, 91  <u>HC Stalls:</u> 100, 101, 102  2 Loading Stalls

Legend:

\*Low height clearance/narrow stalls

P = parallel stall

CV = commercial valet stall

CT = commercial tandem stall

HC = handicap accessible stall

## PERMITTED ALTERATIONS TO UNITS

Paragraph 19 of the Declaration states as follows:

19. **Alteration of the Project.** Except as otherwise provided in this Declaration or the Act or as otherwise required by law, neither the Association nor any unit owner shall perform any work that may jeopardize the soundness or safety of the Project, reduce the value thereof, or impair any easement, as reasonably determined by the Board. The owners of the Pacificana Apartment and the Atlas Apartment shall be permitted to repair, replace or rebuild such unit and make or install any improvements in and to their respective unit without the consent or joinder of the Board, the Association, or any unit owner. 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 unit 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 licensed architect and structural engineer, certifying that the plans showing such alterations accurately reflect such alterations, as built. Such amendment shall be signed by the Association or the unit owner, as the case may be, and approved by the Board or Declarant, and no consent or joinder of any other unit owner or person shall be required.

Except as otherwise provided in this Declaration, the Bylaws and the House Rules, if any, each unit owner shall be free, with the consent of all mortgagees of record of any interest in such unit owner's unit, to make such structural or non-structural alterations and improvements within such unit owner's unit or within or on the limited common elements appurtenant thereto, without the consent or joinder of the Board, the Association, any unit owner, Declarant or any other person.

**COMMON ELEMENTS AND LIMITED COMMON ELEMENTS**

A. Section 5 of the Declaration provides as follows:

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 units and all other common elements mentioned in the Act which are actually included in the Project, including specifically, without limitation:

a. The Land in fee simple.

b. The Basement, Sub-Basement and Entry Levels of the Parking Area as depicted on the Condominium Map (as described in Section 27, the Basement, Sub-Basement and Entry Levels are collectively referred to as the “Shared Parking Area”).

c. All driveways, loading areas, entryways and exitways within the Shared Parking Area, and the bicycle/motorcycle parking area located on the Basement level of the Shared Parking Area, as shown on the Condominium Map.

d. All parts of the Project necessary or convenient to its existence, maintenance, safety and utility services, and normally in each building for common use and not for the exclusive use of any unit, if any.

e. The two (2) security gates, and the two (2) enterphones located on the Entry level of the Parking Area.

f. The limited common elements described below.

B. Section 6 of the Declaration, as amended by the First and Second Amendments, provides as follows:

a. **Limited Common Elements Appurtenant to the Atlas Apartment.**

(i) All yards, grounds, planters, planting areas and landscaping on the South King Street side of the Project shall be appurtenant to and for the exclusive use and enjoyment of the Atlas Apartment.

(ii) The Atlas Apartment shall have appurtenant to it and have the exclusive use of the two (2) loading stalls and two (2) CT stalls located on the Entry level of the Shared Parking Area, the two (2) CT stalls

**EXHIBIT D**

Page 1 of 4

located on the Sub-Basement level of the Shared Parking Area, and the twenty-six (26) CV stalls located within the Shared Parking Area, and as shown on the Condominium Map and designated on **Exhibit B** attached to the Declaration and on **Exhibit B-1** attached hereto (“the Atlas Stalls”).

(iii) The Atlas Apartment shall have appurtenant to it and have the exclusive use of the following: the booster pump room and two (2) sump pumps located on the Basement level of the Shared Parking Area; the pump rooms and rooms designated “CA” on the Entry Level of the Shared Parking Area; the sump pump and exhaust fans on the Sub-Basement Level of the Shared Parking Area; and all storage rooms and spaces and/or areas designated “CA” that are located in the Shared Parking Area; all as shown on the Condominium Map.

b. Limited Common Elements Appurtenant to all Residential Units in the Pacificana Building. The limited common elements that are appurtenant to all of the Residential Units in the Pacificana Building shall hereinafter be referred to as “the Pacificana Limited Common Elements,” and are as follows:

(i) All yards, grounds, planters, planting areas and landscaping on the Young Street side of the Project shall be appurtenant to and for the exclusive use of all of the Residential Units.

(ii) Subject to Section 27 below, the sixty-nine (69) regular stalls numbered 1 to 69 (some of which are also designated with the letter “P” to indicate a parallel stall and/or an asterisk (\*) to indicate a low height / narrow clearance stall) and located within the Shared Parking Area as shown on the Condominium Map and designated on **Exhibit B-1** attached hereto (“the Pacificana Stalls”), located on the Entry level of the Parking Area shall be appurtenant to and for the exclusive use of the Residential Units.

(iii) The transformer vault room and drain gutters located on the Entry level of the Shared Parking Area and the storage areas designated “PS” on the 1<sup>st</sup> Floor and 3<sup>rd</sup> Floor of the Parking Area shall be appurtenant to and for the exclusive use of the Residential Units.

(iv) To the extent that the following limited common elements are not appurtenant to and for the exclusive use of a specific Residential Unit in the Pacificana Building, they shall be deemed a part of the Pacificana Limited Common Elements: (a) the entirety of the Pacificana Building, including but not limited to, all interior and exterior surfaces, foundations, columns, girders, beams, floor slabs, supports, roofs, ceilings, perimeter and interior walls, perimeter and interior doors and door frames,

**EXHIBIT D**

Page 2 of 4



windows and window frames, lanais, lobbies, decks, balconies, corridors, elevators and elevator shafts, stairways, walkways, entrances, exists and refuse facilities located within or for the common use of the Residential Unit owners, (b) all supporting fixtures and appliances in the Pacificana Building, and (c) all mechanical rooms, switchboard rooms, fan rooms, primary vaults, trash chutes and plenums and areaways, intake areaways, generators, all central and appurtenant installations for services such as power, lights, telephone, gas, hot and cold water lines, television and cable lines, sewage disposal and other utilities (including all pipes, ducts, wires, cables and conduits used in connection therewith), and all boilers, tanks, pumps, motors, fans, ducts and other apparatus and installations existing for or in the Pacificana Building for the Residential Unit owners' common use.

c. Limited Common Elements Appurtenant to Specific Residential Units. The limited common elements that are appurtenant to and for the exclusive use of specific Residential Units of the Pacificana Building, but not all of the Residential Units, are as follows:

(i) The lanai immediately adjacent to each Residential Unit shall be appurtenant to and for the exclusive use and enjoyment of the adjacent unit as shown on the Condominium Map.

(ii) The mailbox corresponding to the unit number of each Residential Unit, such mailbox being located in the lobby of the Pacificana Building, as shown on the Condominium Map.

(iii) Any chute, flue, duct, wire, conduit, or any other fixture which lies partially within and partially outside the designated boundaries of a Residential Unit serving only that unit is a limited common element appurtenant solely to that Residential Unit.

(iv) Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, lanais, patios, and all exterior doors and windows or other fixtures designed to serve a single Residential Unit, but that are located outside the unit's boundaries, are limited common elements appurtenant exclusively to that Residential Unit.

d. Other Limited Common Elements.

(i) All sewer lines, electrical equipment, pipes, conduits, cables, wiring, utility yards and equipment, and other central and appurtenant transmission facilities and installations on, over, under and across the Project for such services as electricity, water, gas, cable

#### **EXHIBIT D**

Page 3 of 4

television, sewer, refuse, telephone, radio and television signal distribution which serve less than all units shall be appurtenant to the unit they serve.

(ii) Any and all other apparatus and installations existing for common use, such as tanks, pumps, motors, air-conditioners, fans, compressors, water heaters and, in general, all other parts of the Project necessary or convenient to its existence, maintenance and safety, and normally in common use which are not part of any unit and serve less than all of the units, shall be appurtenant to the unit they serve.

(iii) The common elements of the Project which are rationally related to less than all of said units shall be deemed limited common elements, and such limited common elements shall be limited to use by only those units benefiting from the same.

**EXHIBIT D**

Page 4 of 4

**ENCUMBRANCES AGAINST TITLE**

The encumbrances against title appearing in the Preliminary Report dated March 9, 2007, prepared by Title Guaranty of Hawaii, Inc. are as follows:

1. Real property taxes that may be due and owing. Check with the County Tax Assessor's office.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Any unrecorded leases and matters arising from or affecting the same.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.
5. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described herein.

**NOTE:** Since the issuance of the Preliminary Report, Developer represents that the following have been recorded as encumbrances against title, as noted in Section 3.2 on page 10 of this Public Report:

- a. The terms and provisions contained in the following:

INSTRUMENT	:	DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "PACIFICANA ATLAS" CONDOMINIUM PROJECT
DATED	:	April 4, 2007
RECORDED	:	Document No. 2007-066845
MAP	:	4429 and any amendments thereto

The foregoing was amended by First Amendment to Declaration of Condominium Property Regime of Pacificana Atlas dated April 12, 2007, recorded as Document No. 2007-067733, and Second Amendment to Declaration of Condominium Property Regime of Pacificana Atlas dated June 1, 2007, recorded as Document No. 2007-099818.

- b. The terms and provisions contained in the following:

INSTRUMENT	:	BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF PACIFICANA ATLAS
DATED	:	April 12, 2007
RECORDED	:	Document No. 2007-066846

**DEVELOPER'S RESERVED RIGHTS TO MAKE CHANGES TO THE  
CONDOMINIUM PROJECT OR CONDOMINIUM DOCUMENTS**

1. Pursuant to Paragraph 21 of the Declaration, as amended, Developer reserves the right to amend the Project documents as follows:

[A]t any time prior to the issuance of an effective date for the Public Report by the Real Estate Commission of the State of Hawaii, Developer may amend this Declaration and the Bylaws in any manner and provided, further, that no amendment of the Declaration, the Bylaws, the House Rules or Condominium Map shall, without Developer's prior written consent, limit, affect or impair the reserved rights of Developer under this Declaration[.]

. . . Notwithstanding the foregoing and notwithstanding the sale and conveyance of any of the units, this Declaration (including the Bylaws and, when applicable, the Condominium Map) may be amended by Developer (a) by filing the certification of a licensed architect, engineer or surveyor (with plans, if applicable) required by Section 514B-34 of the Act, certifying that the Condominium Map theretofore recorded, or being recorded simultaneously with such statement, fully and accurately depicts the layout, location, boundaries, dimensions and numbers of the units substantially as built; or (b) to effect any change or amendment required by an agency of any county, state or federal government or by any territory, possession, or foreign country or other foreign jurisdiction or a mortgagee of the fee or leasehold interests in the Land as a condition to governmental approvals, marketing the Project or making a loan to finance the construction and/or the sales of the Project.

2. At any time prior to the conveyance of all of the units in the Project to persons other than Developer or any mortgagee of Developer, Developer reserves the right to modify the Project Documents as may be required by law, the Real Estate Commission, a title insurance company, an institutional mortgagee or any governmental agency and for such other purposes as set forth in paragraph E.17 of the Sales Contract, provided, however, that any such modification shall be subject to the Buyer's right to rescind only in the event such change is a "material change" pursuant to paragraph E.18 of the Sales Contract and to Section 514B-87 of the Condominium Act.

**SCHEDULE OF ANNUAL MAINTENANCE FEES AND  
MONTHLY ESTIMATED MAINTENANCE FEES FOR  
THE RESIDENTIAL UNITS**

BUDGET - 2006

REVENUE	PROJECTED 2006		2006	
	MONTHLY	ANNUAL	BUDGET	
MAINTENANCE FEE	22,125	0	265,500	
LATE FEES	0	250	250	
INTEREST	10	0	120	
<b>TOTAL REVENUE</b>	<b>22,135</b>	<b>250</b>	<b>265,870</b>	
<b>DISBURSEMENTS</b>				
BUILDING REPAIRS	0	2,400	2,400	hallway walls /minor repair
ELECTRICAL&LIGHTING	0	360	360	light bulbs/ replace fixtures
EQUIPMENT / REPAIR	0	360	360	water heater
FLOOR COVERING	0	360	360	Repair hallway carpet and cove base
CARPET CLEANING	0	2,400	2,400	shampoo common areas
GROUNDS	0	240	240	fertilizer/supplies/tools
LOCKS AND KEYS	0	180	180	common area locks
PAINTING	0	500	500	hallways, lobby, supplies
PEST CONTROL	115	0	1,380	monthly contract
PLUMBING	350	0	4,200	common area, sewer, water
POOL	0	750	750	chemicals/misc
ROOF REPAIR	0	0	0	misc
SIGNS	0	120	120	misc
SUPPLIES AND TOOLS	0	653	653	Misc supplies
WINDOW REPAIR	0	240	240	lobby windows
MISC-OPERATING EX	600	0	7,200	
OFFICE EXPENSES	100	0	1,200	XEROX/POSTAGE/MISC
ELEVATOR	1,350	0	16,200	Contract
JANITORIAL	1,450	0	17,400	Mon - Fri P/T
FIRE CONTROL	0	660	660	fire contract/valve replacement
SECURITY	600	0	7,200	Res Mgr
GAS	1,425	0	17,100	estimate
ELECTRICITY	5,675	0	68,100	estimate
REFUSE	0	9,000	9,000	Contract
WATER & SEWAGE	3,900	0	46,800	estimate
TELEPHONE	0	900	900	security/elevator phones
INSURANCE	0	9,000	9,000	
GENERAL EXCISE TAX	0	11	17	
MANAGEMENT FEES	850	0	10,200	
AUDIT	0	750	750	
<b>TOTAL DISTRIBUTION</b>	<b>16,415</b>	<b>28,884</b>	<b>225,870</b>	
<b>RESERVE</b>	<b>3,333</b>	<b>0</b>	<b>40,001</b>	
<b>NET ROLLOVER</b>			<u><u>(0)</u></u>	

Monthly Estimated Maintenance Fees for Each Unit:

1. Unit Types A and K shall have an estimated monthly maintenance fee of \$300.68.
2. Unit Types B and J shall have an estimated monthly maintenance fee of \$181.20.
3. Unit Types C, D, G and H shall have an estimated monthly maintenance fee of \$351.57.
4. Unit Type E shall have an estimated monthly maintenance fee of \$412.19.
5. Unit Type F shall have an estimated monthly maintenance fee of \$409.76.
6. Unit Type L shall have an estimated monthly maintenance fee of \$263.07.

Unit Owner's Obligation to Start Paying Maintenance Fees

Unit owners, including Developer, shall become obligated for the payment of their share of common expenses allocated to the owner's unit at the later of (a) the time a temporary or permanent certificate of occupancy relating to the owner's unit is issued by the Department of Planning and Permitting of the City and County of Honolulu, or (b) a Unit Deed is recorded in favor of the unit owner, conveying fee simple title of the unit to such owner.

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

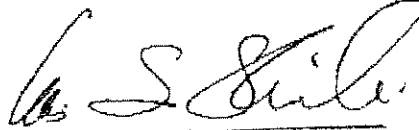
**CERTIFICATE**

The undersigned, as Managing Agent of the PACIFICANA ATLAS condominium project (the "Project"), hereby certifies as follows:

1. That I am the President of CEN PAC Properties, Inc., a Hawaii corporation.
2. That the breakdown of the estimated annual maintenance charges and the monthly estimated cost for each unit in the Project as set forth above are reasonable estimates for the one-year period commencing January 1, 2006, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, 19 Mar 07.

CEN PAC PROPERTIES, INC.  
a Hawaii corporation

By:   
Louis Shiraishi  
Its President

## SUMMARY OF SALES CONTRACT

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

1. The Contract will not become binding upon Seller and Buyer unless and until: (a) Buyer has receipted for or is deemed to have receipted for the Public Report for the Project for which an effective date has been issued by the Real Estate Commission, which shall include the Public Report itself, the recorded Declaration and Bylaws, House Rules, Condominium Map, and all amendments (collectively, "the Public Report"), and a Notice of Right to Cancel Sales Contract; and (b) Buyer has waived or is deemed to have waived Buyer's right to cancel the Contract as more particularly provided in Section 514B-86 of the Act. Buyer may cancel the Contract at any time up to midnight of the thirtieth (30<sup>th</sup>) day after the Public Report is delivered to Buyer. Buyer may waive Buyer's right to cancel, or shall be deemed to have waived Buyer's right to cancel, by (i) checking the waiver box on the Notice of Right to Cancel Sales Contract and delivering it to Seller, (ii) letting the 30-day period expire without taking any action to cancel, or (iii) closing the purchase of the Unit before the cancellation period expires.

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

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

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

5. Buyer shall, prior to or within three (3) business days from the date of execution of the Contract, apply for mortgage financing.

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

7. Buyer shall pay for all closing costs, including, without limitation, the cost of drafting the Unit Deed and the cost of the acknowledgments thereof; recording fees; the State of Hawaii conveyance tax; the escrow fees; the cost of obtaining financing or a financing commitment for any portion of the purchase price and all expenses incident thereto; the expense

### EXHIBIT H



of credit reports; preparation of all of Buyer's mortgage documents (which costs shall be paid directly to Buyer's mortgagee and shall in no event be reimbursed by Seller); any costs incurred for Buyer's title insurance; any costs and fees otherwise required to be paid by Buyer in the Contract, including maintenance fees and start-up fees; and any cost incurred by Buyer or Seller as a result of Buyer's requesting changes in a document after Buyer has been given notice by the Escrow Agent that such document will be prepared. Buyer shall also pay for any attorneys' fees and costs incurred by Seller in connection with any failure by Buyer to timely pre-close and close as set forth herein and otherwise perform all obligations of Buyer as set forth herein.

8. The final closing date is as described in the Contract.

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

10. Buyer's right to inspect the Project documents, inspect the Unit and have delivery of possession are as more particularly described in the Contract.

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

12. After the Effective Date of the Contract, 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 Unit or appurtenant limited common elements, or (b) amenities of the Project available for Buyer's use; provided that such material changes shall not include any additions, deletions, modifications or reservations allowed pursuant to the terms of the Contract, the Declaration or the Bylaws. Waiver of such right is governed more specifically by the terms of the Contract.

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

14. The execution, delivery and recordation of Buyer's Unit Deed shall constitute the assignment by Seller to Buyer of any and all warranties given to Seller by the contractors for the Project, if any, including, without limitation, any warranty of materials and workmanship against faulty or deficient materials and installation. The benefit of such warranties, if any, shall accrue to Buyer on closing without further instruments or documents. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE

CONSTRUCTION WITH RESPECT TO THE UNIT, THE PROPERTY, ANY COMMON ELEMENT, LIMITED COMMON ELEMENT, OR ANYTHING INSTALLED THEREIN.

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

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

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

## SUMMARY OF ESCROW AGREEMENT

A copy of the Escrow Agreement between the Seller and Title Guaranty Escrow Services, Inc. ("Escrow") has been submitted to the Real Estate Commission. The Escrow Agreement, among other things, covers in more detail the following items:

1. As and when Seller shall enter into a sales contract ("Sales Contract") for the conveyance of a unit or other interest in the Project, it shall require the payments of deposits due thereunder to be promptly made to Escrow. Seller shall deliver an executed copy of the Sales Contract to Escrow together with the name(s) and address(es) of the Buyer as noted on the Sales Contract or otherwise as updated by the Buyer with Seller as being Buyer's last known address.

2. Escrow shall receive, deposit and hold in separate escrow accounts and disburse as set forth in the Escrow Agreement: (a) all payments received by it under the Sales Contracts, (b) such sums received by it under the Escrow Agreement from or for the account of Seller, and (c) all sums received by it from any other source with respect to the Project. Escrow shall not at any time commingle or permit the commingling of any buyer's funds belonging to or held for the benefit of Seller. All funds and instruments received from buyers or prospective buyers shall be held by Escrow in accordance with the provisions contained in Chapter 514B of the Hawaii Revised Statutes. All monies received by Escrow hereunder shall be deposited, within a reasonable time of the receipt by Escrow an in reasonably convenient and practical sums, in a trust fund with a bank, savings and loan or trust company authorized to do business in the State of Hawaii under an escrow arrangement, and shall be held in immediately available funds in accordance with the terms of the Escrow Agreement.

3. Notwithstanding anything in the Escrow Agreement to the contrary, Escrow shall make no disbursements of buyers' funds or proceeds from the reservation of or sale of units in the Project (including any payments made on loan commitments from lending institutions), except by way of refunds thereof as provided in the Escrow Agreement, or for payment of project costs as provided in the Escrow Agreement, until (a) Seller has obtained an effective date for the Public Report for the Project, (b) buyer has waived any right to cancel or rescind the Sales Contract, (c) Seller shall have given Escrow a written waiver of any option reserved by Seller to cancel any Sales Contract, and (d) Seller shall have delivered to Escrow a certification that (i) all conditions contained in the Escrow Agreement that must be met prior to disbursement of purchaser funds have been satisfied, (ii) all sales contracts delivered to Escrow are binding upon buyers, and (iii) no circumstances exist (at the time of the certification) that would permit a buyer to cancel or rescind the sales contract.

4. Each buyer shall be entitled to a return of his or her funds, without interest, unless otherwise provided in the Escrow Agreement, and Escrow shall pay such funds to such buyer, promptly after request for return by the buyer, if one of the following has occurred: (a) Seller and Buyer shall have requested Escrow in writing to return to Buyer the funds of Buyer held hereunder by Escrow, (b) Seller shall have notified Escrow of Buyer's exercise of Buyer's right to cancel the Sales Contract

### EXHIBIT I

pursuant to Section 514B-86, HRS, (c) Seller shall have notified Escrow of Seller's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller, or (d) Seller shall have notified Escrow of Buyer's right to cancel the Sales Contract pursuant to Section 514B-87, HRS, by a valid rescission signed by all buyers of the affected unit and postmarked no later than midnight of the 30<sup>th</sup> calendar day after the date that buyers received the notice of rescission from Seller. Upon the cancellation of any Sales Contract as specified above, Escrow shall be entitled to a cancellation fee up to a maximum of \$250, plus all costs incurred by Escrow, which shall be paid by the Buyer unless otherwise provided in the Escrow Agreement.

5. Except as otherwise provided by law, Escrow shall give each buyer entitled to a return of his or her funds notice thereof by certified or registered mail, addressed to such buyer at his address shown on the Sales Contract or any address later made known to Escrow by such buyer. If such buyer shall not have claimed such refund within sixty (60) days from the date said notice is mailed, Escrow shall deposit such funds into a special account in a bank or other depository selected by Escrow in the name of Seller, as trustee for the benefit of such buyer. After having sent Seller written notice of the foregoing acts, Escrow shall thereupon be released from further liability hereunder with respect to such funds and such buyer.

6. If the Buyer fails to make any payment on or before the due date thereof or if the Buyer does or fails to do any act that would constitute an event of default under the Sales Contract Escrow shall promptly give to such buyer and to Seller, written notice of default. If the Buyer has failed to cure the default after the delivery of notice by Escrow and such default continues after the expiration of any grace period, Escrow shall so advise Seller. If Seller shall thereafter certify in writing to Escrow that (a) Seller has elected to terminate the Sales Contract and has notified the Buyer, or (b) that Buyer is otherwise in default, then, and in either event, Escrow, subject to the provisions relating to dispute and conflicting demands set forth in the Escrow Agreement, shall thereafter treat all funds of the Buyer paid under such Sales Contract, less Escrow's cancellation fee, as funds of Seller and not of the Buyer. Thereafter, such funds shall be held free of the escrow established by the Escrow Agreement and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such funds (less Escrow's cancellation fee).

ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS AND ANY SUPPLEMENTS 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.

**EXHIBIT I**

Page 2 of 2

**PACIFICANA ATLAS CONDOMINIUM PROJECT  
REGISTRATION NO. 6300**

**DISCLOSURE ABSTRACT OF THE PACIFICANA DEVELOPER  
AS OF JUNE 4, 2007**

This disclosure abstract is made by HIDC Pacificana LLC, a Hawaii limited liability company (“the Pacificana Developer”), as the owner of the Pacificana Apartment in the Pacificana Atlas condominium project (“the Project”). The Project was created and established by that certain Declaration of Condominium Property Regime of Pacificana Atlas dated April 4, 2007, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2007-066845 (“the Declaration”). The Pacificana Developer has since exercised its right to subdivide the Pacificana Apartment into sixty-nine (69) individual condominium units (“the Residential Units”), incorporate such Residential Units into the Project, and to designate portions of the Pacificana Apartment as common elements and limited common elements of the Project by recording that certain First Amendment to the Declaration of Condominium Property Regime of Pacificana Atlas dated April 12, 2007, in said Bureau as Document No. 2007-067733 (“the First Amendment”), and that certain Second Amendment to Declaration of Condominium Property Regime of Pacificana Atlas dated June 1, 2007, as Document No. 2007-099818 (“the Second Amendment”). This disclosure abstract describes the legal status of the Project, including the common elements and all units therein, as of the date of the recording of the Second Amendment and the physical condition of the Project as of the date hereof.

1.     **Project:**                             Pacificana Atlas  
   1125 Young Street at 1150 South King Street  
   Honolulu, Hawaii 96814
  
2.     **Pacificana Developer:**         HIDC Pacificana LLC  
   931 University Avenue, Suite 105  
   Honolulu, Hawaii 96826  
   (808) 946-3224
  
3.     **Managing Agent:**                CEN PAC Properties, Inc.  
   1150 South King Street, Suite 1101  
   Honolulu, Hawaii 96814  
   (808) 593-2902
  
4.     **Maintenance Fees for Residential Units:** The breakdown of the estimated annual maintenance fees and the estimated monthly fees for each Residential Unit in the Pacificana Building, which represents the common expenses of the Project allocated to each Residential Unit, are set forth in Exhibit G attached to this Public Report. Generally, the maintenance fee estimate is a projection of what individual unit owners will be required to contribute toward the maintenance and upkeep of the Project on a monthly basis. Such estimates are based in part upon an analysis of the physical and financial status of the Project as described in that certain 2007 Reserve Study for Pacificana Atlas dated March 5, 2007, prepared by

**EXHIBIT J**

Armstrong Consulting, Inc. attached hereto as **Exhibit 1** (“Reserve Study”). The Reserve Study reflects the additional common elements and limited common elements that were formerly part of the Pacificana Apartment and within the Pacificana Building which were added to the Project by the First Amendment. The Developer advises that the maintenance fees of a condominium project are difficult to estimate prior to actual operation of the Project and even if maintenance fees have been accurately estimated, such fees will tend to increase in an inflationary economy and as the improvements age. The estimated maintenance fees and monthly fees for each Residential Unit are based on information available to the Developer and the Managing Agent and are subject to revision based on actual costs for items enumerated. Maintenance fees can vary depending on services desired by unit owners. Each buyer should check the maintenance fee schedule in **Exhibit G** to see what services are included therein.

5. **Project Description.**

a. **Generally.** The Project consists of two (2) buildings, designated as the Pacificana Building and the Atlas Building, both of which are constructed primarily of concrete masonry. The Pacificana Building contains ten (10) stories, beginning with the 1st Floor and ending with the 10th Floor. The Atlas Building contains twelve (12) stories with a penthouse at the roof level, beginning with the 1st Floor and ending with the Penthouse. There is also a multi-level parking garage which connects the Atlas Building and the Pacificana Building further described below.

The Project contains a total of seventy (70) units (“the units”), sixty-nine (69) of which are intended for residential use (“the Residential Units”), and one (1) of which is intended for commercial use. The units are more particularly described in **Exhibit B-1** attached to the First Amendment, and their permitted uses are more particularly described in the Declaration. All sixty-nine (69) Residential Units are located in the Pacificana Building. The Atlas Building is designated in its entirety as one (1) commercial unit known as the “Atlas Apartment.”

b. **Parking Area.** A common parking area is located partially within the Pacificana Building and partially within the Atlas Building and connects the two buildings (“the Parking Area”). The Parking Area contains a total of one hundred seventy (170) standard stalls, three (3) handicap accessible stalls, sixty-one (61) commercial valet (“CV”) stalls, four (4) commercial tandem (“CT”) stalls, two (2) loading stalls and a bicycle and motorcycle parking area. All parking stalls in the Parking Area shall be reserved for use by the unit owners pursuant to such parking stall assignments and rules governing use as provided in the Declaration, as shall be determined from time to time by the Board of Directors of the Association of Unit Owners of Pacificana Atlas (“the Board”), and as further described in Section 27 of the Declaration (“the Parking Plan”).

6. **Units.** Each unit in the Project is designated as a separate freehold estate. The units are more particularly described in the Declaration, and are shown on the Condominium Map; provided, however, that should the descriptions and divisions set forth in the Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control; provided, further, that the Condominium Map is intended only to show the

**EXHIBIT J**

layout, location, unit numbers and dimensions of the units and elevations of the buildings and is not intended to contain any other representation or warranty.

a. Residential Unit Types. As shown on the Condominium Map, there are eleven (11) Residential Unit types, designated from A through H, and K through L. Types A, C, D, G, H, K and L contain one (1) bedroom and one (1) bathroom. Types E and F contain two (2) bedrooms and one (1) bathroom. Types B and J are studio-type apartments which contain no bedrooms and one (1) bathroom. Type L is located only on the 4th Floor of the Pacificana Building. Types D and H are reverse floor plans of Types C and G, and Type K is a reverse floor plan of Type A. The location, unit number, unit type, net living area, net lanai area, and number of bedrooms and bathrooms for each of the Residential Units are shown on the Condominium Map and are set forth in Exhibit B-1 attached to the First Amendment.

b. Atlas Apartment Type. The Atlas Apartment consists of the entirety of the Atlas Building. The Atlas Apartment has an entry located on the 1st Floor facing South King Street. The Condominium Map indicates that the 1st Floor has a total of three (3) commercial spaces (Suites 101, 102 and 103), an exterior entry area, a lobby area, an elevator lobby and elevator stop, a vending machine area, a restroom, an electrical room, two (2) interior stairways leading from the 1st Floor to the Mezzanine Floor, and one (1) interior stairway leading from the 1st Floor to the Mezzanine level of the Parking Area. The elevator lobby on the 1st Floor is adjacent and leads to the 1st Floor level of the Parking Area. The Mezzanine Floor has a total of two (2) commercial spaces (Suites 101-M and 102-M), a mechanical room, a storage closet, and stairs leading from the Mezzanine Floor to the 1st Floor. Suite 102-M is adjacent to the Mezzanine level of the Parking Area. The 2nd Floor has one (1) commercial space (Suite 201), an elevator lobby and elevator stop, a janitorial closet, a mens' restroom, a womens' restroom, a corridor leading to the entryways of Suite 201, an air conditioner room, an electrical room, a vestibule and two (2) interior building stairways. The 3rd Floor contains one (1) commercial space (Suite 301), an elevator lobby and elevator stop, a janitorial closet, a mens' restroom, a womens' restroom, a corridor leading to the entryways of Suite 301, an air conditioner room, an electrical room, a vestibule and two (2) interior building stairways. The 3rd Floor of the Atlas Building contains one (1) commercial space (Suite 301), an elevator lobby and elevator stop, a janitorial closet, a mens' restroom, a womens' restroom, a corridor leading to the entryways of Suite 301, an air conditioner room, an electrical room, a vestibule and two (2) interior building stairways. The 4th through the 11th Floors have identical floor plans and a typical floor contains one (1) commercial space, an elevator lobby and elevator stop, a janitorial closet, a mens' restroom, a womens' restroom, a corridor leading to the entryways of that floor's space, an air conditioner room, an electrical room, a vestibule and two (2) interior building stairways. The 12th Floor contains one (1) commercial space (Suite 1201), an elevator lobby and elevator stop, a janitorial closet, a mens' restroom, a womens' restroom, a corridor leading to the entryways of Suite 1201, an air conditioner room, an electrical room, a vestibule and two (2) interior building stairways. The Penthouse contains one (1) commercial space (Penthouse Suite), an elevator shaft room, a mechanical room, a service entrance leading to Suite 1201, a janitorial closet, a mens' restroom, a womens' restroom and ante room, a kitchen, a vestibule and two (2) interior building stairways.

## **EXHIBIT J**

7. **Construction Detail.** According to the structural engineer's report attached hereto as **Exhibit 5**, the Pacificana Building is a poured in place reinforced concrete structure. The building is supported on individual spread foundations. The Sub-Basement level consists of a 4" thick poured in place concrete slab reinforced with welded wire fabric. A typical parking deck consists of 4.5" thick poured in place reinforced concrete slab supported by pre-stressed concrete joists spaced at 6'-6" oc. The joists are supported by poured in place reinforced concrete beams. The 4<sup>th</sup> floor is 5.5" thick poured in place one way reinforced concrete slab with concrete girders running along the length of the tower along column lines. The pool deck is 6" thick reinforced concrete two way slab. The typical floors and roof consists of 5.5" thick flat plate slab spanning 10' x 19' bays.

According to the structural engineer's report attached hereto as **Exhibit 9**, the Atlas Building is a poured in place reinforced concrete structure. The building is supported on individual spread foundations. The Basement level consists of a 4" thick poured in place concrete slab reinforced with welded wire fabric. The building framing consists of reinforced concrete columns and beams for carrying the gravity loads. The lateral loads for the building are carried by perimeter shear walls, stair well core and elevator shafts. The mezzanine level of the building is framed with steel members and metal deck with concrete topping. A typical parking deck consists of 4.5" thick poured in place reinforced concrete slab supported by pre-stressed concrete joists spaced at 6'-6" oc.

8. **Compliance with Building Code.** According to a letter from the Department of Planning and Permitting of the City and County of Honolulu ("DPP") dated January 2, 2007 ("the DPP Letter"), investigation revealed that the 13-story with basement office building (i.e., the Atlas Building), the 10-story 69-unit with basement apartment building (i.e., the Pacificana Building), and the multi-level parking structure with 155 all-weather-surface off-street parking spaces met all applicable code requirements when they were constructed in 1966 on the underlying 27,592 square foot BMX-3 Community Business District zoned lot. No variances or other permits were granted to allow deviations from any applicable codes. A copy of the DPP Letter is attached hereto as **Exhibit 2**.

Based on professional third party property condition reports concerning the condition of the buildings, the Pacificana Developer believes that the buildings are in such condition as are consistent with their age. Notwithstanding anything to the contrary contained herein, the Pacificana Building, the Atlas Building, and any fixtures, appliances and electrical and plumbing equipment included within the respective units and limited common elements appurtenant thereto will be sold "AS IS" WITH ALL FAULTS, and neither the Pacificana Developer nor any of its affiliates or representatives, make any warranties, express or implied, as to their working order and condition. All recommended work described therein will be the responsibility of the owner of the units therein and not that of the Pacificana Developer or any other party. The owners of the units, by the acceptance of such owners' unit deeds, shall be deemed to have accepted the building conditions described above and agreed that, except as otherwise set forth herein, neither the Pacificana Developer nor any of their affiliates or representatives, shall be responsible for changing any nonconforming conditions.

## **EXHIBIT J**



The Pacificana Developer disclaims any warranties, either express or implied, including any implied warranty of habitability, merchantability or fitness for a particular purpose, with respect to the Project, the buildings or the units or anything installed or contained therein. Neither the Pacificana Developer nor its affiliates or representatives will be liable to the Association or the unit owners for any construction or other defects (including any latent or hidden defects in the Project, the units or anything installed or contained therein) or for any other aspects of the Project, the units or anything installed or contained therein. This means that neither the Association nor the unit owners will have the right to file any lawsuit for damages against the Pacificana Developer or its affiliates or representatives for any defects or other matters later discovered by the Association or the unit owners.

9. **Warranties:** The Pacificana Developer cannot determine whether the Project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes. The Pacificana Developer does not give any warranties or assurances that the units can be expanded or that variances are obtainable from the City and County of Honolulu for any proposed improvements. The Project, the units and anything installed or contained therein are being sold as "AS IS" condition "WITH ALL FAULTS" by the Pacificana Developer, without any warranties whatsoever, express or implied. Article IV, Section D.1 of Addendum "B" to the Deposit Receipt and Sales Contract used in connection with the Project provides, in part, as follows:

1. **Seller Makes No Warranties or Promises.** Buyer acknowledges that Seller is not the original developer of the project and was not involved in (and is not responsible for) the planning or construction of the project. Buyer further acknowledges that the buildings were substantially completed in 1966, and that the Pacificana Building has been used over the years primarily for residential purposes, and that the Atlas Building has been used over the years primarily for office and commercial purposes. Buyer understands and agrees that the Buyer's residential unit is being sold "as is, where is" with all faults and that Seller makes no warranties or promises of any kind, express or implied, about the unit, the property or the project (including the common elements of the project), or about any furnishings, fixtures, appliances or other consumer products or anything else installed, attached, affixed or otherwise contained in the unit, the property or the project (including the common elements of the project), including any warranties or promises of "merchantability", "workmanlike construction" or "fitness for a particular use or purpose".

Without limiting the generality of any of the foregoing, Seller makes no warranties or promises: (a) that the project or any improvements in the unit, the property or the project (including the common elements) will be free from cracks in, or other damage to, the concrete or other building materials; (b) regarding the value of the project or the personal property; (c) regarding the physical or environmental condition of the project, including, without limitation, any deferred maintenance at the project; or (d) regarding the suitability, conformance, compliance or lack of compliance of the project with any state, federal, county or local law, code, ordinance, order, permit, administrative requirement, or regulation, including, without limitation, those related to the consolidation and subdivision of land, the

## **EXHIBIT J**

operation and use of the project and accessibility of the project by persons with disabilities. In other words, Seller makes no warranties or promises at all.

Buyer for itself and its successors, heirs and assigns, releases Seller and its affiliates, and their and each of their respective past, present and future members, managers, directors, officers, employees, shareholders, trustees, agents, and each of their respective successors and assigns from and waives any claim, action or liability which arises from or relates to any latent or patent defect in the project or the apartment, known or unknown, which exists now or in the future, or which arises from or relates to any lack of compliance of the project with any state, federal, county or local law, code, ordinance, order, permit, administrative requirement, or regulation, that Buyer may have against Seller under any federal, state or local law, ordinance, rule or regulation now existing or hereafter enacted or promulgated, including without limitation, those related to asbestos, asbestos-containing materials, lead-based or lead-containing paint, hazardous materials and environmental conditions or matters in, on, under, about or migrating from or onto or into the property or the project, or by virtue of any common law right relating to asbestos, asbestos-containing materials, lead-based or lead-containing paint, hazardous material and environmental conditions or matters (including the presence of mold or mildew) in, on, under about or migrating from or onto or into the property or the project. Seller and Buyer agree that this release from liability has been specifically negotiated between Seller and Buyer.

Buyer acknowledges and agrees that Seller's disclaimer of warranties contained in this Section D.1 to the Deposit, Receipt and Sales Contract is an essential element in the determination of the low purchase price for the unit being sold to Buyer. This means that the unit would not have been sold to Buyer for the amount of the purchase price stated in this agreement without Seller's disclaimer of warranties.

10. Use.

a. Residential Units. The Residential Units 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, and for no other purpose, and no unit shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The Residential Units shall not be rented for transient or hotel purposes, which are defined as (i) rental for any period less than thirty (30) days or (ii) any rental in which the occupants of a unit are provided customary hotel services such as room service for food and beverages, daily maid service, laundry and linen or bellboy service. The Residential Units in the Project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-share 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, without limitation, any plan, program or arrangement under which the right to use, occupy, own or possess a unit or units in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating

**EXHIBIT J**

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.

b. Atlas Apartment. The Atlas Apartment and the limited common elements appurtenant thereto may be used for any purpose permitted by law.

c. Restrictions on Use. Each unit owner in exercising the development rights set forth in the Declaration above shall have the right to further restrict the use of the additional condominium units created within their appurtenant limited common element area.

11. Condition of Project and Buildings. The present physical condition of the Project and the structural components, mechanical installations and electrical installations material to the use and enjoyment of each of the buildings and the Project are described in reports from an electrical engineer, a mechanical engineer, a structural engineer, and an architect, all of which are attached hereto as Exhibits 3, 4, 5, 6, 7, 8, 9 and 10.

Although not required by law, the engineers and the architect have given opinions about the condition of the Project to provide buyers with additional information. However, the Pacificana Developer does not represent or warrant that the reports attached hereto are correct or complete. The reports should not be relied upon as the opinion of the Pacificana Developer. No representations are made by the Pacificana Developer with respect to the expected useful life of the structural components or the mechanical and electrical installations in the Project. Except as described herein, the Pacificana Developer has not ascertained if any of the conditions disclosed in the attached reports have been addressed.

The observations and recommendations made by the engineers and architect in Exhibits 3, 4, 5, 6, 7, 8, 9 and 10 are not intended, nor should be construed by its incorporation herein, to be any representation or warranty of the Pacificana Developer or Hirano Enterprises, Ltd. Because the Residential Units in the Project are being sold by the Pacificana Developer in "AS IS" condition with "ALL FAULTS", each buyer should carefully review Exhibits 3, 4, 5, 6, 7, 8, 9 and 10 in their entirety. Furthermore, each buyer should inspect the buyer's unit and the Project or have the unit and the Project inspected by buyer's own experts to buyer's complete satisfaction.

12. Hazardous Materials. The Pacificana Developer has made no independent investigation as to asbestos or other hazardous substances in the units or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be hazardous substances in the units or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the unit inspected to determine the extent (if any) of such contamination and of any necessary remedial action. The Pacificana Developer will not correct any defects in the units or in the Project or anything installed or contained therein and Buyer

#### EXHIBIT J

expressly releases the Pacificana Developer from any liability to Buyer if any hazardous materials are discovered.

13. **Mold/Mildew.** Buyer is hereby advised that tropical climates with warm temperatures, high humidity and frequent precipitation are conducive to the propagation of mold, mildew, fungus and other types of bacterial growths. Though the buildings and other improvements that are a part of the Project may be cleaned to satisfactory appearance, the Pacificana Developer cannot guaranty that mold, mildew, fungus and other types of bacterial growths can be eliminated. The buildings in the Project are old and may have had incidences of leaking and water exposure which may have resulted in the introduction of mold, mildew, fungus and other types of bacterial growths. Buyer should be aware that, as with all properties, the buildings may have hidden, enclosed and unreachable areas where growths can occur and cannot be detected and that there may in the future be mold and mildew growth in the Project if the Association and occupants of the apartments do not properly maintain the Project. If Buyer, any member of Buyer's family, or any person who will inhabit the Property has respiratory, skin or other health ailments or conditions that can be affected by mold, mildew, fungus or other types of bacterial growths they should seek professional advice before purchasing an apartment in the Project. Neither the Pacificana Developer nor its agents associated with the Project have the requisite knowledge to provide counsel as to the presence, likelihood of conditions conducive to propagation of mold, mildew, fungus and other types of bacterial growth in the Project or as to the effect of the aforementioned conditions can have related to their health, welfare and continued enjoyment of the Property. Individuals who may be capable of providing such advice are professional home inspectors, medical professionals, scientific research professionals, certified industrial hygienist or other environmental specialists and/or others who have requisite knowledge in matters of detection and lab analysis services.

14. **Lead-Based or Lead-Containing Paint.** Buyer is hereby notified that the Project may present exposure to lead from lead-based or lead-containing paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Pacificana Developer is required by law to provide Buyer with any information on lead-based or lead-containing paint hazards from risk assessments or inspections in the Pacificana Developer's possession and notify Buyer of any known lead-based or lead-containing paint hazards. A risk assessment or inspection for possible lead-based or lead-containing paint hazards is recommended prior to purchase. As a condition to closing the sale of a unit, Buyer shall provide written acknowledgement of receipt of all relevant information regarding lead-based or lead-containing paint hazards together with a waiver of liability regarding the presence of such hazards.

15. **Asbestos.** Buyer is hereby notified that the Project may present exposure to asbestos materials. Asbestos materials are hazardous to one's health, particularly if asbestos are released into the air and inhaled. In the past (before 1979, but possibly since) asbestos was a commonly used insulation material in heating facilities and in certain types of floor and ceiling materials, shingles, plaster products, cement and other building materials. Each Buyer shall make appropriate inquiry into the possible existence of asbestos on the Property. Structures

**EXHIBIT J**

having “popcorn” or “cottage cheese” type ceilings may contain asbestos fibers or asbestos-containing material. Such ceilings should not be disturbed because it could release asbestos fibers in the air. Any disturbance should be done only by licensed abatement contractors. As a condition to closing the sale of a unit, Buyer shall provide written acknowledgement of receipt of all relevant information regarding asbestos materials hazards together with a waiver of liability regarding the presence of such hazards.

**EXHIBIT J**

## Exhibits

- Exhibit 1 – Reserve Study
- Exhibit 2 – DPP Letter
- Exhibit 3 – Pacificana Electrical Engineer’s report
- Exhibit 4 – Pacificana Mechanical Engineer’s report
- Exhibit 5 – Pacificana Structural Engineer’s report
- Exhibit 6 – Pacificana Architect’s report
- Exhibit 7 – Atlas Electrical Engineer’s report
- Exhibit 8 – Atlas Mechanical Engineer’s report
- Exhibit 9 – Atlas Structural Engineer’s report
- Exhibit 10 – Atlas Architect’s report

2007  
RESERVE STUDY  
FOR

**Pacificana Atlas  
Condominium LLC**

*March 5, 2007*

*Prepared by*

**Armstrong Consulting, Inc.**

**HAWAII** 850 W. Hind Dr., Suite 208 • Honolulu, HI 96821 • Phone: (808) 377-8500 • Fax: (808) 377-8511  
**FLORIDA** 1333 Gateway Dr., Suite 1014 • Melbourne, FL 32901 • Phone: (321) 674-0196 • Fax: (321) 674-0197  
Toll Free Phone: (800) 561-7732 • E-mail: [sales@armstrongassoc.net](mailto:sales@armstrongassoc.net) • Toll Free Fax: (888) 332-4610

**2007  
RESERVE STUDY  
FOR  
Pacifcana Atlas Condominium LLC**

March 5, 2007

A level one (1) study was performed according to the Community Associations Institute (CAI) Reserve Study Standards. (*See attached standards.*)

On-site visual observations of the common area elements [i.e., roofs, parking areas, paint, etc.] were performed on December 19, 2005, by Barry Matsumoto.

This report may also rely on information supplied by the property manager, Board of Directors, resident manager, contractors and published replacement guides modified for local conditions related to reconstruction.

The placement of a useful life on common elements is not an exact science. There are many variables that affect their life. For example, weather, usage, vandalism and proper maintenance. Therefore, we recommend a review of the physical analysis every three years or at any time of a major condition change [i.e., storm damage] and an update of the financial analysis every year.

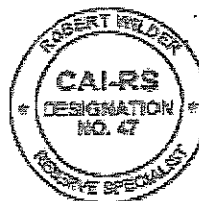
**Disclosure;** as an impartial third party, Armstrong Consulting, Inc. also provides construction management for Association's reserve projects, by being the Association's representative.

This report was either prepared or reviewed by Dale Armstrong, R.S.

*Armstrong Consulting, Inc.*



Florida Office  
1333 Gateway Drive, Suite 1014  
Melbourne, Florida 32901  
Toll Free (888) 819-2300  
Phone (321) 674-0196  
Fax (888) 332-4610



Hawaii Office  
850 W. Hind Drive, Suite 208  
Honolulu, Hawaii 96821  
Toll Free (800) 561-7732  
Phone (808) 377-8500  
Fax (808) 377-8511





# COMMUNITY ASSOCIATIONS INSTITUTE (CAI) RESERVE STUDY STANDARDS

## What is a Reserve Study?

A Reserve Study is made up of two parts, 1) the information about the physical status and repair/replacement cost of the major common area components the association is obligated to maintain (Physical Analysis), and 2) the evaluation and analysis of the association's Reserve balance, income, and expenses (Financial Analysis). The Physical Analysis is comprised of the Component Inventory, Condition Assessment, and Life and Valuation Estimates. The Component Inventory should be relatively "stable" from year to year, while the Condition Assessment and Life and Valuation Estimates will necessarily change from year to year. The Financial Analysis is made up of a finding of the client's current Reserve Fund Status (measured in cash or as Percent Funded) and a recommendation for an appropriate Reserve contribution rate (Funding Plan).

Physical Analysis	Financial Analysis
Component Inventory	Fund Status
Condition Assessment	Funding Plan
Life and Valuation Estimates	

## Reserve Study Contents

The following is a list of the minimum contents to be included in the Reserve Study.

- A summary of the association's number of units, physical description, and Reserve Fund financial condition.
- A projection of Reserve Starting Balance, recommended Reserve contributions, projected Reserve expenses, and projected ending Reserve Fund Balance for a minimum of 20 years.
- A tabular listing of the Component Inventory, component quantity or identifying descriptions, Useful Life, Remaining Useful Life, and Current Replacement Cost.
- A description of methods and objectives utilized in computing the Fund Status and development of the Funding Plan.
- Source(s) utilized to obtain component Repair or Replacement cost estimates.
- A description of the Level of Service by which the Reserve Study was prepared.
- Fiscal year for which the Reserve Study is prepared.

## Levels of Service

The following three categories describe the various types of Reserve Studies, from exhaustive to minimal.

- I. Full: A Reserve Study in which the following five Reserve Study tasks are performed:
  - Component Inventory
  - Condition Assessment (based upon on-site visual observations)
  - Life and Valuation Estimates
  - Fund Status
  - Funding Plan

II. Update, With-Site-Visit/On-Site Review: A Reserve Study update in which the following five Reserve Study tasks are performed:

- Component Inventory (verification only, not quantification)
- Condition Assessment (based on on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

III. Update, No-Site-Visit/Off-Site Review: A Reserve Study update with no on-site visual observations in which the following three Reserve Study tasks are performed:

- Life and Valuation Estimates
- Fund Status
- Funding Plan

## Disclosures

The following are the minimum disclosures to be included in the Reserve Study.

**General:** Description of other involvement(s) with the association that could result in actual or perceived conflicts of interest.

**Physical Analysis:** Description of how thorough the on-site observations were performed: representative sampling vs. all common areas, destructive testing or not, field measurements vs. drawing take-offs, etc.

**Financial Analysis:** Description of assumptions utilized for interest and inflation, tax, and other outside factors.

**Personnel Credentials:** State or organizational licenses or credentials carried by the individual responsible for Reserve Study preparation or oversight.

**Update Reports:** Disclosure of how the current work is reliant on the validity of prior Reserve Studies.

**Completeness:** Material issues which, if not disclosed, would cause a distortion of the association's situation.

**Reliance on Client Data:** Information provided by the official representative of the association regarding financial, physical, quantity, or historical issues will be deemed reliable by the consultant. The reserve study will be a reflection of information provided to the consultant and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.

**Reserve Balance:** The actual or projected total presented in the reserve study is based upon information provided and was not audited.

**Component Quantities:** For Update With-Site-Visit and Update No-Site-Visit Levels of Service, the client is considered to have deemed previously developed component quantities as accurate and reliable.

**Reserve Projects:** Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection.

## Terms and Definitions

**CASH FLOW METHOD:** A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

**COMPONENT:** The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

**COMPONENT INVENTORY:** The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

**COMPONENT METHOD:** A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. See "Cash Flow Method."

**CONDITION ASSESSMENT:** The task of evaluating the current condition of the component based on observed or reported characteristics.

**CURRENT REPLACEMENT COST:** See "Replacement Cost."

**DEFICIT:** An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

**EFFECTIVE AGE:** The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

**FINANCIAL ANALYSIS:** The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

**FULLY FUNDED:** 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

**FULLY FUNDED BALANCE (FFB):** Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association total. Two formulas can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

$FFB = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$

or

$FFB = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) + [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate})^{\text{Remaining Life}}] - [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Inflation Rate})^{\text{Remaining Life}}]$

**FUND STATUS:** The status of the reserve fund as compared to an established benchmark such as percent funding.

**FUNDING GOALS:** Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

- **Baseline Funding:** Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
- **Full Funding:** Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.
- **Statutory Funding:** Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statutes.
- **Threshold Funding:** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

**FUNDING PLAN:** An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

**FUNDING PRINCIPLES:**

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

**LIFE AND VALUATION ESTIMATES:** The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

**PERCENT FUNDED:** The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

**PHYSICAL ANALYSIS:** The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

**REMAINING USEFUL LIFE (RUL):** Also referred to as "Remaining Life" (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have "zero" Remaining Useful Life.

**REPLACEMENT COST:** The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

**RESERVE BALANCE:** Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. Based upon information provided and not audited.

**RESERVE PROVIDER:** An individual who prepares Reserve Studies.

**RESERVE STUDY:** A budget planning tool that identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. "Our budget and finance committee is soliciting proposals to update our Reserve Study for next year's budget."

**RESPONSIBLE CHARGE:** A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services that directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve study of which he was in responsible charge. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review;
4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

**SPECIAL ASSESSMENT:** An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

**SURPLUS:** An actual (or projected) Reserve Balance greater than the Fully Funded Balance. See "Deficit."

**USEFUL LIFE (UL):** Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

## HAWAII'S AMENDMENT TO ALLOW CASH FLOW ANALYSIS

### **HB 70**

"Cash flow plan" means a twenty-year projection of an association's future income and expense requirements to fund fully its replacement reserves requirements each year during that twenty-year period, except in an emergency; provided that it does not include a projection of special assessments or loans during that twenty-year period, except in an emergency.

*Courtesy of Armstrong Consulting, Inc.*



## Armstrong Consulting, Inc.



850 W. Hind Drive, Suite 208  
Honolulu, Hawaii 96821  
Phone (808) 377-8500

1333 Gateway Drive, Suite 1014  
Melbourne, Florida 32901  
Phone (321) 674-0196

Toll Free (800) 561-7732 Fax (808) 377-8511  
E-mail: sales@armstrongassoc.net

March 5, 2007

### VIA E-MAIL

Barry Kaplan  
**Hawaiian Island Homes, Ltd.**  
931 University Ave, Suite 105  
Honolulu, HI 96826

**Re: Pacificana Apartments Reserve Study Executive Summary**

Dear Mr. Kaplan:

Enclosed is the reserve study conducted on Pacificana Apartments. This project consists of two adjoining buildings that share the same parking facility. The property facing Young Street (**Pacificana Apartments**) is a 10 story building constructed in 1967 for residential use. The building facing King Street (**Atlas Building**) was constructed in 1966, has 13 floors and is for commercial use. The TMK for the property is 2-4-003:003.

Both buildings share a 4 story parking structure.. The buildings are of concrete construction and currently in fair condition. This study considers the replacement, repairs and/or refurbishment of the project's common area AOA improvements.

The total current cost of the components for the **Pacificana Condominium** building included in this analysis as of January 1, 2007 is \$778,556 and the total future cost is \$878,618. The largest proportion of these expenses involves the elevators and mechanical system components.

**Analysis 1 Pacificana Apartments** addresses the funding plan for the **Pacificana Apartment** building only. This analysis assumes a beginning balance of \$27,600 funded from sales based on \$400 per unit as a start up reserve fund. A 4% average rate of return on reserve fund investments is used and a 3.8% inflation rate is used for future expenditures.

Analysis 1 assumes no reserve expenditures for the period 2007 through 2009 as these expenditures will be paid for by the developer. These estimated expenditures included but are not limited to:

- concrete spall repairs \$30,000
- elevator modernization \$265,000
- rooftop exhaust fan replacement \$5,600
- exterior painting \$120,000

Barry Kaplan  
March 5, 2007  
Page 2 of 2

- roof replacement \$122,892
- pool deck re-coating \$3,960
- pool plaster \$15,000
- parking gates \$24,000 Future Cost = 25% for Pacificana Apts. & 75% allocated to the Atlas Building
- enterphone \$10,000

For a total estimated expenditure of approximately **\$596, 452.**

A 2007 \$40,000 reserve contribution is indicated with a 3% annual increase. The 2007 contribution is based on \$48.31 per unit each month. Under this analysis the Association would meet Hawaii State reserve requirements under the cash flow method of calculations.

Please feel free to call us if you have any concerns or questions. We appreciate the opportunity to be of service.

Sincerely,

**ARMSTRONG CONSULTING, INC.**

/s/ Dale Armstrong

**DALE ARMSTRONG**  
Reserve Specialist

## TABLE OF CONTENTS

Section	Page	Report
1	1	Project Definition
2	1	Analysis Definition
3	1	Cash Flow Projections
4	1	Cash Flow Projections Graph
5	1	Projected Expenditures
6	1	Accountant's Report
7	1	Component Summary
8	1	*Security Gates
8	2	Built Up Roof Flood Coating
8	3	Built Up Roofing-High Rise Replace
8	4	Concrete Spall Repair
8	5	Elevator Cab Refurbish
8	6	Elevator Modernization
8	7	Enterphone-Residential
8	8	Exhaust Fan - Roof Mounted
8	9	Fire Alarm System Upgrade
8	10	Fire Doors
8	11	Lighting-Emergency
8	12	Lobby Refurbishment
8	13	Paint Exterior - High Rise
8	14	Painting-Parking Garage
8	15	Plumbing Repairs - General
8	16	Pool Bathrooms Refurbish
8	17	Pool Deck Coating Re-Coat
8	18	Pool Equipment



## TABLE OF CONTENTS

Section	Page	Report
8	22	Sump Pump - Clear Water
8	23	Water Heater - Gas Fired
9	1	Component Funding Levels

Pacificana Atlas Condominium LLC

PROJECT DEFINITION REPORT

3/05/2007

Project Information

Project:	Pacificana Atlas Condominium LLC	Project Date:	1/01/1966
Address:	1125 Young Street	Number of Phases:	2
City:	Honolulu	Number of Units:	69
State:	HI	Number of Models:	1
Zip:	96816-0000		

Property Description

This project consists of two adjoining buildings that share the same parking facility. The property facing Young Street (Pacificana Atlas Condominium) is a 10 story building constructed in 1967 for residential use. The building facing King Street (Atlas Building) was constructed in 1966, has 13 floors and is for commercial use. The TMK for the property is 2-4-003:003.

Both buildings share a 4 story parking structure. The buildings are of concrete construction and currently in fair condition.

Pacificana Atlas Condominium LLC

ANALYSIS DEFINITION REPORT

Analysis 1 (Pacificana Condominium)

Project Information

Project: Pacificana Atlas Condominium LLC  
Address: 1125 Young Street  
City: Honolulu  
State: HI  
Zip: 96816-0000

Project Date: 1/01/1966  
Analysis Date: 1/01/2007  
Number of Phases: 2  
Number of Units: 69  
Number of Models: 1

Analysis Parameters

Rate of Inflation: 3.8%  
Rate of Return on Investment: 4%  
Beginning Funds: \$27,600.00  
Loan/Special Assessment: No

Deferred Expenditures: No  
Contingency: 0%  
Contingency Time: None

Annual Contribution Factors

		2017:	3%
2008:	3%	2018:	3%
2009:	3%	2019:	3%
2010:	3%	2020:	3%
2011:	3%	2021:	3%
2012:	3%	2022:	3%
2013:	3%	2023:	3%
2014:	3%	2024:	3%
2015:	3%	2025:	3%
2016:	3%	2026:	3%

Additional Analysis Information

The analysis addresses the funding plan for the Pacificana Apartment building only. This analysis assumes a beginning balance of \$27,600 funded from sales based on 69 units x \$400 per unit as a start up reserve fund. A 4% average rate of return on reserve fund investments is used and a 3.8% inflation rate is used for future expenditures.

**Pacificana Atlas Condominium LLC**  
**CASHFLOW PERCENT FUNDED SUMMARY PROJECTIONS**

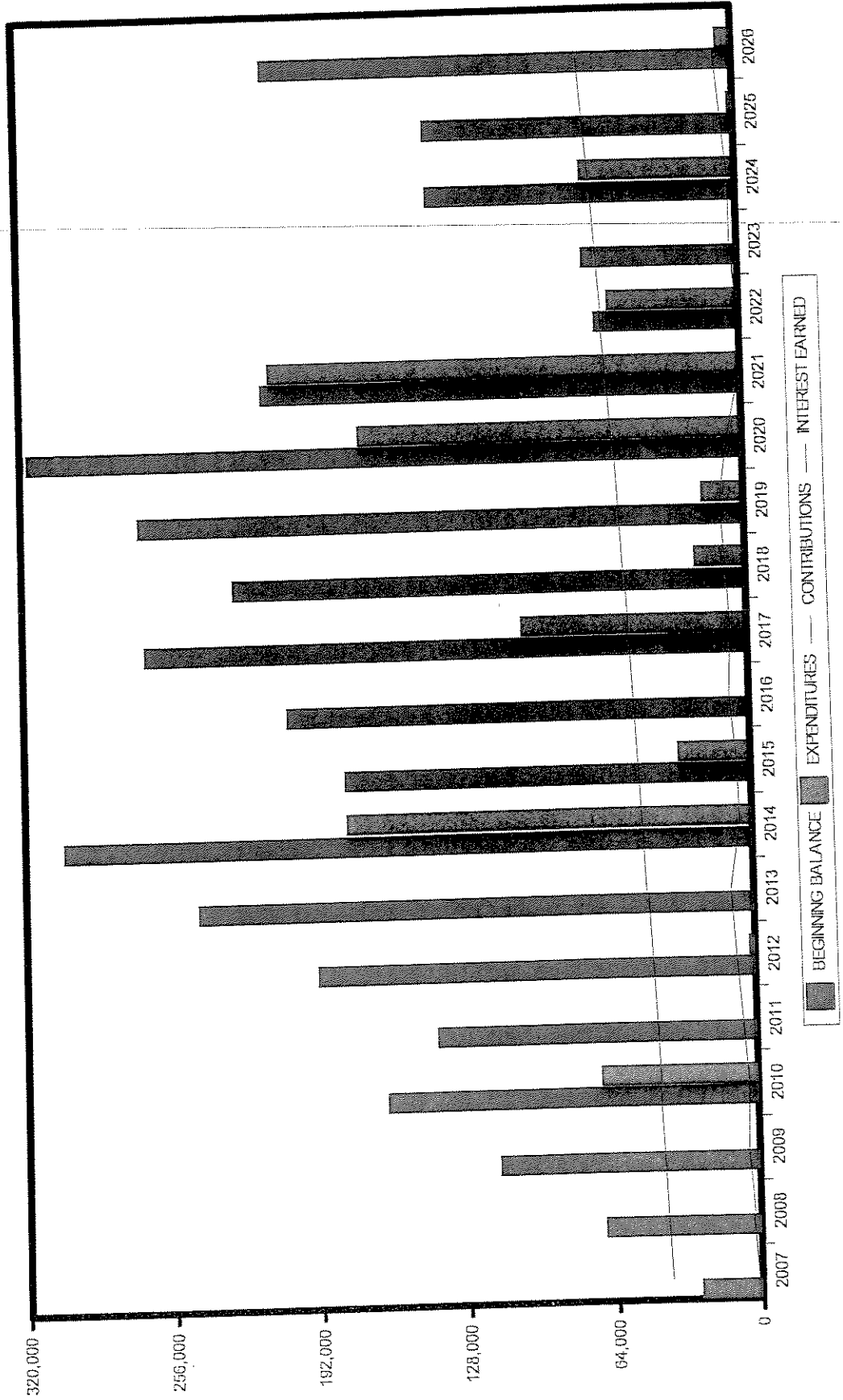
**Analysis 1 (Pacificana Condominium)**

Year	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
2007	27,600.00	40,000.00	2,001.61	0.00	69,601.61
2008	69,601.61	41,200.00	3,738.98	0.00	114,540.59
2009	114,540.59	42,436.00	5,596.79	0.00	162,573.38
2010	162,573.38	43,709.08	4,717.76	70,295.00	140,705.22
2011	140,705.22	45,020.35	6,719.30	0.00	192,444.87
2012	192,444.87	46,370.96	8,729.30	3,127.00	244,418.13
2013	244,418.13	47,762.09	11,004.46	0.00	303,184.68
2014	303,184.68	49,194.95	6,141.39	178,914.00	179,607.02
2015	179,607.02	50,670.80	7,099.73	32,606.00	204,771.55
2016	204,771.55	52,190.92	9,486.49	0.00	266,448.96
2017	266,448.96	53,756.65	7,920.06	100,972.00	227,153.67
2018	227,153.67	55,369.35	9,511.62	23,476.00	268,558.64
2019	268,558.64	57,030.43	11,397.00	19,494.00	317,492.07
2020	317,492.07	58,741.34	7,280.81	170,391.00	213,123.22
2021	213,123.22	60,503.58	1,452.50	210,041.00	65,038.30
2022	65,038.30	62,318.69	1,610.77	59,048.00	69,919.76
2023	69,919.76	64,188.25	4,256.10	0.00	138,364.11
2024	138,364.11	65,113.90	4,238.24	69,919.00	138,797.25
2025	138,797.25	68,097.32	7,023.56	3,048.00	210,870.13
2026	210,870.13	70,140.24	9,788.34	8,352.00	282,446.71
<b>Totals:</b>		<b>1,074,814.90</b>	<b>129,714.81</b>	<b>949,683.00</b>	

# Pacificana Atlas Condominium LLC

## CASHFLOW PROJECTIONS GRAPH

### Analysis 1 (Pacificana Condominium)



**PROJECTED EXPENDITURES**

Analysis 1 (Pacifica Condominium)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Built Up Roof Flood Coating				31,306						
Fire Alarm System Upgrade				4,743					20,991	
Fire Doors				3,483						
Lighting-Emergency								161,779		
Paint Exterior - High Rise								11,796		
Painting-Parking Garage				17,413						
Plumbing Repairs - General										
Pool Bathrooms Refurbish									11,015	
Pool Deck Coating Re-Coat								5,339		
Pool Equipment						3,127				
Security System				11,609						
Sump Pump - Clear Water				1,741						
<b>Totals</b>				<b>70,295</b>		<b>3,127</b>		<b>178,914</b>	<b>32,606</b>	

**PROJECTED EXPENDITURES**

Analysis 1 (Pacifica Condominium)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
*Security Gates			9,747							
Built Up Roof Flood Coating	40,661							52,790		
Concrete Spall Repair	45,233					36,337				
Elevator Cab Refurbish										
Enterphone-Residential	15,078									
Fire Doors				6,890						
Lighting-Emergency				5,059						
Lobby Refurbishment				109,607						
Paint Exterior - High Rise					210,041					
Painting-Parking Garage								17,129		
Plumbing Repairs - General				25,294						
Pool Deck Coating Re-Coat				6,678						8,352
Pool Equipment						4,542				
Pool Interior Re-Plaster		23,476								
Security Gates			9,747							
Security System				16,863					3,048	
Sump Pump - Clear Water										
Water Heater - Gas Fired						18,169				
<b>Totals</b>	<b>100,972</b>	<b>23,476</b>	<b>19,494</b>	<b>170,391</b>	<b>210,041</b>	<b>59,048</b>		<b>69,919</b>	<b>3,048</b>	<b>8,352</b>

# Pacificana Atlas Condominium LLC

## ACCOUNTANT'S REPORT

### Analysis 1 (Pacificana Condominium)

1/01/2007 - 12/31/2007

Component	Remaining Life (yr/mo)	Future Cost	Assigned Reserves	2007 Contribution Requirement	2007 Assigned Interest Earned	2007 Funding Requirement
*Security Gates	12/00	9,747	0	0	0	0
Built Up Roof Flood Coating	03/00	31,306	0	0	0	0
Concrete Spall Repair	10/00	45,233	0	0	0	0
Elevator Cab Refurbish	15/00	36,337	0	0	0	0
Enterphone-Residential	10/00	15,078	0	0	0	0
Fire Alarm System Upgrade	08/00	20,991	0	0	0	0
Fire Doors	03/00	4,743	0	0	0	0
Lighting-Emergency	03/00	3,483	0	0	0	0
Lobby Refurbishment	13/00	109,607	0	0	0	0
Paint Exterior - High Rise	07/00	161,779	0	0	0	0
Painting-Parking Garage	07/00	11,796	0	0	0	0
Plumbing Repairs - General	03/00	17,413	0	0	0	0
Pool Bathrooms Refurbish	08/00	11,615	0	0	0	0
Pool Equipment	05/00	3,127	0	0	0	0
Security Gates	12/00	9,747	0	0	0	0
Security System	03/00	11,609	0	0	0	0
Sump Pump - Clear Water	03/00	1,741	0	0	0	0
Water Heater - Gas Fired	15/00	18,169	0	0	0	0
<b>Totals:</b>		<b>523,521</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



Pacificana Atlas Condominium LLC

COMPONENT SUMMARY REPORT

Analysis 1 (Pacificana Condominium)

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
<u>Concrete</u>							
Concrete Spall Repair	1/01/2007	10/00	00/00	01/07	Y	30,000	31,140
<b>Sub Total:</b>						<b>30,000</b>	<b>31,140</b>
<u>Elevators</u>							
Elevator Cab Refurbish	1/01/2007	15/00	00/00	01/07	Y	20,000	20,760
Elevator Modernization	1/01/2007	30/00	00/00	01/07	Y	265,000	275,070
<b>Sub Total:</b>						<b>285,000</b>	<b>295,830</b>
<u>Fire/Life Safety</u>							
Fire Alarm System Upgrade	1/01/2000	15/00	00/00	01/15	Y	15,000	20,991
Fire Doors	1/01/2010	10/00	00/00	01/10	Y	4,086	4,743
<b>Sub Total:</b>						<b>19,086</b>	<b>25,734</b>
<u>Lighting</u>							
Lighting-Emergency	1/01/2010	10/00	00/00	01/10	Y	3,000	3,483
<b>Sub Total:</b>						<b>3,000</b>	<b>3,483</b>
<u>Lobby</u>							
Lobby Refurbishment	1/01/2000	20/00	00/00	01/20	Y	65,000	109,607
<b>Sub Total:</b>						<b>65,000</b>	<b>109,607</b>
<u>Mechanical</u>							
Exhaust Fan - Roof Mounted	1/01/2007	20/00	00/00	01/07	Y	5,600	5,813

# Pacifcana Atlas Condominium LLC

## COMPONENT SUMMARY REPORT

### Analysis 1 (Pacifcana Condominium)

<u>Description</u>	<u>Starting Date</u>	<u>Useful Life (yr/mo)</u>	<u>Adj. Life (yr/mo)</u>	<u>Sched. Rpl. (mo/yr)</u>	<u>Recur</u>	<u>Current Cost</u>	<u>Future Cost</u>
Water Heater - Gas Fired	1/01/2002	20/00	00/00	01/22	Y	10,000	18,169
<b>Sub Total:</b>						<b>15,600</b>	<b>23,982</b>
<b>Painting</b>							
Paint Exterior - High Rise	1/01/2007	07/00	00/00	01/07	Y	120,000	124,560
Painting-Parking Garage	1/01/2004	10/00	00/00	01/14	Y	8,750	11,796
<b>Sub Total:</b>						<b>128,750</b>	<b>136,356</b>
<b>Plumbing</b>							
Plumbing Repairs - General	1/01/2010	10/00	00/00	01/10	Y	15,000	17,413
Sump Pump - Clear Water	1/01/2010	15/00	00/00	01/10	Y	1,500	1,741
<b>Sub Total:</b>						<b>16,500</b>	<b>19,154</b>
<b>Pool</b>							
Pool Bathrooms Refurbish	1/01/2000	15/00	00/00	01/15	Y	8,300	11,615
<b>Sub Total:</b>						<b>8,300</b>	<b>11,615</b>
<b>Roofing</b>							
Built Up Roof Flood Coaling	1/01/2003	07/00	00/00	01/10	Y	26,968	31,307
Built Up Roofing-High Rise Replace	1/01/2008	20/00	00/00	01/08	Y	122,892	132,409
<b>Sub Total:</b>						<b>149,860</b>	<b>163,716</b>
<b>Security</b>							
*Security Gates	1/01/2007	12/00	00/00	01/07	Y	6,000	6,228
Enterphone-Residential	1/01/2007	10/00	00/00	01/07	Y	10,000	10,380

Pacificana Atlas Condominium LLC

COMPONENT SUMMARY REPORT

Analysis 1 (Pacificana Condominium)

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
Security Gates	1/01/2007	12/00	00/00	01/07	Y	6,000	6,228
Security System	1/01/2010	10/00	00/00	01/10	Y	10,000	11,609
<b>Sub Total:</b>						<b>32,000</b>	<b>34,445</b>
<u>Swimming Pool</u>							
Pool Deck Coating Re-Coat	1/01/2008	06/00	00/00	01/08	Y	3,960	4,267
Pool Equipment	1/01/2002	10/00	00/00	01/12	Y	2,500	3,127
Pool Interior Re-Plaster	1/01/2008	10/00	00/00	01/08	Y	15,000	16,162
<b>Sub Total:</b>						<b>21,460</b>	<b>23,556</b>
<b>Grand Total:</b>						<b>774,556</b>	<b>878,618</b>

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

\*Security Gates

Category:	Security	Unit Cost:	\$12,000.00
Began Use:	1/01/2007	Cost Type:	Contractor
Lifespan:	12 years	Percent Replacement:	25.00%
Lifespan Adjustment:	None	Current Cost:	\$6,000.00
Next Replacement:	1/01/2019	Future Cost:	\$6,228.00
Remaining Life:	0 DAYS	Salvage Value:	\$0.00
Quantity:	2.00 TOTAL		

Remarks

Installation cost is estimated at \$50,000

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Built Up Roof Flood Coating

Category: Roofing  
Began Use: 1/01/2003  
Lifespan: 7 years  
Lifespan Adjustment: None  
Next Replacement: 1/01/2010  
Remaining Life: 3 YRS  
Quantity: 7,705.00 SQ. FT.

Unit Cost: \$3.50  
Cost Type: Contractor  
Percent Replacement: 100.00%  
Current Cost: \$26,967.50  
Future Cost: \$31,306.18  
Salvage Value: \$0.00

Remarks

This component involves the application of a fluid-applied roof deck coating onto the existing coating system of the penthouse deck and roof. The existing roof was placed in 1998 with a recoat applied in 2003 which is currently showing signs of wear and cracking. It is recommended that temporary patching be applied to those areas experiencing cracking and peeling. Since the damage appears to be limited in scope, the temporary patching should suffice until the installation of a new coating system, currently planned for the 2008.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Built Up Roofing-High Rise Replace

Category:	Roofing	Unit Cost:	\$1,596.00
Began Use:	1/01/2008	Cost Type:	Contractor
Lifespan:	20 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$122,892.00
Next Replacement:	1/01/2028	Future Cost:	\$132,409.25
Remaining Life:	12 MOS	Salvage Value:	\$0.00
Quantity:	77.00 SQUARE		

Remarks

This component involves the replacement of the existing built-up roofing system. The system is considered to have been installed in 1998 with application of a fluid applied coating done in 2003 and another planned in 2008.

The current built-up roofing system is in fair condition with no leaks reported by maintenance personnel.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Pool Bathrooms Refurbish

Category: Pool  
Began Use: 1/01/2000  
Lifespan: 15 years  
Lifespan Adjustment: None  
Next Replacement: 1/01/2015  
Remaining Life: 8 YRS  
Quantity: 1.00 LUMP SUM

Unit Cost: \$8,300.00  
Cost Type: Contractor  
Percent Replacement: 100.00%  
Current Cost: \$8,300.00  
Future Cost: \$11,614.92  
Salvage Value: \$0.00

Remarks

This component establishes an allowance to refurbish the two bathrooms located next to the pool area. The allowance covers toilet fixtures, ceramic tile floors and walls, ceiling painting, light fixtures and entry doors. It is assumed that replacement or repairs to the bathroom components will be performed on an as-needed basis.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Pool Deck Coating Re-Coat

Category:	Swimming Pool	Unit Cost:	\$3.00
Began Use:	1/01/2008	Cost Type:	Contractor
Lifespan:	6 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$3,960.00
Next Replacement:	1/01/2014	Future Cost:	\$4,266.68
Remaining Life:	12 MOS	Salvage Value:	\$0.00
Quantity:	1,320.00 SQ. FT.		

Remarks

This component involves the installation of a surface coating onto the existing deck coating along the perimeter of the pool. A new slip-resistant deck coating is currently planned for installation in 2008.



Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Pool Equipment

Category:	Swimming Pool	Unit Cost:	\$2,500.00
Began Use:	1/01/2002	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$2,500.00
Next Replacement:	1/01/2012	Future Cost:	\$3,126.97
Remaining Life:	5 YRS	Salvage Value:	\$0.00
Quantity:	1.00 LUMP SUM		

Remarks

This component involves the replacement of the pool equipment that includes a sand filter, a chlorinator, pump, pipe and fittings and other miscellaneous equipment. The existing equipment was replaced in 2002 and is in good condition.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Pool Interior Re-Plaster

Category:	Swimming Pool	Unit Cost:	\$15.00
Began Use:	1/01/2008	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$15,000.00
Next Replacement:	1/01/2018	Future Cost:	\$16,161.66
Remaining Life:	12 MOS	Salvage Value:	\$0.00
Quantity:	1,000.00 SQ. FT.		

Remarks

This component involves the application of new plaster or major patching of the pool interior surfaces. Currently, the existing plaster has some cracks and chipped sections missing from the bottom of the pool and some missing ceramic tile along the pool perimeter. The plaster work is currently being planned for 2008

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Security Gates

Category:	Security	Unit Cost:	\$12,000.00
Began Use:	1/01/2007	Cost Type:	Contractor
Lifespan:	12 years	Percent Replacement:	25.00%
Lifespan Adjustment:	None	Current Cost:	\$6,000.00
Next Replacement:	1/01/2019	Future Cost:	\$6,228.00
Remaining Life:	0 DAYS	Salvage Value:	\$0.00
Quantity:	2.00 TOTAL		

Remarks

Installation cost is estimated at \$50,000. Replacement cost is allocated 25% Pacificana & 75% Atlas Bldg.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Security System

Category:	Security	Unit Cost:	\$10,000.00
Began Use:	1/01/2010	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$10,000.00
Next Replacement:	1/01/2020	Future Cost:	\$11,608.86
Remaining Life:	3 YRS	Salvage Value:	\$0.00
Quantity:	1.00 SYSTEM		

Remarks

This component involves the replacement of the security system for the building. The existing system provides camera security for both the apartment and the commercial building. This component covers the cost for the residential side only. Currently, there are 5 cameras providing security for the residential building.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Sump Pump - Clear Water

Category:	Plumbing	Unit Cost:	\$1,500.00
Began Use:	1/01/2010	Cost Type:	Contractor
Lifespan:	15 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$1,500.00
Next Replacement:	1/01/2025	Future Cost:	\$1,741.33
Remaining Life:	3 YRS	Salvage Value:	\$0.00
Quantity:	1.00 EACH		

Remarks

This component involves the repair or replacement of the sump pump system located on the sub-basement level. The sump pump was not tested for operation during the site visit.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Water Heater - Gas Fired

Category:	Mechanical	Unit Cost:	\$5,000.00
Began Use:	1/01/2002	Cost Type:	Contractor
Lifespan:	20 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$10,000.00
Next Replacement:	1/01/2022	Future Cost:	\$18,168.52
Remaining Life:	15 YRS	Salvage Value:	\$0.00
Quantity:	2.00 EACH		

Remarks

This component involves the replacement of two gas-fired, 65 gallon, 625,000 BTU water heaters located on the building roof. The system also includes a circulating pump and 1 hp booster pump. The existing heaters were replaced in 2002 and are in good condition. The cost for the heaters include an allowance for a lifting system to remove the old heaters and bring up the new ones.

# Pacifcana Atlas Condominium LLC

## COMPONENT FUNDING LEVELS

### Analysis 1 (Pacifcana Condominium)

1/01/2007 - 12/31/2007

Component	Fully Funded	Beginning Balance	Beg Bal % Fund	Contribution	Interest Earned	Expended	Ending Balance	End Bal % Fund
*Security Gates	0	0	0.00%	0	0	0	0	0.00%
Built Up Roof Flood Coating	17,888	0	0.00%	0	0	0	0	0.00%
Concrete Spall Repair	0	0	0.00%	0	0	0	0	0.00%
Elevator Cab Refurbish	0	0	0.00%	0	0	0	0	0.00%
Enterphone-Residential	0	0	0.00%	0	0	0	0	0.00%
Fire Alarm System Upgrade	9,796	0	0.00%	0	0	0	0	0.00%
Fire Doors	3,320	0	0.00%	0	0	0	0	0.00%
Lighting-Emergency	2,438	0	0.00%	0	0	0	0	0.00%
Lobby Refurbishment	38,366	0	0.00%	0	0	0	0	0.00%
Paint Exterior - High Rise	0	0	0.00%	0	0	0	0	0.00%
Painting-Parking Garage	3,539	0	0.00%	0	0	0	0	0.00%
Plumbing Repairs - General	12,189	0	0.00%	0	0	0	0	0.00%
Pool Bathrooms Refurbish	5,421	0	0.00%	0	0	0	0	0.00%
Pool Equipment	1,563	0	0.00%	0	0	0	0	0.00%
Security Gates	0	0	0.00%	0	0	0	0	0.00%
Security System	8,126	0	0.00%	0	0	0	0	0.00%
Sump Pump - Clear Water	1,393	0	0.00%	0	0	0	0	0.00%
Water Heater - Gas Fired	4,542	0	0.00%	0	0	0	0	0.00%
<b>Totals:</b>	<b>108,581</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
<b>Averages:</b>								

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Concrete Spall Repair

Category:	Concrete	Unit Cost:	\$30,000.00
Began Use:	1/01/2007	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$30,000.00
Next Replacement:	1/01/2017	Future Cost:	\$31,140.00
Remaining Life:	0 DAYS	Salvage Value:	\$0.00
Quantity:	1.00 LUMP SUM		

Remarks

This component establishes an allowance to perform concrete spall and crack repairs on a 10 year recurring basis. This component is for budget purposes only. The actual cost for spall repairs cannot be determined at this time. The performance of the spall repair work should coincide with the building exterior painting work.

Spall repair work is currently planned for the 2006-2007 period.



Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Elevator Cab Refurbish

Category:	Elevators	Unit Cost:	\$10,000.00
Began Use:	1/01/2007	Cost Type:	Contractor
Lifespan:	15 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$20,000.00
Next Replacement:	1/01/2022	Future Cost:	\$20,760.00
Remaining Life:	0 DAYS	Salvage Value:	\$0.00
Quantity:	2.00 EACH		

Remarks

This component involves the recurring refurbishment of the elevator cab interiors which was most recently performed in 2004. The cabs are currently in good condition.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Elevator Modernization

Category:	Elevators	Unit Cost:	\$132,500.00
Began Use:	1/01/2007	Cost Type:	Contractor
Lifespan:	30 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$265,000.00
Next Replacement:	1/01/2037	Future Cost:	\$275,070.00
Remaining Life:	0 DAYS	Salvage Value:	\$0.00
Quantity:	2.00 EACH		

Remarks

This component involves the upgrade and modernization of the elevator electrical and mechanical systems to be paid for by the developer.

The cost for upgrading an elevator system can vary greatly and is dependent on the scope of work. The amount included in this study is based on costs experienced by other establishments and is provided for budgeting purposes. It is recommended that the building Owners obtain a written quote from Thyssen Krupp and incorporate the proposed amount into this study.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Enterphone-Residential

Category: Security  
Began Use: 1/01/2007  
Lifespan: 10 years  
Lifespan Adjustment: None  
Next Replacement: 1/01/2017  
Remaining Life: 0 DAYS  
Quantity: 1.00 TOTAL

Unit Cost: \$10,000.00  
Cost Type: Contractor  
Percent Replacement: 100.00%  
Current Cost: \$10,000.00  
Future Cost: \$10,380.00  
Salvage Value: \$0.00

Remarks

--

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Exhaust Fan - Roof Mounted

Category: Mechanical  
Began Use: 1/01/2007  
Lifespan: 20 years  
Lifespan Adjustment: None  
Next Replacement: 1/01/2027  
Remaining Life: 0 DAYS  
Quantity: 16.00 EACH

Unit Cost: \$350.00  
Cost Type: Contractor  
Percent Replacement: 100.00%  
Current Cost: \$5,600.00  
Future Cost: \$5,812.80  
Salvage Value: \$0.00

Remarks

This component involves the repair or replacement of the circular, rooftop mounted, 12" diameter ventilators. The sheetmetal housing does not contain a fan motor. Currently, the ventilators are operational, but starting to show signs of corrosion activity.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Fire Alarm System Upgrade

Category:	Fire/Life Safety	Unit Cost:	\$15,000.00
Began Use:	1/01/2000	Cost Type:	Contractor
Lifespan:	15 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$15,000.00
Next Replacement:	1/01/2015	Future Cost:	\$20,990.82
Remaining Life:	8 YRS	Salvage Value:	\$0.00
Quantity:	1.00 SYSTEM		

Remarks

This component involves the upgrade of the fire alarm system for the building. The alarm system is currently maintained by Alii Fire and inspected and tested on an annual basis.

The cost for the upgrade is provided for budget purposes only. It is recommended that the Owners obtain a proposal from Alii Fire or other licensed contractor for the upgrade and incorporate the proposal cost into this study.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Fire Doors

Category:	Fire/Life Safety	Unit Cost:	\$1,276.80
Began Use:	1/01/2010	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	10.00%
Lifespan Adjustment:	None	Current Cost:	\$4,085.76
Next Replacement:	1/01/2020	Future Cost:	\$4,743.10
Remaining Life:	3 YRS	Salvage Value:	\$0.00
Quantity:	32.00 EACH		

Remarks

This component establishes an allowance to replace 10% of the metal fire doors and frames on a 10 year cycle. The fire doors include all stairway and balcony access doors, mechanical and electrical room doors, and security doors. Currently, the doors appear to be in fair condition.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Lighting-Emergency

Category:	Lighting	Unit Cost:	\$150.00
Began Use:	1/01/2010	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$3,000.00
Next Replacement:	1/01/2020	Future Cost:	\$3,482.66
Remaining Life:	3 YRS	Salvage Value:	\$0.00
Quantity:	20.00 EACH		

Remarks

This component involves the replacement of the fluorescent emergency lights located in the stairwells of the building. For budgeting purposes, the lights are considered to have been placed in service in 2000. The fixtures are currently in fair condition.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Lobby Refurbishment

Category:	Lobby	Unit Cost:	\$65,000.00
Began Use:	1/01/2000	Cost Type:	Contractor
Lifespan:	20 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$65,000.00
Next Replacement:	1/01/2020	Future Cost:	\$109,607.00
Remaining Life:	13 YRS	Salvage Value:	\$0.00
Quantity:	1.00 LUMP SUM		

Remarks

This component involves the refurbishment of the lobbies and hallways on each of the 7 residential floors. The refurbishment work includes replacement of the carpeting, painting of the walls and ceilings, replacement of fire hoses and extinguishers, replacement of the ceiling light fixtures and repair or replacement of the trash chutes.

Since the individual components of the lobby refurbishment were completed at different times, for budgeting purposes, the lobbies are considered to have been refurbished in 2000. It is assumed that the actual replacement of the individual components will be performed on an as-needed basis.



Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Paint Exterior - High Rise

Category:	Painting	Unit Cost:	\$3.00
Began Use:	1/01/2007	Cost Type:	Contractor
Lifespan:	7 years	Percent Replacement:	100.00%
Lifespan Adjustment:	None	Current Cost:	\$120,000.00
Next Replacement:	1/01/2014	Future Cost:	\$124,560.00
Remaining Life:	0 DAYS	Salvage Value:	\$0.00
Quantity:	40,000.00 SQ. FT.		

Remarks

This component involves re-painting of the building exterior that is being planned for the 2006-2007 period. This component includes replacement of the window caulking. This component does not include concrete spall repairs. The exterior painting currently is in fair condition.

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Painting-Parking Garage

Category:	Painting	Unit Cost:	\$35,000.00
Began Use:	1/01/2004	Cost Type:	Contractor
Lifespan:	10 years	Percent Replacement:	25.00%
Lifespan Adjustment:	None	Current Cost:	\$8,750.00
Next Replacement:	1/01/2014	Future Cost:	\$11,796.38
Remaining Life:	7 YRS	Salvage Value:	\$0.00
Quantity:	1.00 TOTAL		

Remarks

--

Pacificana Atlas Condominium LLC

COMPONENT DETAIL REPORT

Analysis 1 (Pacificana Condominium)

Plumbing Repairs - General

Category: Plumbing  
Began Use: 1/01/2010  
Lifespan: 10 years  
Lifespan Adjustment: None  
Next Replacement: 1/01/2020  
Remaining Life: 3 YRS  
Quantity: 1.00 LUMP SUM

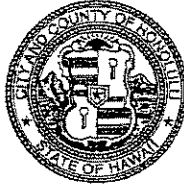
Unit Cost: \$15,000.00  
Cost Type: Contractor  
Percent Replacement: 100.00%  
Current Cost: \$15,000.00  
Future Cost: \$17,413.28  
Salvage Value: \$0.00

Remarks

This component is to establish an allowance to perform major planned plumbing upgrade and repair work on an as-needed basis. Of primary concern are repairing/replacing valves and leaking exposed waste and water piping.

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
TELEPHONE: (808) 523-4432 • FAX: (808) 527-6743  
DEPT. INTERNET: [www.honolulu.gov](http://www.honolulu.gov) • INTERNET: [www.honolulu.gov](http://www.honolulu.gov)



MUFI HANNEMANN  
MAYOR

HENRY ENG, FAICP  
DIRECTOR

DAVID K. TANOUE  
DEPUTY DIRECTOR

2006/ELOG-176(LT)

January 2, 2007

Andrew R. Bunn, Esq.  
Chun, Kerr, Dodd, Beaman & Wong  
A Limited Liability Law Partnership  
Fort Street Tower, Topa Financial Center  
745 Fort Street, 9<sup>th</sup> Floor  
Honolulu, Hawaii 96813-3815

Dear Mr. Bunn:

Subject: Condominium Conversion Project  
1125 Young Street and 1150 South King Street  
Tax Map Key: 2-4-003: 003

This is in response to your letter dated January 19, 2006, requesting verification that the structures on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed the 13-story with basement office building, the 10-story 69-unit with basement apartment building, and the multi-level parking structure with 155 all-weather-surface off-street parking spaces met all applicable code requirements when they were constructed in 1966 on this 27,592-square-foot BMX-3 Community Business District zoned lot.

For your information, the Department of Planning and Permitting cannot determine all legal nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

No variances or other permits were granted to allow deviations from any applicable codes.

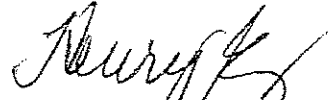
Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; it does not create separate lots of record for subdivision and zoning purposes.

**EXHIBIT 2**

Andrew R. Bunn, Esq.  
Chun, Kerr, Dodd, Beaman & Wong  
January 2, 2007  
Page 2

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of our Commercial and Multi-Family Code Enforcement Branch at 527-6341.

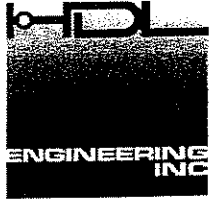
Very truly yours,



Henry Eng, FAICP, Director  
Department of Planning and Permitting

HE:ft

doc506115



1136 Union Mall, Suite 700  
Honolulu, HI 96813  
Tel: (808) 521-3314  
Fax: (808) 533-3314  
email: [hdl@hawaii.rr.com](mailto:hdl@hawaii.rr.com)

Date: December 6, 2005  
Project: Pacificana Apartments - 1125 Young Street  
HDL #: 05-163  
Subject: Due Diligence Survey

The scope of work consists of surveying the existing electrical systems for compliance with the current National Electrical Code (NEC) and also with the latest Fire Codes and Building Codes. This report will list the findings from this survey, bringing special attention to those items found to be non-compliant with the current codes.

#### Electrical System:

The electrical power for the project building is furnished by the Hawaiian Electric Co. (HECO). A HECO transformer vault is located at the basement parking level and an electrical room is located on the first floor. The secondary electrical power is master metered at the electrical room and the power is distributed from this room at 208Y/120 volts, three phase, 4 wire. There are distribution panelboards located on each floor above the fourth floor. There are 10 floors for this building. Each apartment unit is provided with its designated main disconnect switch at this distribution panel and each apartment unit is provided with its own panelboard. There is no individual electrical metering provided for each apartment unit panelboard.

#### Telephone System:

A vertical-riser system is provided to furnish each apartment with telephone service. Each apartment is furnished with a telephone outlet. The main telephone cabinet is located in the first floor electrical room.

#### Television System:

The television system was upgraded to provide cable service to each apartment unit. The original riser system was abandoned in place. Each apartment unit is provided with its own dedicated television cable.

#### Fire Alarm System:

The existing fire alarm system consists of a single manual box station and two alarm bells on each apartment unit floor. There are also manual box stations and alarm bells on the parking levels and a smoke detector in each apartment unit. The main fire alarm control panel is located in the first floor electrical room and the annunciator is located on the lobby level. The fire alarm system is manufactured by Edwards Company.

**Non-compliant items noted during the walkthrough:**

These are items which are not in compliance with the present National Electrical Code (NEC), Uniform Fire Code (UFC) and its amendments and the ADA code.

A. Apartment Units:

There are no GFCI receptacles in both the bathrooms and the kitchens, as required by the NEC.

The present NEC requires arc-fault circuit breakers for all bedroom circuits. These are not provided.

The apartment panelboards are located in the broom or storage closets, which is a violation of the NEC.

B. Common Areas:

There are no visual alarm devices in the common areas for the fire alarm system.

The elevator system does not have smoke detectors at the lobbies for the automatic recall in the event of a fire.

Only one manual pull station is provided at each floor. There is no pull station adjacent to the makai exit stairwell.

There is no illuminated exit sign for the makai exit stair.

The existing fire alarm system is outdated and cannot be upgraded to provide the latest required fire alarm devices and features. Replacement parts probably would not be available. Also the panel door cannot be locked nor kept closed.

The lighting control panel relays are noisy and the door is missing a locking mechanism.

The panelboard directories are not properly labeled and identified. This is also the case for the disconnect switches and breakers, as well as the relay cabinet. This would assist the maintenance personnel in trouble-shooting the existing system. Also, it is highly recommended that a laminated copy of the electrical one-line diagram and the riser diagrams be kept in the electrical room.

As noted above, the deficiencies indicated are not in compliance with the current codes. It is recommended that these be corrected to bring the building up to current code standards.

The overall condition of the electrical system is acceptable, considering its age. The system has been maintained in good condition, however, the above items need attention.

**PREPOSE ENGINEERING SYSTEMS INC.**

**1314 South King Street, Suite 1251**

**Honolulu, Hawaii 96814**

**Phone: (808) 591-8175**

**Fax: (808) 596-0479**

**E-mail: prepose@verizon.net**

**Date:** January 26, 2006

**Project:** Pacificana Apartments  
1125 Young Street  
Honolulu, Hawaii

**DUE DILIGENCE REPORT**

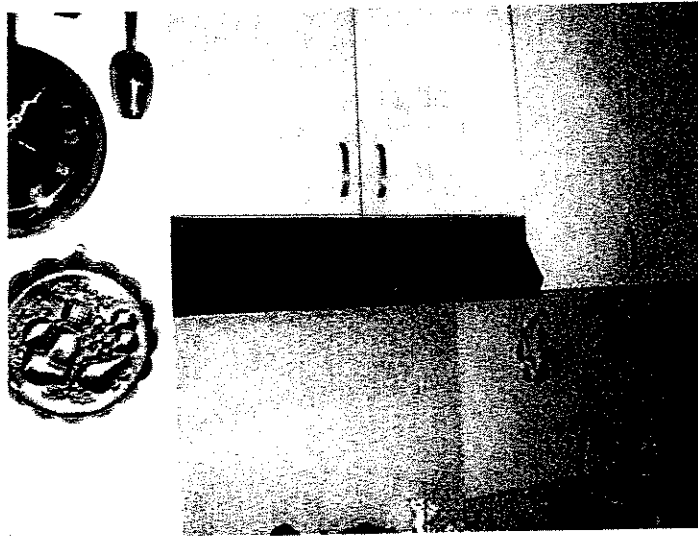
The project scope was to visually inspect the existing mechanical systems for a ten story apartment building. The property was built in two phases. Phase I was the Atlas building fronting King street and Phase II was Pacificana Apartments fronting Young Street. The two buildings are connected by the parking structure. The Basement through the Third Floor is used for tenant parking. The apartments are from the Fourth through Tenth floors. There are a total of sixty-nine units. The building is constructed of concrete masonry and concrete roof and floors. The building is a rental and operated and designed as apartments. Each floor has two 2-bedroom units, six 1-bedroom units and two studio units, except for the Fourth Floor. The Fourth floor has only one studio unit because of the swimming pool restrooms. There is no insulation below the roof. The apartments are not air-conditioned. The building has a wet and dry standpipe systems and a fire sprinkler system for the basement and upper floor parking levels. The mechanical systems were visually assessed to their physical conditions and code violations. There was no destructive investigation done of the mechanical systems.

**VENTILATION SYSTEM**

The apartment bathrooms are mechanically ventilated with a Nutone fan rated at 180 CFM. The fans are in good condition. There are no exhaust fans for the Type A, 1-bedroom units located on the south end of the building.

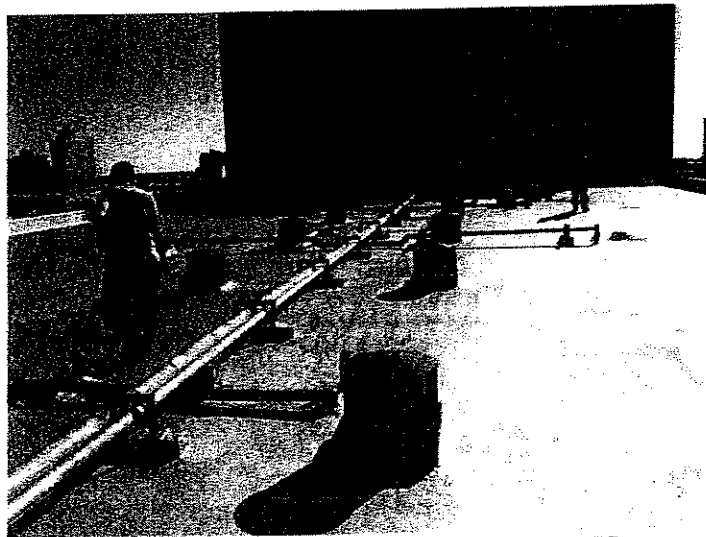
There are ducted kitchen hoods over the ranges in each unit. Some of the range hoods have been replaced and some have the original hood.





**KITCHEN RANGE HOOD**

According to the drawings, the exhaust shaft is rated at 2-hours and constructed of ½-inch plaster, 1-inch gypsum board and an inner layer of ½-inch plaster inside the shaft. There is no sheet metal duct within the shaft. The shaft is used as a duct. A 22-inch vertical boot within the shaft protects each connection into the shaft. The exhaust vents terminate at the roof with a Breidert gravity ventilator. The roof vents are the original vents and have slight corrosion.



**BREIDERT ROOF EXHAUST VENTS**

The dryer exhaust is not ducted but each dryer exhaust within the unit through a dryer water filter.

Exhaust fans ventilate the lower level parking. The fan was not running. Building management personnel indicated the fan was on a timer. The fan should be running constantly or activated by CO sensors.

**Ventilation Recommendations:**

The toilet exhaust fans should be checked throughout the building. Fans should be replaced if noisy or vibrates excessively

Kitchen hoods that are the original equipment should be replaced. We recommend the stainless steel residential type. Stainless steel is recommended because they have a longer life cycle and they are easy to maintain.

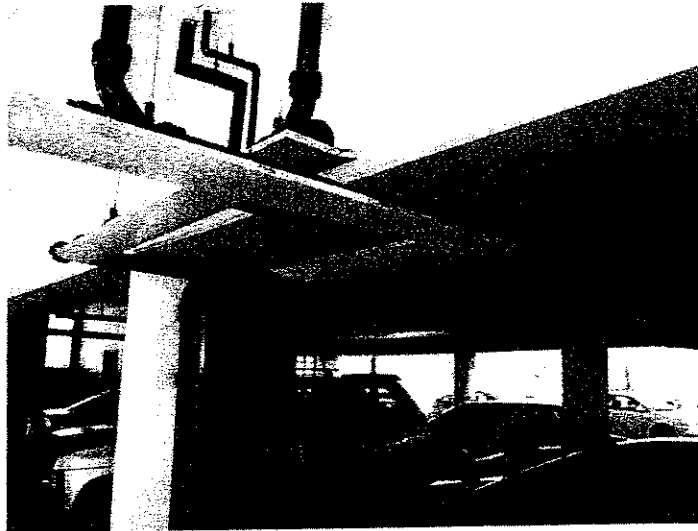
Parking exhaust fan and controls should be checked. We recommend that CO sensors be provided to activate the fans.

**PLUMBING SYSTEM**

The plumbing system consists of the waste and vent sanitary system, storm drain system, water system, wet standpipe and dry standpipe system for the four floors. Gas is at the site and is for the gas heater on the roof. There is no booster pump system for the domestic water system.

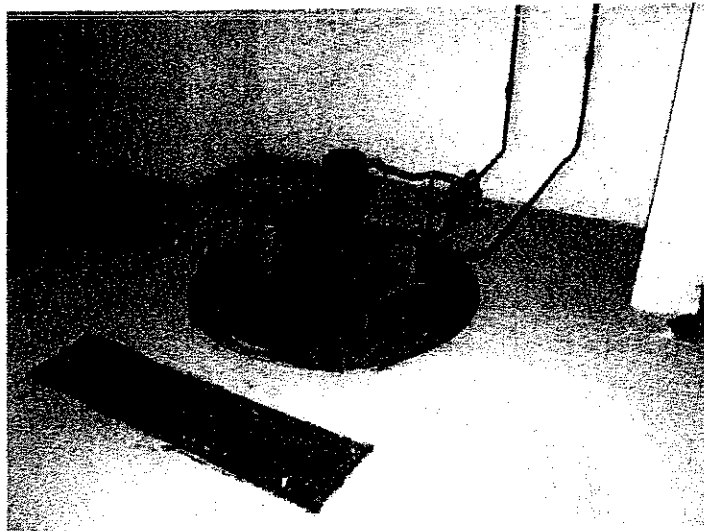
**Sanitary and Storm System:**

The sanitary system is constructed with cast iron waste and vent systems. The pipes and fittings are of hub and spigot type with some no-hub couplings at repaired areas. The system is a gravity system with the building sewer is collected at the Fourth Floor ceiling. The main sewer is connected to a lateral on King Street through the Atlas lower level parking. The exposed pipes were in good condition. There were drain pans under pipes on the Fourth Floor. According to the Building Managers the pans were installed to protect the cars from overflowing plumbing fixtures and not pipe leakage. There were no visual checks on the pipes within the walls because the pipes were not exposed during the site visit. The Building Managers did not indicate any problems with the sanitary waste system.



**DRAIN PAN UNDER SEWER PIPES**

Storm drainpipes are collected at the lower level parking and discharges to Young Street. The lowest level parking has two duplex sump pumps in good condition.



**DUPLEX SUMP PUMP**

**Sanitary and Storm System Recommendations:**

The system should be spot checked in walls to verify the conditions of the piping in the wall. The sewer system should be routed through at every cleanout.

Sump pumps and controls shall be checked and serviced for proper operation.

**Water System:**

The domestic water system has a single pressure zone, which is dependent on the City's pressure to provide water up to the Tenth Floor. The exposed pipes are hard drawn copper. There were no visual leaks. The existing water meter is located on the Young Street Northeast corner of the property.

There is no backflow prevention device installed for the property. An approved backflow prevention device is required by the Board of Water Supply. Existing hose bibs did not have vacuum breakers as required by City of Honolulu code requirements.

The hot water heaters are located on the roof and the heaters are in good condition. These heaters replaced the original equipment. The heaters are Bock 66W-625SD and are rated at 625,000 BTUH, 606 GPH and 65 gallons storage capacity.



Hot Water Heaters

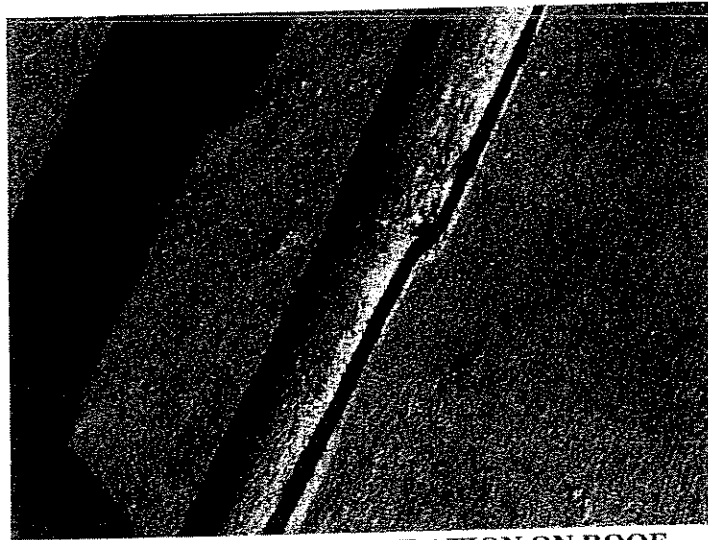
The heaters are larger than 199,000 BTUH, therefore are considered boilers. The use of the heaters requires a State Boiler Permit.

The hot water is recirculated to the heaters on the roof. The recirculating pump is in good condition.



**HOT WATER RECIRCULATING PUMP**

The hot water is insulated with fiberglass insulation. The insulation on the roof is in poor condition in some places. The outer jacket has fibers that may be asbestos.



**HOT WATER PIPE INSULATION ON ROOF**

**Water System Recommendations:** An approved reduced pressure backflow prevention device (RPBP) is required immediately after the water meter. Device shall be installed in adjacent landscaping area. A RPBP should be provided for the irrigation system also.

Hose bibs shall be replaced with hose bibs with non-removable vacuum breaker.

The hot water recirculating pump and aquastat shall be serviced.

Hot water insulation on the roof should be replaced or repaired. If the insulation contains asbestos the insulation should be replaced entirely. The new insulation shall have a metal jacket.

**Gas Piping:**

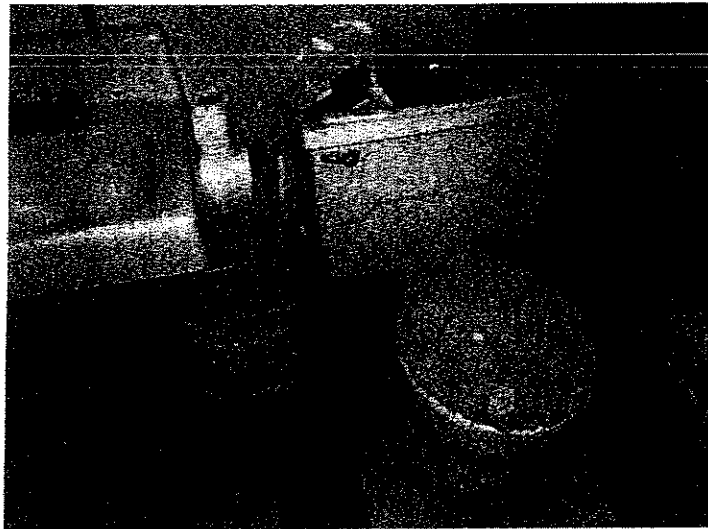
The gas meter and regulator is located at the front northeast end of the complex. Gas is provided to the Laundry only. The natural gas is from the main gas line in Young Street.

**Gas Piping Recommendations:** The piping should be pressure tested to determine if there are any leaks in the underground piping

**Plumbing Fixtures:**

The plumbing fixture condition varied throughout building. The fixtures do not meet ADA and the low flow requirements.

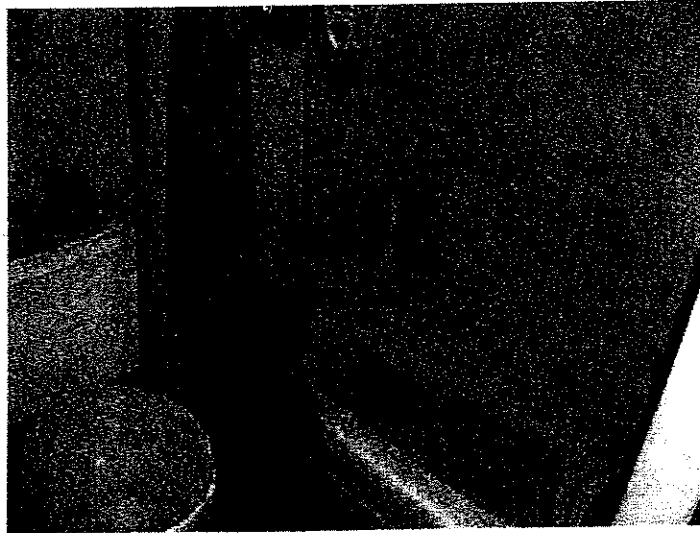
The water closets were regular flow tank type toilets. Water closets are in fairly good condition aside from regular wear and tear. The lavatories are the original fixtures. They are wall mounted



**EXISTING LAVATORY AND WATER CLOSET**

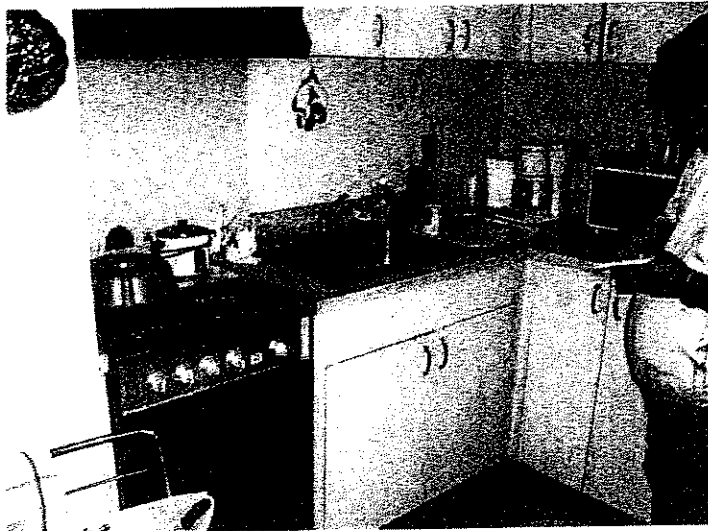
with two handle faucet. Fixture and trims are the original and need cleaning, refinishing or replacement.

The tub/showers are constructed cast iron tub, which are in fairly good condition. The shower faucet assembly is the single-handle type, which may be the pressure balancing type. Tub shower valve and trims need to be refinished or replaced.



**TUB WITH SINGLE HANDLE FAUCET**

Stainless steel single-compartment kitchen sinks are self-rimming type. The sinks and trims are in fairly good condition. Disposers under sinks in good condition and are ISE Badger.



**KITCHEN SINK**

**Plumbing Fixture Recommendations:** The plumbing fixtures and trims are old therefore replace fixtures with new fixtures meeting low flow and safety requirements. The fixtures and trims should meet ADA requirements where required in the units.

The water closets are tank type and need to be replaced with low flow tank type water closet. If the building is going to be used as a rental apartment than the toilets should be replaced with a

pressure flush tank instead of the gravity type. If the apartment is converted to condominium units than a good low flow gravity tank type toilets can be used.

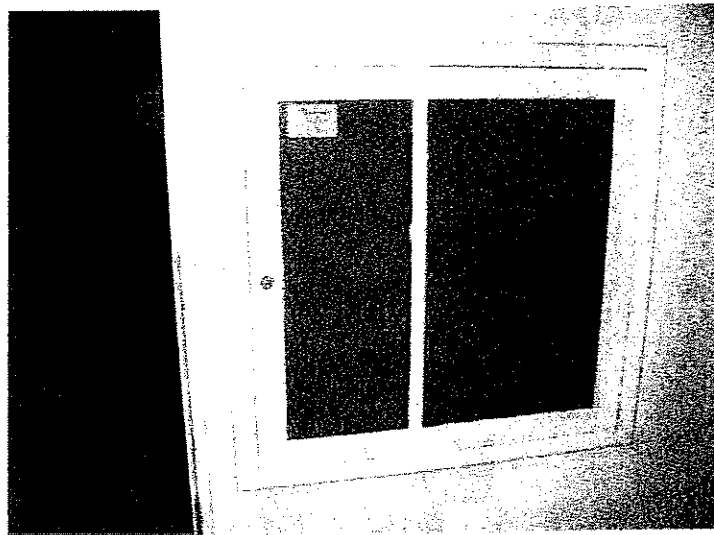
The lavatories should be replaced. The faucets drain and water supplies should be replaced. Single lever faucets with ceramic cartridges should be provided.

The tub/showers and shower valve and trim should be replaced. The shower valve and trims should be replaced with a pressure balancing valve with a high limit temperature setting and low flow shower heads and single lever handle. The pressure balancing valves are required to prevent shower scalding because of the central hot water heating system without a mixing valve.

The kitchen stainless steel sink and counter should be cleaned and polished. The faucets should be replaced with new low flow faucets.

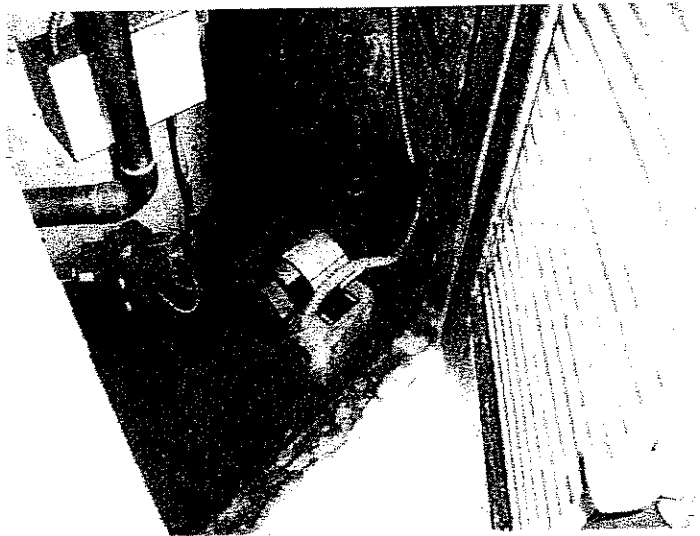
### **FIRE PROTECTION SYSTEM**

The building has a fire sprinkler system for the parking levels only. There are no fire spinkler system for the units located on the Fourth through Tenth floors. There are existing Class 1 fire hose cabinets with 5-lb fire extinguishers on each floor and located on each floor. The wet system is connected to the domestic system through an independent line with a check and shutoff valve in a valve box. The wet system uses City water pressure to the booster pump on the roof.



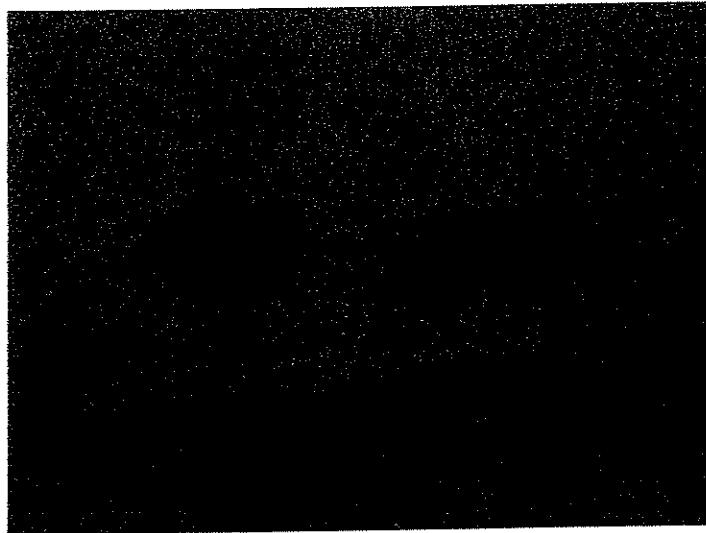
**FIRE HOSE CABINET**





**WET STANDPIPE BOOSTER PUMP**

There is a 6-inch dry standpipe system in the North stairway and in good condition. The dry standpipe fire department Siamese connection is located at the ground level facing Young Street on the Northeast corner of the building.



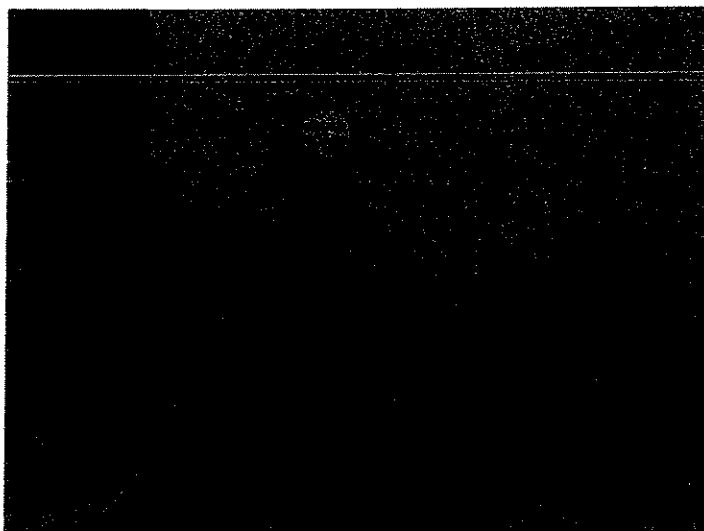
**FIRE DEPARTMENT CONNECTIONS**

The roof fire department connection on the roof is in good condition.

The fire sprinkler riser is located in the first level parking at the Northeast corner of the building and is in good condition although it has the original alarm valve assembly. There are no tamper switches on the assembly. The fire sprinkler system is shared with the Atlas Building. There is a post indicator valve facing Young Street and is corroded at the base.



**FIRE ALARM VALVE ASSEMBLY**



**CORRODED POST INDICATOR VALVE**



**ROOF FIRE DEPARTMENT CONNECTION**

**Fire Protection Recommendations:** A certification flow test should be done on the wet standpipe system. The shutoff valve in the valve box for the wet system should have a chain and lock to prevent tampering with the valve.

The dry standpipe system should be pressure tested and certified.

The fire extinguishers should be tested and inspected.

The fire sprinkler system should be tested and certified. Tamper switches and monitoring of the system should be installed but may require an upgrade of the fire alarm system.

### **GENERAL COMMENTS**

The original design drawings were available. Basically the mechanical systems were installed per the design drawings. There were some indications of rerouting pipes because of repair and maintenance of the existing system.

The inspection of the two swimming pool, spa and equipment were not included in the scope of the project but the mechanical system should be checked for proper operation. The turnover rate should be checked for each pool and the equipment is sized to provide the correct turnover rate. The equipment is located on Third Floor under the South stairway.

The mechanical systems were visually observed to be fairly good condition and system were generally maintained in good condition. Due to the age of the building and the systems and the normal usage there will be future maintenance repairs that will be required.

There were no destructive inspection done for this report

We recommend that the Life Safety equipment be checked and repaired or corrected immediately.

Because this report did not include destructive investigation and technicians to test equipment, we recommend that the following additional services be retained to quantify equipment remaining life and condition of equipment, cost of repair or replacement:

Plumbing Service Company	To check booster pumps and sump pumps, And check point of discharge of sump pumps. Check hot water boilers.
Fire Service Contractor	Pressure test dry standpipe system, flow test fire sprinkler system, test and certify wet standpipe and extinguishers.

These technicians and or contractors should be independent from those that are currently servicing the systems.

The sanitary system passes through the lower level parking of the Atlas Building and connects to a lateral in King Street.

The fire alarm riser for the Pacificana also fires sprinklers the Atlas Building parking levels.

Submitted By:  
Arnaldo Prepose, P.E.  
Prepose Engineering Systems, Inc.



**HAWAII  
ENGINEERING  
GROUP, INC.**

Consulting Civil & Structural Engineers

April 18, 2006

**Attn: Mr. Peter Savio, President**  
Hawaiian Island Development

**Re: Pacificana Apartment Building- Due Diligence**  
1125 Young Street, Honolulu, HI  
TMK: 2-4-03:03

**Structural Engineering Observation Report**

A site visit was held to note cursory observations of the Pacificana Building on December 7, 2005. The inspection involved a walk-through observation of the building structure. The observations were limited to the following areas only:

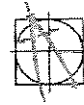
1. Basement
2. Parking Deck
3. Building Exterior
4. Room#1003, #807, #702 and #407
5. Roof
6. Swimming Pool Area

No calculations or testing of any kind was performed. Architectural, Mechanical, Electrical, and other nonstructural aspects were not addressed. Compliance of design with the current building codes or the building code it was designed under was not checked.

A set of structural drawings produced by "Ernest H. Hara and Associates" was provided by the Client for review. The drawings indicate the Structure was built in 1966. The set of Structural drawings provided by the client indicated that the drawings were stamped by a registered Professional Engineer Mr. Harold M. Tanimura.

The building comprises of a Sub Basement, Basement, 1<sup>st</sup> floor, 2<sup>nd</sup> floor and a 3<sup>rd</sup> floor that serve as parking decks and 4<sup>th</sup> thru 10<sup>th</sup> floors that form the tower for the residential units. It is a poured in place reinforced concrete structure. The building is supported on individual spread foundations.

The Sub Basement consists of a 4" thick poured in place concrete slab reinforced with welded wire fabric. Typical parking deck consists of 4.5" thick poured in place reinforced concrete slab supported by pre stressed concrete joists spaced at 6'-6" oc. These joists are supported by poured in place reinforced concrete beams. The 4<sup>th</sup> floor is 5.5" thick poured in place one way reinforced concrete slab with concrete girders running along the length of



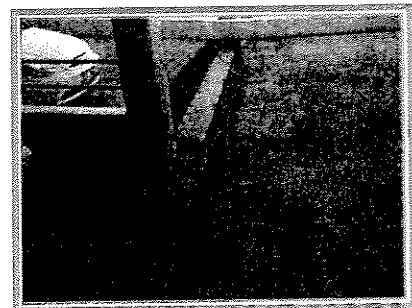
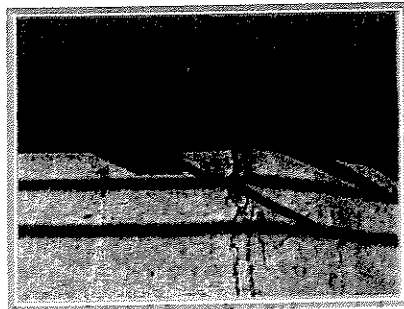
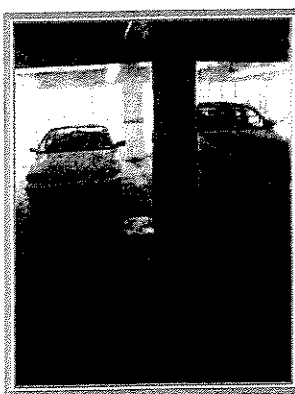
the tower along column lines. The pool deck is 6" thick reinforced concrete two way slab. The typical tower floors and roof consists of 5.5" thick flat plate slab spanning 10' x 19' bays.

The lateral load resisting system for the building is not very well defined. It appears that the poured in place elevator and stair shafts form the Lateral Load resisting system for the building at one end (Mauka Side) but on the Makai side the shear walls forming the lateral load resisting system do not extend to the ground. This is an undesirable irregularity in the lateral load resting system. However, no signs of structural distress related to this condition were observed.

**Observations:**

**Parking – Sub Basement, Basement and levels 1 thru level 3**

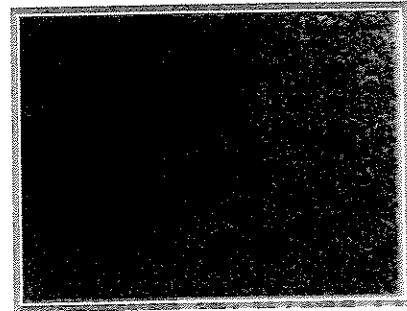
1. No visible signs of any major structural damage were observed nor were any signs of building settlement observed. The slab on grade has typical hair line cracks.
2. Minor concrete spalls were observed in the parking deck in numerous locations.
3. Hairline cracks were observed in numerous locations
4. Cracks were observed in the upper parking decks. These cracks had been repaired with some epoxy material.
5. Some deck coating has been applied to the surface all over the parking deck area.
6. Expansion joints with worn out fillers were observed (see photo 2).
7. A drainage channel cut in the parking slab deck was observed at one ramp location (see photo 3)
8. Ponding of water was also observed at one of the parking deck levels (see photo 1).



**Photos 1 2& 3:** *showing ponding, worn out expansion joint and deck drainage problems.*



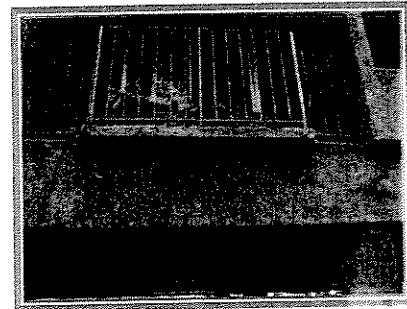
9. Exposed rebar that had been painted over without proper repair were observed in on the top parking deck (see photo 4 & 5).



Photos 4 & 5: showing exposed reinforcement in parking decks

### Building Exterior

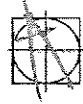
1. Many instances of concrete spall were observed on the exterior face of the building in particular at the edges of the apartment lanai's (see photos 6 & 7).



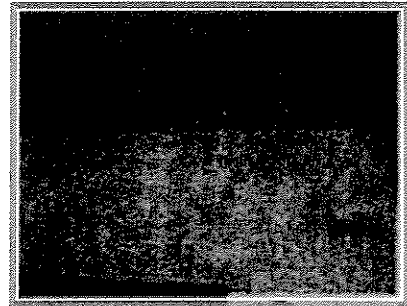
Photos 6 & 7: Showing concrete spall at apartment lanai edge.

### Rooms #1003, #807, #702 & #407

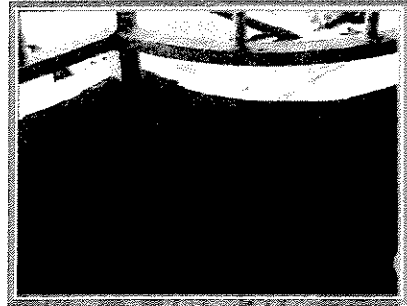
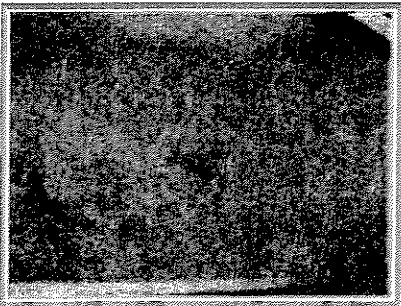
1. The following was observed in unit #1003
  - a. Spall in ceiling concrete over the washer/Dryer area was observed (see photo 8)
  - b. Crushing of dry wall at the ceiling level behind the washer/dryer area (see photo 9).
  - c. Bedroom closet had water damage that will require immediate attention for correcting the condition (see photo 10).
  - d. Vertical cracks and crimpling of joint tape along joint lines was observed in the dry walls.



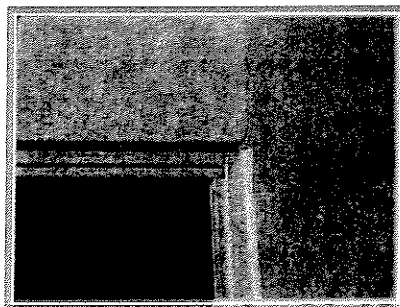
- e. Some cracks and patch repairs were observed in the lanai slab (see photo 11)
- f. Corrosion damage around lanai rail posts was also observed (see photo 11)
- g. Dry wall cracks were observed in the corridor at corners of door jambs of units (see photo 12)



**Photos 8 & 9:** *Showing damage in Unit #1003.*



**Photos 10 & 11:** *Showing damage in Unit #1003 bedroom and Lanai rail posts.*



**Photos 12:** *Showing damage to door jamb corners visible in the corridor.*





2. The following was observed in unit 807
  - a. Crimpling of dry wall at ceiling location
  - b. Dry wall cracks were observed in the corridor at corners of door jambs of units
  
3. The following was observed in unit 702
  - a. Crimpling of dry wall at ceiling location
  - b. Cracks in lanai slab and corrosion of lanai rail posts at location of embedment in concrete slab.
  - c. Dry wall cracks were observed in the corridor at corners of door jambs of units
  
4. The following was observed in unit
  - a. Crimpling of dry wall at ceiling location
  - b. Dry wall cracks were observed in the corridor at corners of door jambs of units

### Roof

1. It was reported by the building manager that water had at one time leaked from the roof into unit #1003
2. Alligator cracking pattern was observed in the roofing membrane (see photo 13)
3. In some areas roof membrane was damaged (see photo 14)



Photos 13 & 14: Showing roof damage



### Swimming Pool Deck

1. No damage was observed at the pool deck.
2. Some damage was observed in the bottom left corner of the jamb of the door leading to the pool area (see photo 15)



**Photos 15:** *Showing damage to the jamb of the door leading to the pool area.*

### Conclusions & Recommendations:

The building in general is in a good condition. Most of the observations made related to the structure are age and maintenance related. The Cracks observed in the building structure are minor and do not impact the integrity of the structure.

The building was designed under building codes that are less stringent in their design requirements than the current building codes especially so in the area of lateral load design. The seismic zone for design of buildings on Oahu was modified from zone 2 to zone 2A in the early 90's. However, all structures built prior to the change are grandfathered according to State of Hawaii Laws. The lateral load resisting system of this building has irregularities that warrant a more detailed analysis be made to verify the adequacy of the existing framing of the building to resist lateral loads. Our observations did not reveal signs of structural distress related to this condition indicating the building structure has been performing well over the last 40 years.

Most of the damage observed in units is related to crushing of dry wall or cracks in the dry walls. The crushing happens when the floor slabs deflect and the non bearing walls that are supported by these slabs do not have the ability to accommodate the deflection. This is non structural issue and can be addressed by repair of dry wall.

The water damage observed in the closet of unit #1003 should be investigated and the condition corrected immediately as it can lead to further damage if no action is taken.



The parking deck damage should be repaired under the supervision of a licensed engineer by a qualified contractor. Also the issue of ponding of water on the decks should be addressed either by keeping the water from coming to the deck or by having it removed promptly through proper drainage. Allowing the water to pond on the deck can cause damage to the concrete and the reinforcement of the structure.

The building will require remedial measures to repair concrete spalls in the concrete walls, lanai edges and lanai rail posts. The extent of damage caused by corrosion of reinforcement is difficult to estimate by visual observations alone. The full extent of the damage can only be discovered once the repairs are undertaken. We recommend that these repairs be done under the supervision of a licensed structural engineer by a licensed contractor with experience in spall repairs.

Maintenance is important for the upkeep of the buildings. In general, the building is structurally in good condition. The buildings should continue to perform well with regular maintenance.

This report does not address portions of the building other than those areas mentioned, nor does it provide any warranty either expressed or implied for any portion of the existing building. If there are any comments or questions on any item above, please do not hesitate in calling.

Submitted by: \_\_\_\_\_

**Ather R. Dar, P.E., President**  
**Hawaii Engineering Group, Inc.**



**ERNEST M. UMEMOTO** AIA  
Architect, Inc.

---

2/16/07

Peter Savio, President  
Hawaiian Island Development Co.

Subject: Pacificana Apartments CPR

Dear Peter:

A cursory visual only observation visit was conducted of the Pacificana Apartments, 1125 Young Street, Honolulu, Hawaii. The property managers furnished the team with a copy of the design documents. There were no approved-stamped Building Department File copy, as-built Construction documents, change orders, soils report, engineering calcs, specification and basis of design. No permitted plans for alteration or renovation of either apartment areas or common areas were reported. This report covers that which was observed in a sampling of typical apartments, and assumes that the general observations made are pertinent to the building as a whole. No record of alterations, additions, or renovations were reported, but should have been approved by Building Permits.

The design and construction seen are similar to that found in apartment buildings in Honolulu's urban fringes. There are design elements that are "grand-fathered" and do not meet the requirements of the current Building code. In some cases, building owners should consider up-grading to the current standard immediately if health, safety, of welfare is compromised. An example would be the opening in guardrails (currently 4" maximum) and the height of the top rail (currently 3'-6" high). In other cases, the size of alteration and renovation projects will require that the current standard be instituted.

Since the building was constructed, the building codes have been amended and other governmental regulations have been added or changed. The fire sensor and alarm system is one area where even when not mandatory, the latest requirements should be presented to the AOA by the property management for their decision to upgrade the safety provision or not. Recurring Fire Department inspection should be requested and fire evacuation drills held periodically.

The visual only observation visit did not include invasive or destructive testing, so the extent of damage or deterioration if any was not able to be substantiated. The existence of lead paint, asbestos, environmental toxic material, dirty air quality and other problems was not observable. To address these items would require the retainage of specialty inspectors, and this is rarely done without damage or injury being



**ERNEST M. UMEMOTO AIA**

Architect, Inc.

---

obvious to the residents and the property managers. The decision to increase the level of inspections and testing is a management decision of the building owners.

There are a few inspection that are readily available and commonly retained by management. Preventative maintenance is generally accepted to be cost effective to running to failure and undertaking repair at higher cost. These areas are roofing, weatherstripping, caulking, flashing, protective coating, termite protection, gasketing, a/c maintenance, concrete spalling, corrosion control and clean-up of algae growth on walkways, servicing roof drains and keeping storm drains clean and clear.

The Pacificana Apartments and Atlas Building share parking driveways and utility systems. It is important to maintain easements that facilitate the proper operation and service clearance to the shared items.

The upper floors have two exit stairways that from floors that have parking depend of the parking driveways and ramps for one of the exits. This is a grand-fathered design that no longer is permitted by the Building Code. It necessitates exit through another occupancy and is not equal to a fire-resistive protected enclosure. Management effort must enforce the clear lighted exit path and visibility of exit signs from all directions.

Storage of flammables was seen in a store room in a UL- listed cabinet. Ensure that flammables and used rags are not stored outside the cabinets and that the room is adequately ventilated to prevent spontaneous combustion. Storage of chemicals

Observations in three apartments found the following concerns:

- Apartment entry door at corridor must have 20 minutes fire resistance and label visible. None seen.
- Electrical convenience outlets in the kitchen and bathroom that are within 6' of a water source must be GFIC. None seen.
- Range must have fire resistant finish on the surrounding wall, such as ceramic tile, plastic laminate, and sheet metal. Only partially provided, none on side wall.
- If a wall cabinet exists above the range, minimum 24" clear height must be provided between the burner top and a metal range hood above.
- Bedroom windows must be sized for fire escape. Minimum clear height = 24". Minimum clear width = 20". Minimum net clear 5.7 SF. The finished sill height is 44" maximum. Glass jalousie are acceptable if the above sizes are meet.
- Water damage was seen in one closet. Any water infiltration damage must be addressed for toxicity and further problems.
- The electrical outlet in the light fixture is not GFIC and is a hazard.
- Washer/dryer outlet used with extension plug which is not GFIC.
- Portable dishwasher may drain into system that was not designed for every apartment to possess a unit.



**ERNEST M. UMEMOTO AIA**  
Architect, Inc.

---

- Toilet water closet must be in a space with 30" clear with minimum 24" clear in front of the water closet.
- Shower surround must be hard impervious surface to height of 6'.
- Ceiling height must be 7'-6" minimum with projections not lower than 6'-6" high. Bathrooms and halls may be 7'-0" high.
- All rooms (except toilet with toilet exhaust) must have minimum 10% light and 5% ventilation area in exterior wall based on floor area of the room.
- Lanai guardrail must be 42" high. Current opening in the guardrail is 4" maximum. At the time of construction the opening maximum may have been larger.
- Fire extinguisher not seen in proximity of range.
- Electrical panels must have 3' clear in front, not storage.
- UL-approved hard wire smoke detector required just inside each bedroom door and one outside in the hallway outside the bedroom doors.
- Glass sliding door on lanai and for shower must have safety glass.
- Windows with sill lower than 3'-6" must have a guardrail at 3'-6" high.

There are no ADA and FHA compliant apartments in the building. Occupants and guest may not be able to access the building from the sidewalk or the parking garage.

In the common areas and parking areas the following concerns were observed:

- Parking stalls may not have the 22' clear in front as required by the zoning code.
- There are no loading stalls.
- There are no ADA compliant or van-accessible parking stall.
- Exit signs are not lighted and are lacking in many areas.
- Exit lighting on emergency battery or generator power lacking.
- Ventilation of basement parking not seen.
- Stair did not have required 44" clear width.
- Exit vestibule doors must be 20 minute fire resistive and both door and frame labeled, provided with smoke gasket and draft protection, be self-closing and properly identified with exit sign.
- Stair enclosure door must be 90 minute fire resistive and both door and frame labeled, be self-closing and properly labeled with exit sign.
- Handrail height was okay at 36" high but did not extend pass the last riser and exceeded the spacing or projection from the wall.
- The guardrail at the top parking level is 42" high but has 8" openings along its entire length that children could fall through.
- The roof has no scuppers and could pond if a big storm hits.
- The roofing requires a better design. There is no coping, cant flashing, slope to drain and roof drain capacity.
- Pipe insulation may have asbestos.
- No roof insulation.



**ERNEST M. UMEMOTO AIA**  
Architect, Inc.

---

- Corridor ceiling space may have asbestos.
- Roof access hatch is locked to public access.
- Door to elect panel room cannot be wood. Replace with a metal door and frame.
- Guardrail over entry ramp next to electric panel room is only 3' high. Rebuild to 3'-6" height.
- Trench drain at bottom of last driveway ramp to roof-top parking deck may be overwhelmed by a big storm.
- Penetrations between garage and residential area require fire separation protection.
- Doors to exit components and between use separation require fire rated assemblies and have self-closures.

The building will require an extensive design study if all apartments are allowed to have their own window type or split system a/c. The roof will have to be insulated, and all glass windows and lanai doors must have insulating properties. The power would have to be increased to each apartment and sub-metered to allow proper charging for electrical usage. Condensate drain must be provided.

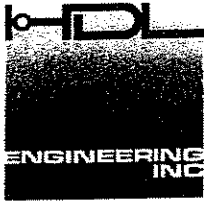
The above cursory visual only site observation report covers Architectural concerns only. Separate reports for Structural Engineering, Mechanical Engineering, and Electrical Engineering were made, but none have been cross coordinated or evaluated. Destructive testing, laboratory testing, checks of approved permits, un-permitted work, zoning and special design district requirements, design review, cost studies, civil engineering, site drainage and flooding, foundation and soils engineering, underground utilities and systems, property line encroachments, environmental quality, indoor air quality, water infiltration, mold, asbestos, lead paint, other toxic material, shoreline requirements, setback measurements, height requirements, street frontage and sidewalk improvements, pool and water safety, landscape features, roofing, termite, and traffic safety are not included. Any certifications required by governmental agencies are authored by other and shall not raise the level of visual observation on the site visit. Observations are to the best of our knowledge. Compliance to latest codes and grandfathered status must be ruled on by the Building Department. ADA and FHA are Owner's decisions beyond our control and should be investigated by experts in the respective fields.

The building has been well maintained and suits the intended use very well. As the building ages, increased maintenance and replacement costs should be expected.

Yours truly,

Ernest M. Umemoto, AIA

4 pages total



1136 Union Mall, Suite 700  
Honolulu, HI 96813  
Tel: (808) 521-3314  
Fax: (808) 533-3314  
email: [hdl@hawaii.rr.com](mailto:hdl@hawaii.rr.com)

Date: January 30, 2006  
Project: Atlas Building - 1150 S. King Street  
HDL #: 06-010  
Subject: Due Diligence Survey

The scope of work consists of surveying the existing electrical systems for compliance with the current National Electrical Code (NEC) and also with the latest Fire Codes and Building Codes. This report will list the findings from this survey, bringing special attention to those items found to be non-compliant with the current codes.

#### Electrical System:

The electrical power for the building is furnished by the Hawaiian Electric Co. (HECO) and primary metered by HECO. The meter number is 486942 and the metered demand has ranged between 329 KW and 368 KW. The building transformer, secondary distribution switchboard and metering vaults are located on the 2<sup>nd</sup> floor. The transformer for this building is rated 750 KVA, 480Y/277 volts, three phase, four wire and is owner-furnished and maintained. The transformer insulation fluid is AInsuldur®, a non-PCB insulation material.

The secondary switchboard is integral with the transformer unit. The secondary voltage of the transformer is 480Y/277 volts, three phase, four wire. The air-conditioning equipment, elevators and the fluorescent lighting loads are served from this 480Y/277 volt distribution system. All general power and receptacle loads are served at 208Y/120 volt via step-down dry type transformers located at each floor. There is an electrical room located on each floor (2<sup>nd</sup> through 12<sup>th</sup> floors). The air-conditioning equipment is located on the roof level. The elevator machine room is located on the basement level.

#### Telephone System:

A vertical-riser with telephone cabinets located at each floor is provided to furnish telephone service for the office spaces. The main telephone cabinet is located on the first floor.

#### Fire Alarm System:

The existing fire alarm system is being replaced with an upgraded system to meet the latest fire code requirements.



Comments regarding the above electrical systems:

At the present, there are no visual fire alarm devices located in the common areas, including the public toilets, as required.

The existing manual fire alarm pull stations are mounted at +5' above finish floor. The new ADA code requires +42" above finish floor.

There is only one fire alarm bell on each floor. This is located in the lobby.

The Electrical Rooms on each floor are not directly accessible from the lobby or corridor (access is only available through the offices).

Considering the age of the building, the electrical equipment is in fairly good condition with the exception of the equipment located on the roof level where corrosion is a major problem.

The Electrical Rooms and the Electrical Vault on the 2<sup>nd</sup> floor should not be utilized as storage rooms. These rooms should be dedicated for use for its intended purpose as a room for electrical equipment.

All major electrical equipment in the electrical rooms and Electrical Vault should be properly identified with name plates or labeled.

All electrical panelboards should have their directories updated to reflect the current conditions.

A copy of the building [One-Line Diagram](#) should be prominently displayed in the Electrical Vault.

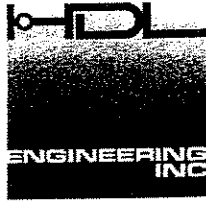
All receptacles located on the exposed areas of the roof should be GFCI protected and the weatherproof covers replaced with NEC compliant covers.

Several flexible conduits serving the AC equipment are not rated for exposed to the weather use. There no jacketing provided.

There is no stand-by generator provided for the emergency lighting, other emergency loads and the elevator.

As noted earlier, the fire alarm system is being replaced with an upgraded code compliant system. The new system should address the comments made in this report.

The overall condition of the electrical system is acceptable, considering its age. The system has been maintained in good condition, however, there are several items listed above that will require attention.



1136 Union Mall, Suite 700  
Honolulu, HI 96813  
Tel: (808) 521-3314  
Fax: (808) 533-3314  
email: [hdl@hawaii.rr.com](mailto:hdl@hawaii.rr.com)

Date: December 6, 2005  
Project: Pacificana Apartments - 1125 Young Street  
HDL #: 05-163  
Subject: Due Diligence Survey

The scope of work consists of surveying the existing electrical systems for compliance with the current National Electrical Code (NEC) and also with the latest Fire Codes and Building Codes. This report will list the findings from this survey, bringing special attention to those items found to be non-compliant with the current codes.

#### Electrical System:

The electrical power for the project building is furnished by the Hawaiian Electric Co. (HECO) A HECO transformer vault is located at the basement parking level and an electrical room is located on the first floor. The secondary electrical power is master metered at the electrical room and the power is distributed from this room at 208Y/120 volts, three phase, 4 wire. There are distribution panelboards located on each floor above the fourth floor. There are 10 floors for this building. Each apartment unit is provided with its designated main disconnect switch at this distribution panel and each apartment unit is provided with its own panelboard. There is no individual electrical metering provided for each apartment unit panelboard.

#### Telephone System:

A vertical-riser system is provided to furnish each apartment with telephone service. Each apartment is furnished with a telephone outlet. The main telephone cabinet is located in the first floor electrical room.

#### Television System:

The television system was upgraded to provide cable service to each apartment unit. The original riser system was abandoned in place. Each apartment unit is provided with its own dedicated television cable.

#### Fire Alarm System:

The existing fire alarm system consists of a single manual box station and two alarm bells on each apartment unit floor. There are also manual box stations and alarm bells on the parking levels and a smoke detector in each apartment unit. The main fire alarm control panel is located in the first floor electrical room and the annunciator is located on the lobby level. The fire alarm system is manufactured by Edwards Company.

**Non-compliant items noted during the walkthrough:**

These are items which are not in compliance with the present National Electrical Code (NEC), Uniform Fire Code (UFC) and its amendments and the ADA code.

A. Apartment Units:

There are no GFCI receptacles in both the bathrooms and the kitchens, as required by the NEC.

The present NEC requires arc-fault circuit breakers for all bedroom circuits. These are not provided.

The apartment panelboards are located in the broom or storage closets, which is a violation of the NEC.

B. Common Areas:

There are no visual alarm devices in the common areas for the fire alarm system.

The elevator system does not have smoke detectors at the lobbies for the automatic recall in the event of a fire.

Only one manual pull station is provided at each floor. There is no pull station adjacent to the makai exit stairwell.

There is no illuminated exit sign for the makai exit stair.

The existing fire alarm system is outdated and cannot be upgraded to provide the latest required fire alarm devices and features. Replacement parts probably would not be available. Also the panel door cannot be locked nor kept closed.

The lighting control panel relays are noisy and the door is missing a locking mechanism.

The panelboard directories are not properly labeled and identified. This is also the case for the disconnect switches and breakers, as well as the relay cabinet. This would assist the maintenance personnel in trouble-shooting the existing system. Also, it is highly recommended that a laminated copy of the electrical one-line diagram and the riser diagrams be kept in the electrical room.

As noted above, the deficiencies indicated are not in compliance with the current codes. It is recommended that these be corrected to bring the building up to current code standards.

The overall condition of the electrical system is acceptable, considering its age. The system has been maintained in good condition, however, the above items need attention.

**PREPOSE ENGINEERING SYSTEMS INC.**

1314 South King Street, Suite 1251

Honolulu, Hawaii 96814

Phone: (808) 591-8175

Fax: (808) 596-0479

E-mail: [prepose@verizon.net](mailto:prepose@verizon.net)

**Date:** February 1, 2006

**Project:** Atlas Building  
1150 South King Street  
Honolulu, Hawaii 96814

**MECHANICAL DUE DILIGENCE REPORT**

The project scope was to visually inspect the existing mechanical systems for a twelve story office building with a penthouse at the roof level. The property was built in two phases. Phase I was the Atlas building fronting King street and Phase II was Pacificana Apartments fronting Young Street. The two buildings are connected by the parking structure. The basement of the Atlas building is used for tenant parking. The office units are from the first through twelfth floors and penthouse. The building is constructed of concrete and masonry and concrete roof and floors. There is no insulation below the roof. The units office units are centrally air conditioned. The building has a wet and dry standpipe systems and a fire sprinkler system for the basement and upper floor parking levels only. The mechanical systems were visually assessed to their physical conditions and code violations. There was no destructive investigation done of the mechanical systems.

The original design drawings were available for this report. The original design drawings are reflects what was installed with some modifications.

**AIR CONDITIONING SYSTEM**

The air conditioning system consists of a water-cooled centrifugal chiller and cooling tower located on the Roof with chilled water distributed to basically four air handling units on each floor.

**Chilled Water Plant:**

The air conditioning system consists of two nominal 129-tons water-cooled chillers, and two (2) close coupled end suction chilled water pumps and condenser water pumps and two cooling towers. There is a small air-cooled packaged chiller on the roof that services the first floor during after hours only. The existing chiller plant consist of the following equipment:

Chiller: Model: Carrier 19DG136

Refrigerant: R11  
Nominal Capacity; 125 Tons

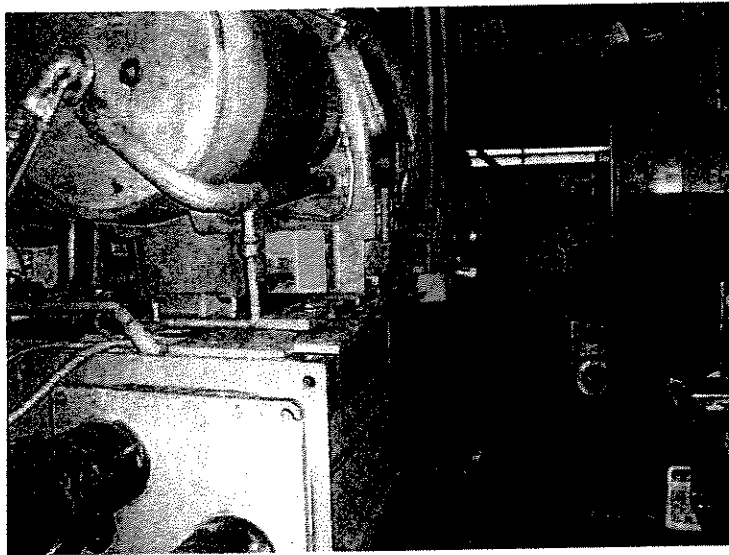
Cooling Tower: Model: Baltimore Air Coil VXTN2650

After Hours Chiller: Dunham Bush AC30A

Chilled Water Pump: Griswold, 1750 RPM, 15 HP

Condenser Water Pump: Jacuzzi 8F75A003, 1750 RPM, 10 HP

The chiller model indicates that the unit was manufactured between 1969 to 1979 and uses a refrigerant that is not environmentally friendly. Chloroflourocarbon R-11 refrigerant is not manufactured today. For the age of the unit, the chiller is in good condition. The chiller room is small and has a vestibule to minimize noise transfer to the adjacent penthouse unit. The building has no back-up air conditioning.

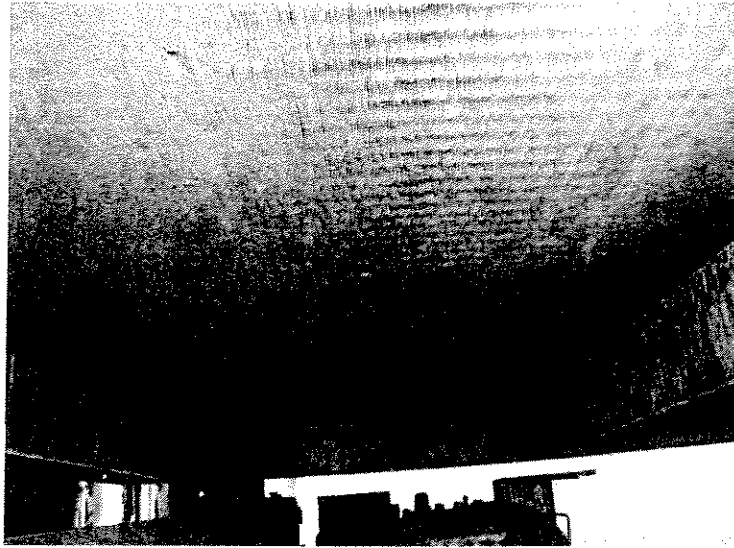


Carrier Centrifugal Chiller

The air cooled after hours chiller on the roof is old and the condenser coils are deteriorating and may require replacement in the very near future.



First floor After Hours Chiller

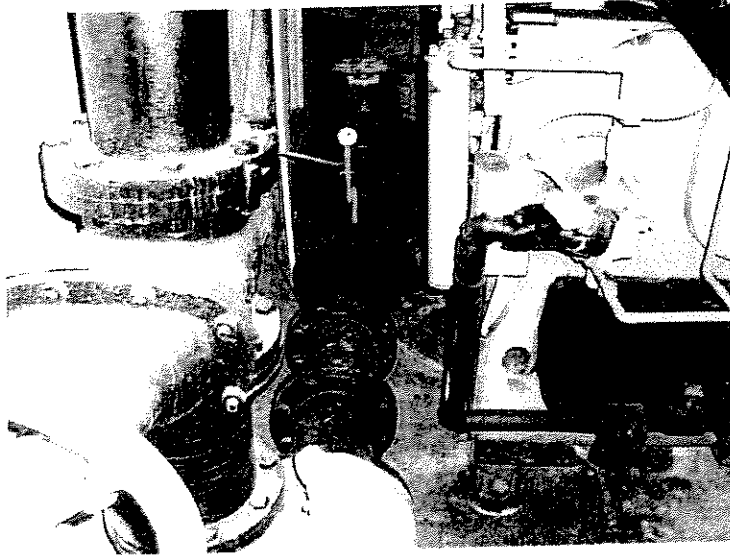


Corroded Condenser Coil on After-hours Chiller

There is one close-coupled Griswold chilled water pump and it is in good condition. There is one Jacuzzi condenser water pump and it is in good condition. The first floor after-hour chilled water pump is in good condition. The pumps are in good condition and the insulation for the pipes have been repaired with new fiberglass insulation. There was no unusual noise or vibration from the pumps.



Chilled Water Pump

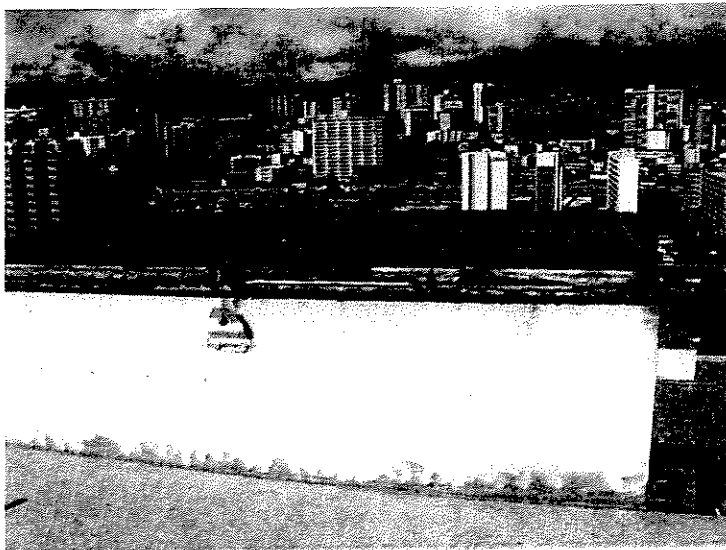


Condenser Water Piping and Suction Piping

The cooling tower is in poor condition with corroded casing, basin fan wheels and squirrel cage. The cooling tower is a forced draft type with centrifugal fans.



Cooling Tower Fan in Poor Condition



Cooling Tower Corroded Drift Eliminators

**Chilled Water Plant Recommendations:** We recommend that the chiller, cooling tower and pumps be replaced with new and more efficient equipment. We recommend that the central plant system be analyzed for systems improvement and energy efficiency before replacing the existing components of the system. The analysis should include a life cycle costing of the proposed system in lieu of the existing. The old chiller should be replaced with new water-



Atlas Building

Page 6 of 18

cooled variable speed centrifugal or screw type chiller that uses "Green" R-134A refrigerant and with Direct Digital Controls (DDC).

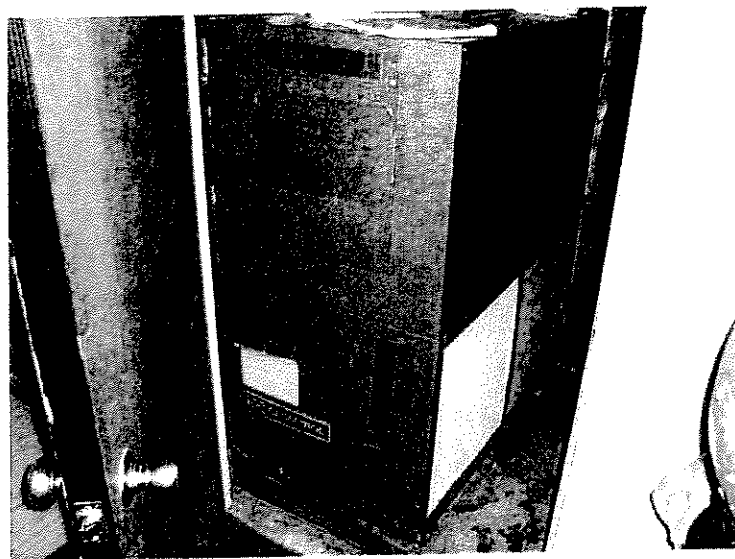
The cooling tower should be replaced in the near future. We recommend that a fiberglass type or stainless steel metal tower of the induced draft design be used with two speed gear driven motor.

The pumps should be replaced with variable speed type pumps. Consideration should be given for a back-up pump to be installed in the system.

The after hours chiller should be replaced or eliminated if the first floor does not use it. The after-hours unit was for the restaurant that was located on the first floor.

### Air Handling Units:

The air handling units are old and are the original units. There are three units in the ceiling and one floor mounted unit located in a room that provides cooling for the northwest corner of the building. The air handlers over the Men and Women's restrooms provide cooling for the south sides of the building and the unit over the corridor provides cooling for the northeast corner of the building. The ceiling space is used as ceiling return air plenum. The perforated ceiling was used as return air register. It was noted that some return air registers were installed to improve the return air system. At the time of the survey, the ceiling units could not be inspected because of the asbestos in the tile ceiling. The units range in size from 4 to 10 tons. We observed only the floor mounted units. The unit was a Climatrol YBK046 with ¾ HP motor. The unit was old and needs replacement.



Old and Corroded Floor Mounted Air Handling Unit

There are existing fire dampers at duct penetrations at the corridor walls. Combination fire and smoke dampers are required at the corridor wall penetrations with the current Uniform Building

Codes. Duct smoke detectors are required in the supply duct for each unit that exceeds 2000 CFM.

The pipe insulation at the air handling units are flexible unicellular and fiberglass insulation and visually in good condition.

**Air Handling Unit Recommendations:** Each air handling unit should be checked and replaced if the unit drain pan and cooling coil is highly corroded. The units should have a return plenum to directly return air to the unit from the hallway and not through the ceiling plenum over the bathrooms to prevent moisture from the bathroom entering the ceiling space.

The outside air should be checked for required CFM and for air quality to provide positive pressure within the building to keep water vapor from the outside from entering the rooms and causing mold problems. The outside air intakes should be directly connected to the return side of the fan coil unit.

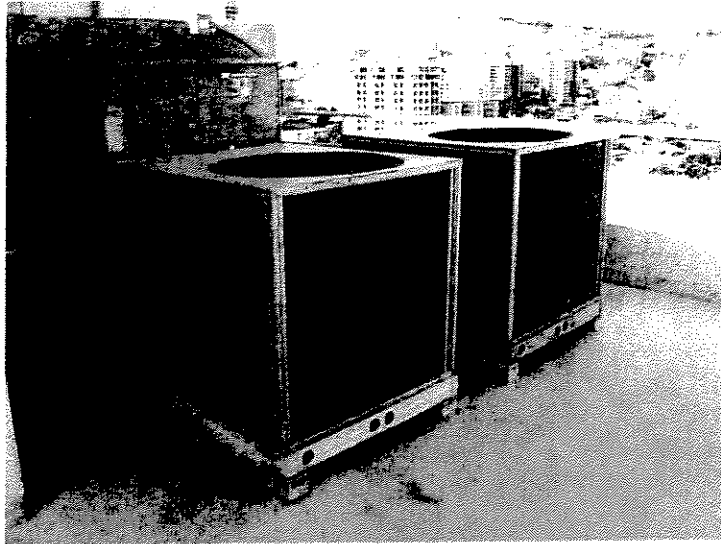
New moisture resistant T-bar ceiling should be used under the fan coil units to provide for proper access to maintain the units.

The chilled and condensate drain run out pipe from the risers should be reinsulated.

UV lights in the air handling units should be specified with the replacement units to alleviate mold growth in the units and to keep the cooling coils clean.

**Penthouse Air Conditioning:**

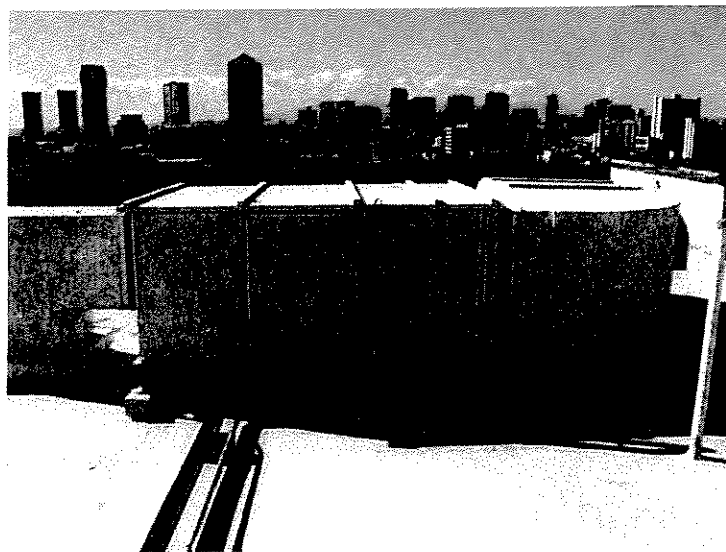
The penthouse is air conditioned with two 6-Tons of split air conditioning units. The condensing units are new and are located on the roof. The condensing units are in good condition. The condensing units are Carrier 38AKS008.



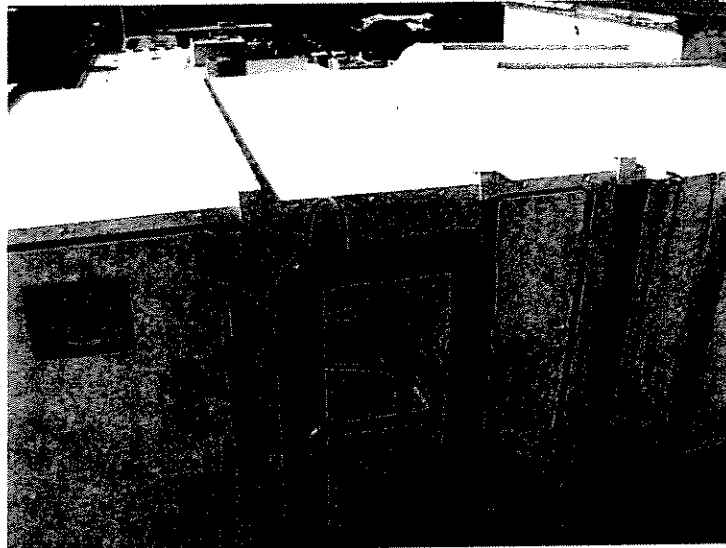
Penthouse Condensing Units on Roof

The penthouse two air handlers are located on the penthouse roof. They are the original units but are in good condition.

The suction line insulation is deteriorating in some areas.



Penthouse Air Handling Unit



### **Deteriorating Suction Pipe Insulation**

**Penthouse Air Conditioning Recommendations:** The air handlers and condensing units should be serviced. The refrigerant pipe insulation should be repaired and reinsulated. Metal jacket should be provided over piping insulation.

### **Ductwork:**

The existing ducts are constructed with sheet metal and internally insulated with fiberglass duct liner. There is fiberglass ductwork in areas where ducts have been modified. The existing air devices are dirty and in fair condition.

**Duct Recommendations:** Ducts should be checked and cleaned internally. Ductwork with internal mold growth on the internal fiberglass should be replaced. Ducts that are modified should be replaced with sheet metal ducts and external fiberglass insulation blanket.

Ducting the return air should be considered in lieu of the existing ceiling return air plenums.

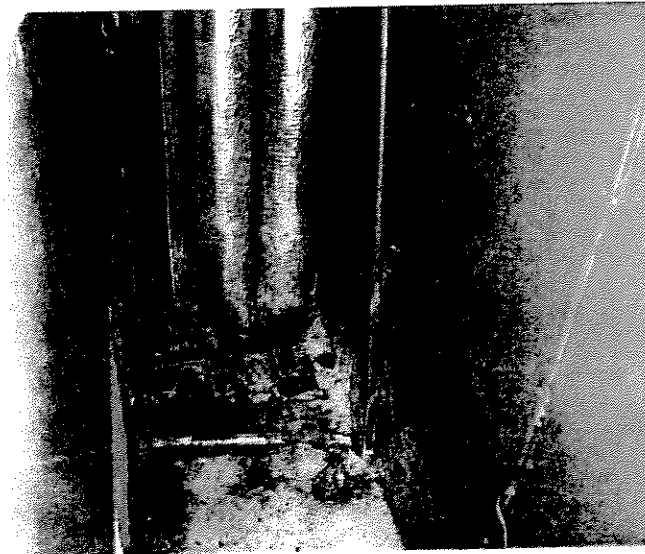
### **Controls:**

Thermostats should be replaced with electronic type thermostats and located maximum 48-inches from the finish floor to meet ADA requirements. Thermostats should be the push button type.

DDC or Direct Digital Controls should be considered during equipment replacements.

**Chilled Water Pipe Insulation:**

The existing piping is insulated with fiberglass or flexible unicellular type insulation. There are signs of deterioration throughout the building.



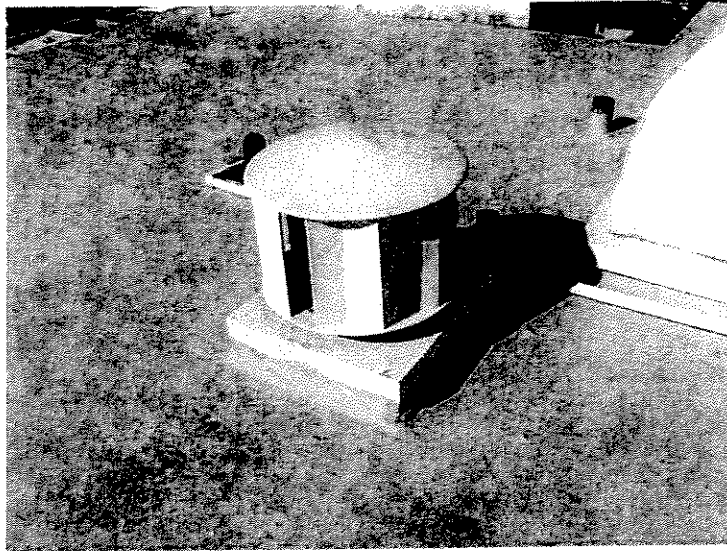
Deteriorating Chilled Water Pipe Insulation

**Chilled Water Pipe Insulation Recommendations:** Chilled water insulation should be checked for deteriorations throughout the building. Repairs should be done immediately on the deteriorated insulation. With the current insulation, there may be future problems if the chilled water temperature is set at 44-degF if a new chiller plant is installed.

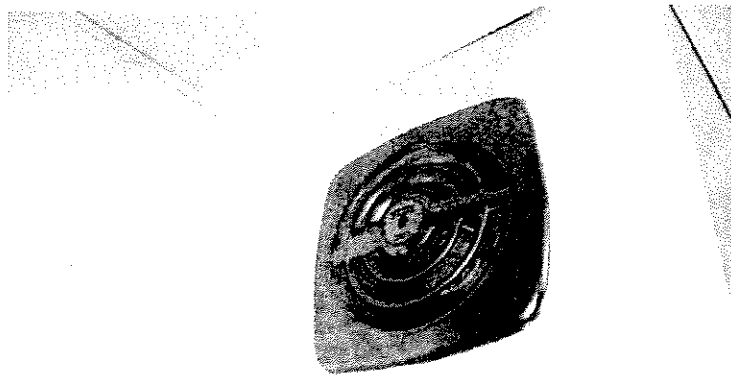
**VENTILATION SYSTEM**

**Ventilation System:**

The public restrooms are exhausted through exhaust fans with common exhaust risers up to gravity ventilators located on the roof.

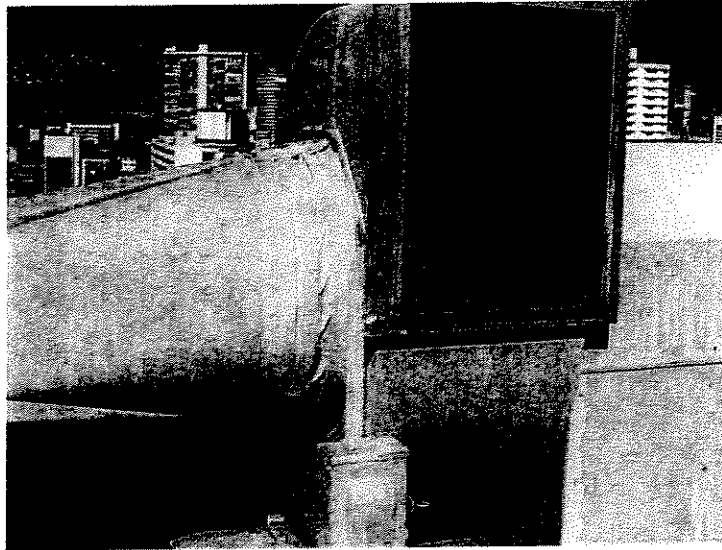


Gravity Vents at Top of Exhaust Shaft



Typical Restroom Exhaust Fans

The restaurant hood exhaust fan on the roof is in poor condition. The existing ductwork is not welded therefore it is not an acceptable duct for exhausting grease-laden vapors. The fan is corroding and discharges horizontally which does not meet Fire Code requirements.



Hood Exhaust Fan

**Ventilation Recommendations:** The restroom exhaust fans should be fully serviced.

Hood exhaust fan on the roof should be replaced with new fan that meets the current Fire Code standards if the fan will be used for grease exhaust. Fan should be UL listed for grease laden vapors and should be continuously welded and the fan discharge should be upwards and the point of discharge should be a minimum 40-inches above the roof.

The hood exhaust duct should be checked for conformance to the Uniform Fire Code. If the ducts are not continuously welded the ducts should be replaced if the duct will be used to exhaust grease laden vapors. The hood exhaust ducts should be cleaned from the hoods to point of discharge. Grease laden ducts are a fire hazard.

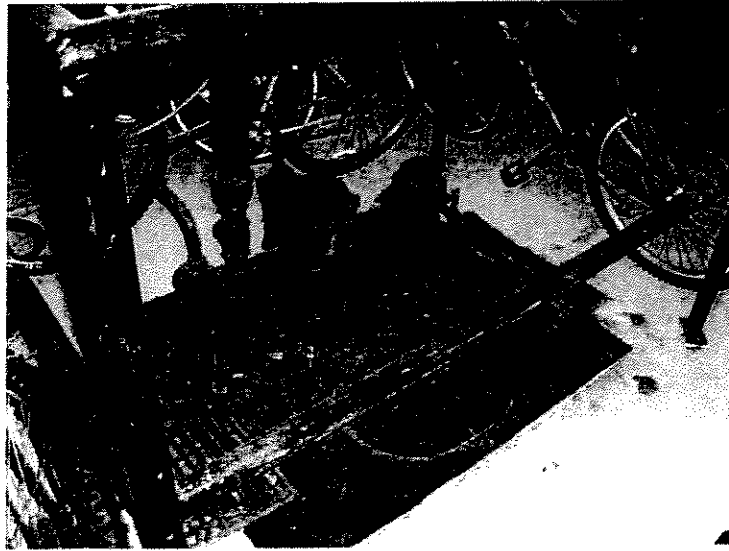
### **PLUMBING SYSTEM**

The plumbing system consists of the waste and vent sanitary system and water system and storm drain system. The storm drain consists of vertical stacks and is collected in the basement.

#### **Sanitary and Storm Drain System:**

The sanitary and drain system is constructed with cast iron waste and vent systems. The pipes and fittings are of hub and spigot type and cast iron no hub systems. There are some ABS piping in the basement parking which were used for repairs. The system is a gravity system with the main sewer at the ceiling of the first and basement floor ceiling. The main sewer connects to sewer laterals located on King Street. The piping is in good condition.

There are two sump pump systems for the Basement floor drains and First Floor deck drains. The sump pumps discharge to the curbside on King Street.



Basement Sump Pump

There is no grease trap for the former restaurant.

**Sanitary System Recommendations:** Repair corroded and leaking pipes with no-hub cast iron piping. The sump pumps should be checked and serviced.

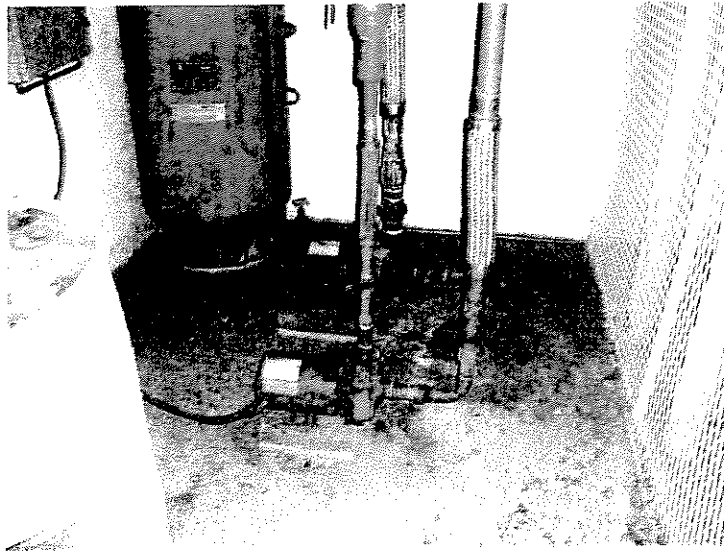
**Water System:**

The domestic water system has a single pressure zone with a duplex booster pump system with a Amtrol AST-180 Ex-trol tank. The booster pump system consists of two Aurora 7VC182TDRT6020, 5 HP, and 3450-RPM pumps. The pumps are in good condition.

The exposed pipes are hard drawn copper pipes.

The system is in fair working condition.





Duplex Booster Pump system

There is a double check valve back flow prevention device installed for the property and is located in the basement. The backflow device does not meet current City and county of Honolulu standards. The Existing hose bibs did not have vacuum breakers as required by City of Honolulu code requirements.

**Water System Recommendations:** The water booster pump system is the original system. The pump should be replaced with a new pump duplex system with variable frequency drives to save on energy. The system recommended is Grundfos vertical multistage pumps with VFD.

An approved reduced pressure backflow prevention device (RPBP) is required immediately after the water meter. The existing RPBP should be tested and certified. A RPBP should be provided for the irrigation system also.

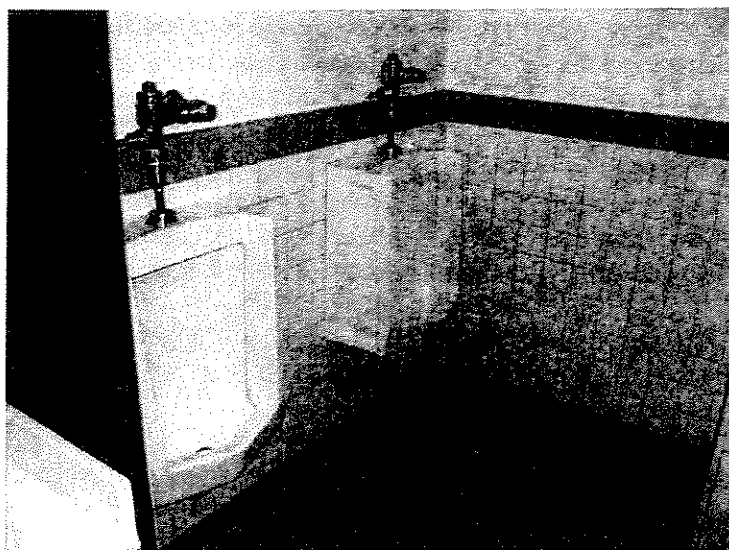
Hose bibs shall be replaced with hose bibs with non-removable vacuum breaker.

#### **Plumbing Fixtures:**

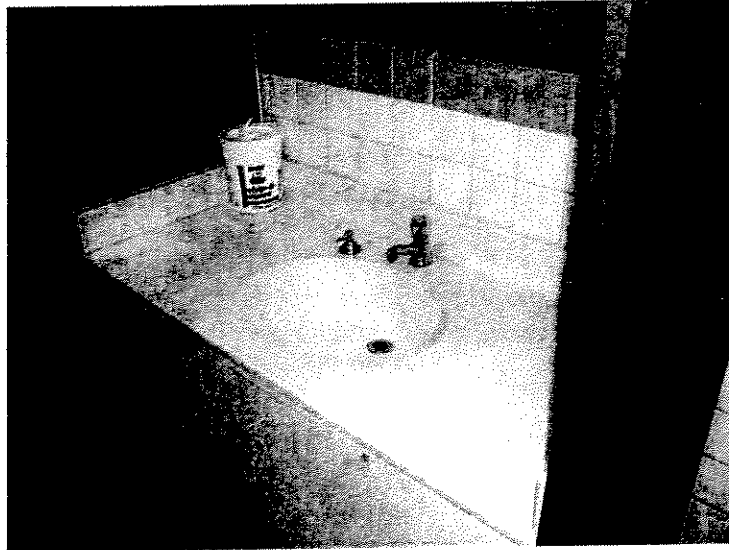
**Public Restrooms:** The water closets are tank type and in fair condition. The lavatories are countertop type and in fair condition. The urinal in the Men's room is in fair condition. The fixtures do not meet ADA requirements.



Tank Type Toilet



Typical Urinal



Typical Lavatory

**Plumbing Fixture Recommendations:** The plumbing fixtures do not meet ADA requirements. Therefore in the ADA guest rooms the fixtures need to be replaced with new fixtures meeting ADA and low flow requirements. The water closets are in fair condition. Toilets should be cleaned and polished and the toilet seats replaced with new. The supply valve and supply risers need to

be replaced with new supply assembly. When toilet fixtures are replaced we recommend that the fixtures be replaced with low flow elongated type toilets.

The lavatories need to be replaced. The faucets are in fair condition and need to be replaced. The supply valves and risers need to be replaced with new supply assembly.

### **FIRE PROTECTION SYSTEM**

**Fire Sprinkler System:** The building tower does not have an automatic fire sprinkler system. The basement parking is fire sprinkled but shares the fire alarm riser with Pacificana Apartments. The fire alarm riser is located on the northeast corner of the Pacificana. The fire sprinkler system for the basement is in good condition.

**Fire Sprinkler Recommendations:** The fire sprinkler system for the basement should be checked for leaks and corroded pipe and fittings. Pendant heads should be replaced with upright heads to minimize accidental damage to heads. The fire sprinkler system should be tested and certified.

**Dry and Wet Standpipe Systems:**

There are existing Class II fire hose cabinets with fire extinguishers on each floor. The existing wet standpipe system is connected to the domestic water system.

There is a dry standpipe system in the stairways. The dry standpipe fire department Siamese connection is located on the North stairway of the building. The roof fire department connection is in good condition.

**Standpipe Recommendations:** A certification flow test should be done on the wet standpipe system. The shutoff valve for the wet system should have a chain and lock to prevent tampering with the valve.

The dry standpipe system should be pressure tested and certified.

The fire extinguishers should be tested and inspected.

The dry standpipe system shall be pressure tested. Tamper switches should be installed on the required valves and connected to the fire alarm system.

**Smoke Tower:**

Smoke tower is required. One stairway has a naturally ventilated vestibule. The other stairway that does not meet the requirements for a smoke tower should be labeled as not a fire exit.

**GENERAL COMMENTS**

The mechanical systems were visually observed to be fairly good condition and system were generally maintained in good condition. Due to the age of the building and the systems and the normal usage there will be future maintenance repairs that will be required. Because of technology, the existing systems, such as the air conditioning system and booster pump system should be replaced because of the operating and maintenance cost.

There were no destructive inspection done for this report. There was no record of the fire protection equipment and the date it was last tested.

Therefore we recommend that the Life Safety equipment be checked and repaired or corrected immediately.

Because this report did not include destructive investigation and technicians to test equipment, we recommend that the following additional services be retained to quantify equipment remaining life and condition of equipment, cost of repair or replacement:

Air Conditioning Service Company:	To check chiller compressors, heat exchangers, and controls. Check every fan coil unit. Report on temperatures and pressures.
-----------------------------------	---

Plumbing Service Company

To check booster pumps and sump pumps,  
And check point of discharge of sump  
pumps. Check hot water boilers.

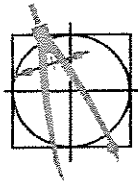
Fire Service Contractor

Pressure test dry standpipe system, flow test  
fire sprinkler system, test and certify wet  
standpipe and extinguishers.

These technicians and or contractors should be independent from those that are currently servicing the systems.

Building Maintenance Manager indicated that the building would be fire sprinkled in the very near future and is under design at that time. We recommend that they separate the basement fire sprinkler system from Pacificana Apartments into their new system.

Submitted By  
Arnaldo Prepose, P.E.  
Prepose Engineering Systems, Inc.



**HAWAII  
ENGINEERING  
GROUP, INC.**

Consulting Civil & Structural Engineers

April 18, 2006

**Attn: Mr. Peter Savio, President**  
Hawaiian Island Development

**Re: Atlas Building- Due Diligence**  
1150 South King St., Honolulu, HI

**Structural Engineering Observation Report**

A site visit was held to note cursory observations of the Atlas Building on January 19, 2006. The inspection involved a walk-through observation of the building structure. The observations were limited to the following areas only:

1. Basement
2. Parking Deck
3. Building Exterior
4. 11<sup>th</sup> floor office areas
5. Roof

No calculations or testing of any kind was performed. Architectural, Mechanical, Electrical, and other nonstructural aspects were not addressed. Compliance of design with the current building codes or the building code it was designed under was not checked.

A set of structural drawings produced by "Ernest H. Hara and Associates" was provided by the Client for review. The drawings indicate the Structure was built in 1966. The set of Structural drawings provided by the client indicated that the drawings were stamped by a registered Professional Engineer Mr. Harold M. Tanimura.

The building comprises of a Basement, Lobby Level with a Mezzanine, 2nd floor thru 12<sup>th</sup> floor and a pent house level.

The building is a poured in place reinforced concrete structure supported on individual spread foundations. The Basement consists of a 4" thick poured in place concrete slab reinforced with welded wire fabric. The building framing consists of reinforced concrete columns and beams for carrying the gravity loads. The lateral loads for the building are carried by perimeter shear walls, stair well core and elevator shaft.

The mezzanine level of the building is framed with steel members and metal deck with concrete topping. Typical parking deck consists of 4.5" thick poured in place reinforced concrete slab supported by pre stressed concrete joists spaced at 6'-6" oc

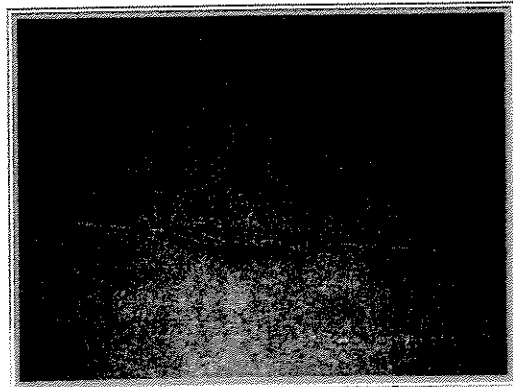
1088 Bishop St., suite 2506, Honolulu, Hawaii 96813 – Tel: (808) 533-2092 Fax: (808) 533-2059  
Email: heg@hawaiiengineering.net



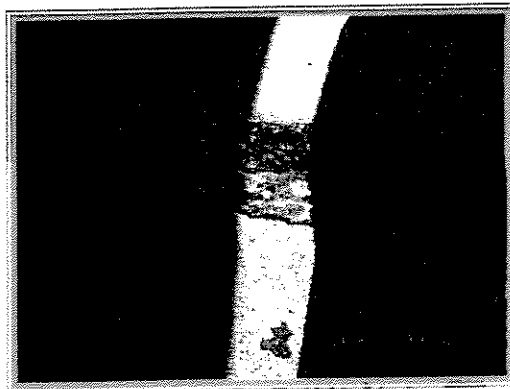
Observations:

Parking

1. Large cracks are visible in the parking level floor slabs at all levels.
2. Deterioration of concrete at the expansion joints was observed where the nosing angle is exposed and is showing advances stages of corrosion.
3. Hairline cracks were observed in numerous locations



Photos 1 & 2: showing cracks in parking slab.

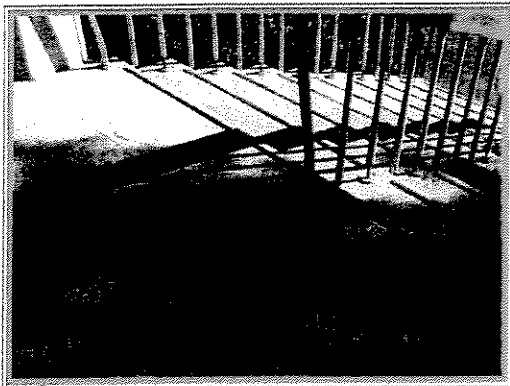


Photos 3 & 4: showing deteriorated expansion joint and hair line cracks.



**Building Exterior**

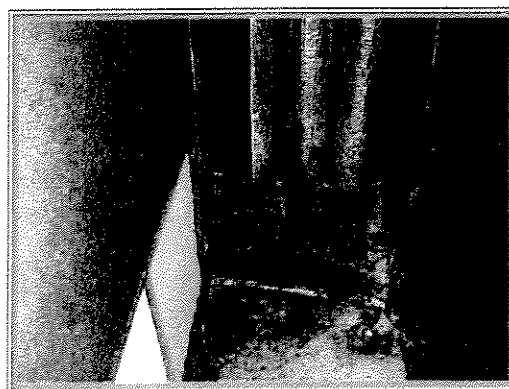
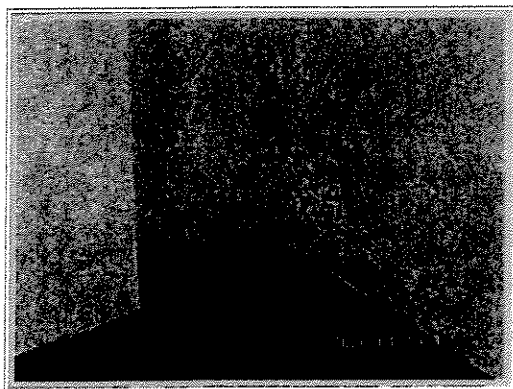
1. No damage or spalling was visible from the street level.
2. The floor slab at the top of entrance steps has cracks.
3. There are cracks in the façade panels located on the front elevation of the building



**Photos 5 & 6:** *Showing cracks in the slab at entrance steps and façade panels.*

**Building Interior**

1. No damage was visible in the lobby area
2. No damage was visible in the Mech. Room housing the elevator equipment.
3. Honey combing was observed in one area of the commercial kitchen located at the lobby level.
4. Water leakage was observed in the room housing the air handler units on the 11<sup>th</sup> floor of the building.



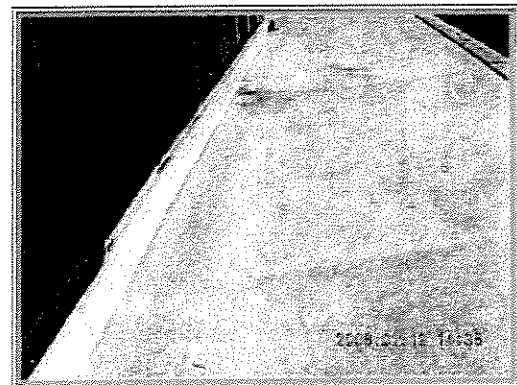
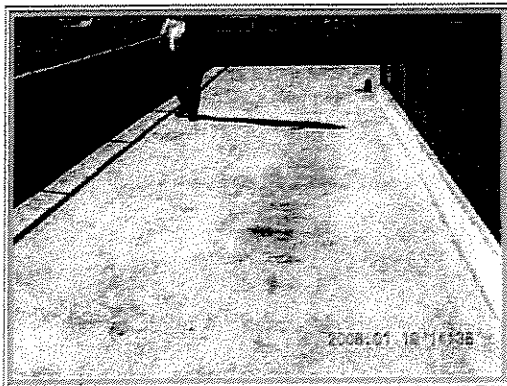
**Photos 7 & 8:** *Showing honey combing in kitchen and water leakage on 11th floor.*



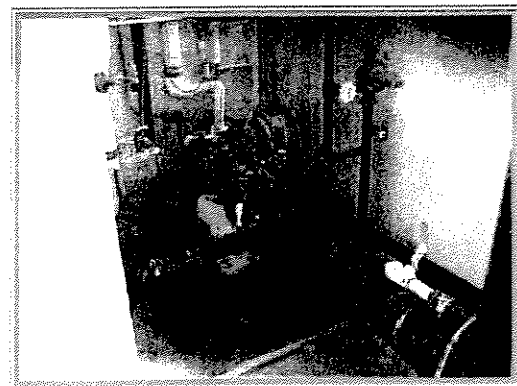
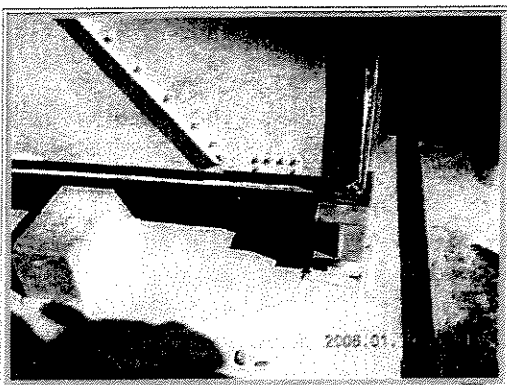


Roof

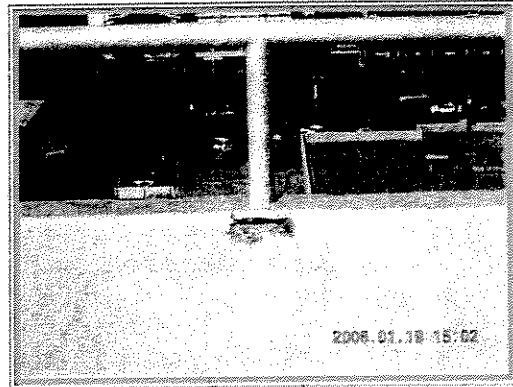
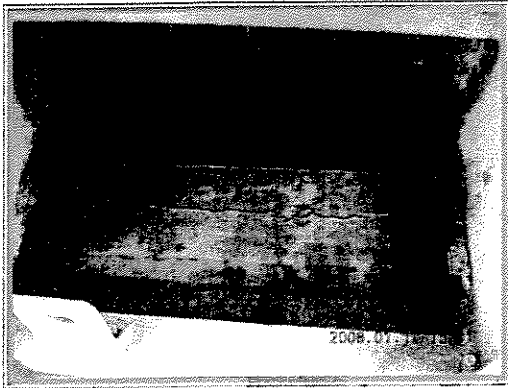
1. Signs of ponding of water were observed on the penthouse level roof.
2. No damage was visible in the penthouse office area.
3. No damage was visible in the Chiller room.
4. The cooling tower frame is not secured to the supporting structure and the attached pipes are leaking.
5. The old cooling tower support beam has a large crack running along the topside of the beam.
6. The steel pipe railing on top of the concrete parapet is corroded at and damaged at some locations.
7. Some of the supports supporting the mechanical pipes located on the top roof above the penthouse are damaged.



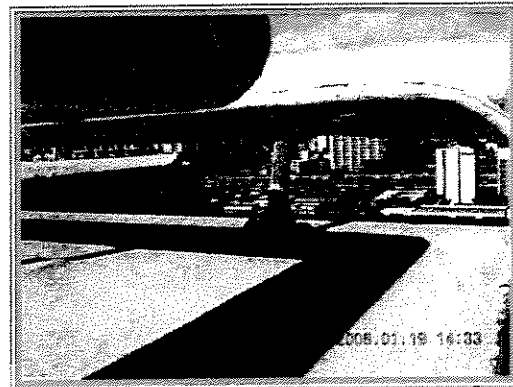
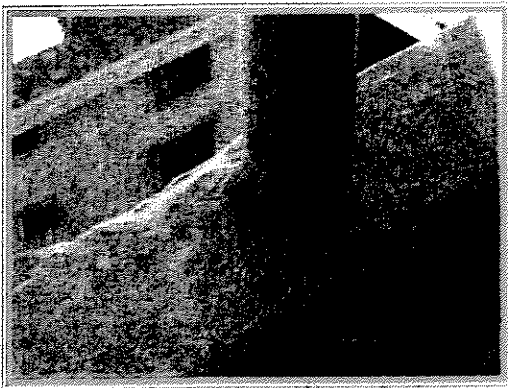
Photos 9 & 10: Showing signs of water ponding on roof.



Photos 11 & 12: Showing cooling tower support condition and leakage



*Photos 13 & 14: Showing cracks in old cooling tower support beam and spall at hand rail support connection.*

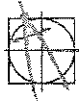


*Photos 13 & 14: Showing corroded hand rail pipe support and damaged pipe support.*

**Conclusions & Recommendations:**

The building in general is in a good condition. Most of the observations made related to the structure are age and maintenance related. The Cracks observed in the building structure are minor and do not impact the integrity of the structure.

The building was designed under building codes that are less stringent in their design requirements than the current building codes especially so in the area of lateral load design. The seismic zone for design of buildings on Oahu was modified from zone 2 to zone 2A in the early 90's. However, all structures built prior to the change are grandfathered according to State of Hawaii Laws.



The lateral load resisting system of this building has irregularities that warrant a more detailed analysis be made to verify the adequacy of the existing framing of the building to resist lateral loads. Our observations did not reveal signs of structural distress related to this condition indicating the building structure has been performing well over the last 40 years.

The cracks in the parking structure and at the lobby entrance should be repaired with epoxy injection to keep moisture from getting to the reinforcement. All expose corroding steel should be cleaned of any rust and repaired if necessary and the coated with a protective coating.

The cooling tower should be bolted to the support structure.

All structural repairs should be done under the supervision of a licensed engineer by a qualified contractor.

No damage was observed on the outside face of the structure at the time of our observations. Cracking and spalling of concrete are a common phenomenon in concrete building in Hawaii. This type of damage is sometimes not readily visible to the naked eye from a distance. We recommend that a closer inspection of building exterior be done to uncover any damage that may be present on the building exterior.

Maintenance is important for the upkeep of the buildings. In general, the building is structurally in good condition. The buildings should continue to perform well with regular maintenance.

This report does not address portions of the building other than those areas mentioned, nor does it provide any warranty either expressed or implied for any portion of the existing building. If there are any comments or questions on any item above, please do not hesitate in calling.

Submitted by: \_\_\_\_\_

**Ather R. Dar, P.E., President**  
**Hawaii Engineering Group, Inc.**



**ERNEST M. UMEMOTO AIA**  
Architect, Inc.

---

2/16/07

Peter Savio, President  
Hawaiian Island Development Co.

Subject: Atlas Building CPR

Dear Peter:

A cursory visual only observation visit was conducted of the Atlas Building, TMK: 2-4-3:3, 1125 Young Street, Honolulu, Hawaii. The property managers furnished the team with a copy of the design documents. There were no approved-stamped Building Department File copy, as-built Construction documents, change orders, soils report, engineering calcs, specification and basis of design. Copies of changes to the lobby, ground floor commercial spaces with mezzanine, and penthouse were seen, but these also were not approved permit or as-built sets. This report covers that which was observed in a sampling of a typical apartment, and assumes that the general observations made are pertinent to the building as a whole. No record of alterations, additions, or renovations other than noted above were reported, but should have been approved by Building Permits. Normally, tenant built-out plans must be permitted and approved by the landlord.

The design and construction seen are similar to that found in commercial and office buildings in Honolulu's urban fringes. There are design elements that are "grand-fathered" and do not meet the requirements of the current Building code. In some cases, building owners should consider up-grading to the current standard immediately if health, safety, of welfare is compromised. An example would be the opening in guardrails (currently 4" maximum) and the height of the top rail (currently 3'-6" high). In other cases, the size of alteration and renovation projects will require that the current standard be instituted.

Currently, the building must be designed as a high-rise with many special requirements such as automatic fire sprinklers, fire sensors and alarm systems, emergency annunciators and exiting systems and elevator controls. Recurring inspections by the Fire Department are recommended. Fire evacuation drills are recommended.

The building would be subject to the Americans with Disability Act (ADA) many items which must be retrofitted unless certain criteria exempt compliance. An ADA survey is recommended. The presence of medical providers in the building makes mandatory specific ADA provisions.



**ERNEST M. UMEMOTO AIA**

Architect, Inc.

---

The visual only observation visit did not include invasive or destructive testing, so the extent of damage or deterioration if any was not able to be substantiated. The existence of lead paint, asbestos, environmental toxic material, dirty air quality and other problems was not observable. To address these items would require the retainage of specialty inspectors, and this is rarely done without damage or injury being obvious to the residents and the property managers. The decision to increase the level of inspections and testing is a management decision of the building owners.

There are a few inspections that are readily available and commonly retained by management. Preventative maintenance is generally accepted to be cost effective to running to failure and undertaking repair at higher cost. These areas are roofing, weatherstripping, caulking, flashing, protective coating, termite protection, gasketing, a/c maintenance, concrete spalling, corrosion control and clean-up of algae growth on walkways, servicing roof drains and keeping storm drains clean and clear.

The Pacificana Apartments and Atlas Building share parking driveways and utility systems. It is important to maintain easements that facilitate the proper operation and service clearance to the shared items. The Atlas building parking lot can only be accessed from Young Street. There is no access from pedestrians entering from Young Street except to walk through the parking garage driveways.

The upper floors have two exit stairways that from floors that have parking depend of the parking driveways and ramps for one of the exits. This is a grand-fathered design that no longer is permitted by the Building Code. It necessitates exit through another occupancy and is not equal to a fire-resistive protected enclosure. Management effort must enforce the clear lighted exit path and visibility of exit signs from all directions.

Storage of flammables was seen in a store room in a UL- listed cabinet. Ensure that flammables and used rags are not stored outside the cabinets and that the room is adequately ventilated to prevent spontaneous combustion. Storage of chemicals

Observations in the upper office floors found the following concerns:

- Office Apartment entry door at corridor must have 20 minutes fire resistance and label visible. None seen.
- Any glass in corridor walls must meet maximum size and fire-resistance requirements.
- Any glass in doors or adjacent to doors must be of safety glass. Any penetration of corridor walls must have fire-damper.
- No penetration allowed in stairway walls.
- Stair doors have special fire resistance requirements.
- Corridor walls and demising walls between tenants must be fire rated.
- Corridor walls must extend from floor slab to soffit of slab above.



**ERNEST M. UMEMOTO AIA**

Architect, Inc.

---

- Entry doors and any door used by the public must have lever handles and comply with ADA as to closer, space, and threshold.
- Electrical convenience outlets that are within 6' of a water source must be GFIC.
- Toilet water closet must be in a space with 30" clear with minimum 24" clear in front of the water closet.
- Ceiling height must be 7'-6" minimum with projections not lower than 6'-6" high. Bathrooms and halls may be 7'-0" high.
- Any guardrail must be 42" high. Current opening in the guardrail is 4" maximum. At the time of construction the opening maximum may have been larger.
- Fire extinguisher 2A10BC with wall bracket required in each tenant space.
- Electrical panels must have 3' clear in front, not storage.
- Windows with sill lower than 3'-6" must have a guardrail at 3'-6" high.
- Corridor lacking in exit sign visibility in some directions.
- Stairways are not clearly visible to corridor.
- Emergency powered or battery supplemented exiting light fixtures in stairs, lobby and corridors not seen.
- Signage lacks ADA provisions.
- Stair railing height and spacing to wall does not meet code requirements. Railing does not extend past the last riser.
- Corridor ceiling tile is reported to have asbestos.
- Window sill is lower than 3'-6" and requires the addition of a guardrail.
- One AHU room had condensation dripping onto the floor. The insulation on the chill-water piping needs to be repaired.

The ground floor entry and lobby had the following concerns.

- The handicap toilet (recently added since toilets on upper floors do not have the space to be altered to conform to ADA) did not have any ADA signs.
- Exit signs are lacking in some directions.
- The handrails on the grand stairway from the sidewalk to the lobby is larger than required by code.
- Signage lacks ADA provisions.
- No ramp from sidewalk to lobby.
- Door from basement stair to stair from 2<sup>nd</sup> floor (leading to lobby) is lacking a closer. An exit sign directing egress to the King Street exit is highly recommended so the egress is not attempted through the parking garage.
- Door from lobby to parking garage is not labeled and should not be held open unless with a magnetic automatic closer tied to a fire alarm system.
- Elevator is not ADA compliant.
- Ceiling tile is reported to have asbestos.

In the common areas and parking areas the following concerns were observed:

- Parking stalls may not have the 22' clear in front as required by the zoning code.



**ERNEST M. UMEMOTO AIA**  
Architect, Inc.

---

- There are no loading stalls.
- There are no ADA compliant or van-accessible parking stall.
- Exit signs are not lighted and are lacking in many areas.
- Exit lighting on emergency battery or generator power lacking.
- Ventilation of basement parking not seen.
- Stair did not have required 44" clear width.
- Exit vestibule doors must be 20 minute fire resistive and both door and frame labeled, provided with smoke gasket and draft protection, be self-closing and properly identified with exit sign.
- Stair enclosure door must be 90 minute fire resistive and both door and frame labeled, be self-closing and properly labeled with exit sign.
- Handrail height was okay at 36" high but did not extend pass the last riser and exceeded the spacing or projection from the wall.
- The guardrail at the top parking level is 42" high but has 8" openings along its entire length that children could fall through.
- Trench drain at bottom of last driveway ramp to roof-top parking deck may be overwhelmed by a big storm.
- Parking driveway surfacing is worn on the top open driveway.
- Elevator machine room cannot have storage in it.
- Abandoned kitchen space on ground floor ewa- mauka commercial area cannot be brought back into kitchen use without extensive exhaust, hood sprinkler and grease trap rebuild. Plumbing should be secured from leakage.
- Building maintenance closet had flammable cabinets. Diligence is require that oily rags, paint, flammables and toxic items are not stored in the closet outside of UL labeled cabinets.
- Penetration in use separation such as between the parking garage and the office areas must be protected.
- Doors between parking areas and exit components and use separation area must be fire rated and self-closing.

The following concerns were noted of the penthouse and roof:

- The tenant of the penthouse has a key to access their spaced through the ewa stairway. A chain-link fence between the stair and their door is recommended so that the tenant and their guest do not have free access to the roof (parapet is high enough but the openings are larger than the code allows).
- Roof drains needs cleaning.
- The cooling tower has vegetation growing on top which needs to be eradicated.
- There are no scuppers, but drain holes are provided on the makai roof.
- A roof drain is partially blocked by piping from other mechanical equipment. It is important that roof drainage of proper capacity be provided.
- Roof-top mechanical equipment on loose wood curbing open to damage by high winds. Without vibration dampers, vibration could damage the roofing.
- Concrete spalling on parapet needs repair.



**ERNEST M. UMEMOTO AIA**

Architect, Inc.

---

The property manager has several projects under design that will address some of the above concerns:

- A new fire alarm system.
- Retrofitting the building with fire sprinkler system.
- Adding a ramp to address ADA access from the sidewalk to the lobby.

The above cursory visual only site observation report covers Architectural concerns only. Separate reports for Structural Engineering, Mechanical Engineering, and Electrical Engineering were made, but none have been cross coordinated or evaluated. Destructive testing, laboratory testing, checks of approved permits, un-permitted work, zoning and special design district requirements, design review, cost studies, civil engineering, site drainage and flooding, foundation and soils engineering, underground utilities and systems, property line encroachments, environmental quality, indoor air quality, water infiltration, mold, asbestos, lead paint, other toxic material, shoreline requirements, setback measurements, height requirements, street frontage and sidewalk improvements, pool and water safety, landscape features, roofing, termite, and traffic safety are not included. Any certifications required by governmental agencies are authored by other and shall not raise the level of visual observation on the site visit. Observations are to the best of our knowledge. Compliance to latest codes and grandfathered status must be ruled on by the Building Department. ADA and FHA are Owner's decisions beyond our control and should be investigated by experts in the respective fields.

The Atlas Building has been well maintained and suits the intended use very well. As the building ages, increased maintenance and replacement costs should be expected.

Yours truly,

Ernest M. Umemoto, AIA

5 pages total