

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer HRC ISLANDER LLC
Business Address 5323 Millenia Lakes Boulevard, Suite 400, Orlando, Florida 32839

Project Name(*): BW VACATION SUITES (Apartment B and Other B Apartments of 2181 Kalakaua), otherwise known as "Hokulani Waikiki by Hilton Grand Vacations Club"
Address: 2181 Kalakaua Avenue, Honolulu, Hawaii 96815

Registration No. 7098 (conversion) Effective date: May 9, 2013
Expiration date: June 9, 2014

** This registration covers only Apartment Nos. B301-312, B401-412, B501-512, B601-612, B701-712, B801-812, B901-912, B1001-1012, B1101-1112, B1201-1212, B1401-1412, B1501-1512 (collectively referred to herein as the "Other B Apartments") and Apartment B (for a total of 145 Apartments) in the 2181 Kalakaua condominium project. For purposes of this registration the "Project" shall consist of these apartments only.

Preparation of this Report:

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

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

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

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

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

Type of Report:

PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

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

SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated:
[] Final Public Report dated:
[] Supplementary Public Report dated:
And [] Supersedes all prior public reports
[] Must be read together with
[] This report reactivates the public report(s) which expired on

(*)Exactly as named in the Declaration

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

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104/0107

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report

Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

Changes from Contingent Final Public Report:

The Developer entered into a broker listing agreement with Hilton Grand Vacations Management, LLC, a Hawaii licensed real estate broker, for the sale of timeshare interests in the project.

The floor plans, layouts and areas of Apartment B and the Other B Apartments were revised. As such, the common interest allocations for each unit in Exhibit "A", as well as the maintenance fee allocations in the budget in Exhibit "I", were revised.

The Declaration and Condominium Map were amended to reflect the new areas of Apartment B and the Other B Apartments and the changes in floor plans and layouts of the Apartments.

The Condominium Association adopted the 2013 annual budget. As a result, Exhibit "I" was updated to include the information for the updated budget.

Note:

The entire 2181 Kalakaua condominium project ("2181 Kalakaua CPR") consists of a total of 148 Apartments. The Developer owns only the Other B Apartments and Apartment B (total of 145 Apartments). The 145 Apartments are considered the "Project" for the purpose of this public report. The remaining 3 apartments (A, C and D) that are not covered by this Public Report are further described on page 20a.

The Developer has filed a time share registration pursuant to Hawaii Revised Statutes, Chapter 514E with the State of Hawaii and intends to eventually include in the time share program most of the Other B Apartments in the Project. The Developer does not intend to sell any whole condominium units. The name of the time share plan is "BW Vacation Suites." See Section V.C herein for more details.

In addition to the condominium project documents described on page 6 and 6a, there are several restrictive covenants and other instruments applicable to this Project. Please see Exhibits "E" and "K" for further information.

The Developer has submitted the documents necessary under Hawaii Revised Statutes, Section 514A-40, as amended, to use purchasers' funds to pay Project costs, construction costs, project architectural, engineering, finance and legal fees, and other incidentals of the Project. If your deposits are disbursed to pay Projects costs and the Project is not completed, there is a risk your deposits will not be refunded to you.

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EXHIBIT B:	Boundaries of Each Apartment
EXHIBIT C:	Permitted Alterations to Apartments
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EXHIBIT I:	Project Budget and Estimate of Maintenance Fee Disbursement and Common Expense
EXHIBIT J:	Summary of Escrow Agreement
EXHIBIT K:	Summary of Certain Beach Walk Declarations, Covenants, Conditions and Title Affecting the Project

General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: HRC Islander LLC Phone: (407) 722-3114
Name* (Business)
5323 Millenia Lakes Boulevard, Suite 400
Business Address
Orlando, Florida 32839

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

Hilton Resorts Corporation, Sole Member

Real Estate Broker*: Hilton Grand Vacations Management, LLC Phone: (808) 947-8686
Name (Business)
2003 Kalia Road
Business Address
Honolulu, Hawaii 96815

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

General Contractor*: Hensel Phelps Construction Co. Phone: (808) 545-7948
Name (Business)
841 Bishop Street, Suite 2001
Business Address
Honolulu, Hawaii 96813

Condominium Managing Agent*: Self-Managed by the AOA Phone: (808) 921-6616
Name (Business)

Business Address

Attorney for Developer: Imanaka Asato Phone: (808) 521-9500
Attn: Mitchell Imanaka, Esq./Nikki Senter, Esq. (Business)
Name
Topa Financial Center, Fort Street Tower
Business Address
745 Fort Street Mall, 17th Floor
Honolulu, Hawaii 96813

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

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

Proposed

Recorded -Bureau of Conveyances: Document No. 2001-043082

Book _____ Page _____

Filed - Land Court: Document No. _____

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

See page 6a

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

The Condominium Map for this condominium project is:

Proposed

Recorded - Bureau of Conveyances Condo Map No. 3235

Filed - Land Court Condo Map No. _____

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

See page 6a

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

The Bylaws for this condominium are:

Proposed

Recorded -Bureau of Conveyances: Document No. 2001-043083

Book _____ Page _____

Filed - Land Court: Document No. _____

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

See page 6b

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

The Declaration for this condominium is:

Proposed
 Recorded -Bureau of Conveyances: Document No. 2001-043082
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

Amended and Restated Declaration of Condominium Property Regime of 2181 Kalakaua dated June 5, 2006 and recorded in said Bureau as Document No. 2006-103815.

First Amendment to Amended and Restated Declaration of Condominium Property Regime of 2181 Kalakaua, Partial Withdrawal and Conveyance of Land dated September 26, 2007 and recorded in said Bureau as Document No. 2007-173686.

Second Amendment to Amended and Restated Declaration of Condominium Property Regime of 2181 Kalakaua, Consolidation and Resubdivision of Apartments B and D and Amended and Restated Condominium Map dated February 3, 2011 and recorded in said Bureau as Document No. 2011-030459.

Third Amendment to Amended and Restated Declaration of Condominium Property Regime of 2181 Kalakaua dated May 26, 2011 and recorded in said Bureau as Document No. 2011-084425 thru 2011-084426.

Fourth Amendment to Amended and Restated Declaration of Condominium Property Regime of 2181 Kalakaua dated April 5, 2013 and recorded in said Bureau as Document No. A-48541035.

* The term Declaration referred to herein shall mean the original Declaration, as amended and restated through the above.

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 3235
 Filed - Land Court Condo Map No. _____

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

Amended and Restated Declaration of Condominium Property Regime of 2181 Kalakaua dated June 5, 2006 and recorded in said Bureau as Document No. 2006-103815.

First Amendment to Amended and Restated Declaration of Condominium Property Regime of 2181 Kalakaua, Partial Withdrawal and Conveyance of Land dated September 26, 2007 and recorded in said Bureau as Document No. 2007-173686.

Second Amendment to Amended and Restated Declaration of Condominium Property Regime of 2181 Kalakaua, Consolidation and Resubdivision of Apartments B and D and Amended and Restated Condominium Map dated February 3, 2011 and recorded in said Bureau as Document No. 2011-030459.

Fourth Amendment to Amended and Restated Declaration of Condominium Property Regime of 2181 Kalakaua dated April 5, 2013 and recorded in said Bureau as Document No. A-48541035.

* The Condominium Map referred to herein shall mean the original Condominium Map, as amended and restated through the above.

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

The Bylaws for this condominium are:

Proposed
 Recorded -Bureau of Conveyances: Document No. 2001-043083
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

First Amendment to By-Laws of the Association of Apartment Owners of 2181 Kalakaua dated May 26, 2011 and recorded in said Bureau as Document No. 2011-084427 thru 2011-084428.

Note: There are other certain Beach Walk destination declarations, covenants, conditions, easements and agreements on title affecting the Project ("Master Documents"). See Exhibit "K" and Section V.C.7 for a summary of several of these Master Documents.

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>67%</u>
House Rules	---	<u> </u>

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

2. **Developer:**

- No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.
- Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules: *

* The Developer, as the owner of Apartment B and the Other B Apartments has reserved rights to do the following:

- A. Construct new improvements therein within the limitations set forth in Section H.6 of the Declaration and amend the Declaration and Condominium Map as necessary to reflect as-built plans.
- B. Subdivide an apartment into two or more apartments and add, delete, relocate, realign, secure and grant easements and rights of way as set forth in Section H.6(f) of the Declaration.
- C. Consolidate apartments owned by the developer into one apartment.
- D. Grant or revise utility or transmission easements through the common elements; provided that this right shall be exercised in such a manner that will cause the least practicable interference with the apartment owners' use and occupancy of their respective apartments and the Project.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Sub-leaseholds:

Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled Foreclosed

As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 2181 Kalakaua Avenue Tax Map Key (TMK): (1) 2-6-003-001; CPR No. 2 (Apt. B)
Honolulu, Hawaii 96815

Address TMK is expected to change because The Other B Apartments have not yet been assigned
CPR tax numbers

Land Area: 28.278 square feet acre(s) Zoning: Waikiki Special District - Resort Mixed Use Precinct

Fee Owner: HRC Islander LLC
Name

Lessor: _____
Name

Business Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 1 Floors Per Building 16 total

Exhibit _____ contains further explanations.

3. **Principal Construction Material:**

Concrete Hollow Tile Wood

Other: _____

4. **Uses Permitted by Zoning:**

	No. of <u>Apts.</u>	<u>Use Permitted By Zoning</u>
<input type="checkbox"/> Residential	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Hotel	<u>144**</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Timeshare	<u>144**</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Other	<u>1*</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

* Apartment B; this apartment will consist of the former Apartment B prior to the Second Amendment to Declaration, excluding the Other B Apartments, as depicted in the Condominium Map. The new Apartment B will consist of much of the physical building structure, infrastructure and common utility lines, as well as the amenities, service and operational areas in the Project (as defined in Section V.C.2 herein).

** Other B Apartments; the hotel guest rooms that have been condominiumized. The Developer intends to eventually sell and convey undivided interests in the Other B Apartments pursuant to a time share plan that Developer will create and register under HRS, Chapter 514E in phases. Those Apartments not subject to the time share plan may also be used as hotel rooms in the interim.

Yes No

5. Special Use Restrictions:

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

Pets: No pets permitted in any of the Apartments, except that certified signal dogs and service animals for disabled persons are permitted

Number of Occupants: _____

Other: Timesharing and hotel use are permitted

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 3* Stairways: 3 Trash Chutes: 0

* 2 passenger and 1 service elevator

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>See Exhibit "A"</u>	_____	_____	_____	_____	_____

Total Number of Apartments: 145 (144 Other B Apartments and 1 Apartment B)

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

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

Boundaries of Each Apartment:

See Exhibit "B"

Permitted Alterations to Apartments:

See Exhibit "C"

Apartments Designated for Owner-Occupants Only: n/a

Fifty percent (50%) of residential apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has not elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 58*

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)*	<u>57**</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>57</u>
Guest	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Unassigned	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Extra for Purchase	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Other ***	<u>—</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1</u>
Total Covered & Open:	<u>58</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>58</u>

* This is the total number of parking stalls in the 2181 Kalakaua condominium project. 38 parking stalls are limited common elements to Apartment B and 19 are limited common elements appurtenant to Apartment A in the 2181 Kalakaua condominium project. Parking will be available on a first-come first-served basis and will be primarily for valet parking only.

** Parking stalls are striped in varying dimensions and only 8 meet standard parking stall depth requirements. Two stalls are parallel stalls.

*** Van accessible stall in loading dock.

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool (roof) Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: Fitness Center (tentative)

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

There are no violations. Violations will not be cured.

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

See page 20a and Exhibit "D"

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

n/a

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.*

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

* See page 20, Section V.C.6 and PD-R attached hereto as Exhibit "E".

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

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

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

* See page 20, Section V.C.6.

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

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

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

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

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

described in Exhibit "F" .

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit "G".

as follows:

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

described in Exhibit "A".

as follows:

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

Exhibit "H" describes the encumbrances against the title contained in the title report dated April 16, 2013 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

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

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

Type of Lien

Effect on Buyer's Interest and Deposit if Developer Defaults
or Lien is Foreclosed Prior to Conveyance

F. Construction Warranties:

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

1. Building and Other Improvements:

None

2. Appliances:

None

Developer shall assign to the time share owners' association, without recourse, any manufacturer's or dealer's warranties covering the furnishings and appliances in the Apartment.

Note (as to 1 and 2 above): Except as provided above, Developer disclaims any implied warranty of habitability, any implied warranty of merchantability, any implied warranty of fitness for a particular purpose or use, any implied warranty of workmanship and any other express or implied warranties, with respect to the apartments, the project, the common elements thereof, or as to any appliances and furnishings contained within the apartments or the project.

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

The building was originally completed in 1965. However, Developer intends to renovate Apartment B and the Other B Apartments and common areas in the Project, which is anticipated to be completed by January 2014. The Developer makes no guarantees in this regard. Accordingly, such estimated completion date for the renovation is subject to change and to any events of force majeure.

H. **Project Phases:**

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

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

* Note Developer's reserved rights in Section II.E.2 herein, including to subdivide and consolidate apartments.

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

Note: The time share plan will be managed by an affiliate of the Developer.

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

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

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

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

Note: The maintenance fee schedule is for the time share plan.

C. **Utility Charges for Apartments:**

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

None Electricity (_____ Common Elements only Common Elements & Apartments)
 Gas (Common Elements only _____ Common Elements & Apartments)
 Water Sewer Television Cable
 Other: _____

V. MISCELLANEOUS

A. **Sales Documents Filed With the Real Estate Commission:**

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

- Notice to Owner Occupants
- Specimen Sales Contract (for time share sales)
Exhibit _____ contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated June 17, 2011 (for the time share sales).
Exhibit "J" contains a summary of the pertinent provisions of the escrow agreement.
- Other: _____

B. **Buyer's Right to Cancel Sales Contract:**

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

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

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

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

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

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement (for time share plan).
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other: PD-R, Declaration of Covenants, Conditions and Restrictions for Waikiki Beach Walk, Reciprocal Easement Agreement (Retail Apartment (Beach Walk/Apt. B 2181 Kalakaua), Agreement for Joint Development and Restrictive Covenant Regarding Lanai Enclosures (Waikiki Beach Walk; Planned Development-Resort)

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

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 7098 filed with the Real Estate Commission on February 24, 2011

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C. **Additional Information Not Covered Above**

1. **Timeshare and Transient Vacation Rental Use.** Purchasers are advised that timeshare and hotel use are expressly permitted in the Project.
2. **The "Project."** This public report covers 145 of the total 148 condominium apartments in the entire 2181 Kalakaua condominium project ("CPR"). As such for purposes of this report and the condominium registration, the 145 apartments which consist of Apartment B (1 apartment) and Other B Apartments (144 total apartments), will be considered the "Project" for purposes of this registration. Apartment B consists of much of the physical building structure, infrastructure, common utility lines, as well as the amenities, service and operational areas in the Project. Apartment B consists of the areas that would generally be considered common areas of the Project. The Other B Apartments are the individual guest rooms that the Developer intends to divide into time share interests and subject to a time share program. The remaining Apartments A, C and D in the 2181 Kalakaua CPR are not owned by the Developer and will not be considered part of the "Project" registered under this public report. See item 9 below.
3. **No Sales of Whole Condominium Apartments.** The Developer does not intend to sell any whole interests in the condominium apartments in the Project. Rather, the Developer has registered the Project as a timeshare project pursuant to Hawaii Revised Statutes ("HRS"), Chapter 514E, as amended.
4. **Membership in WBW CHP LLC.** The Developer, as the owner of Apartment B, owns an 11.86% interest in a company called WBW CHP, LLC ("WBW"), which provides chilled water to the Project, as well as to several other nearby properties pursuant to the Operating Agreement of WBW CHP, LLC dated December 15, 2005 ("Agreement"). According to the Agreement, WBW develops, owns, maintains, operates and repairs a chilled water system comprising of the Central Plant (located in a condominium unit in the neighboring Beachwalk Condominium project), a cooling tower (located in Apartment D of the 2181 Kalakaua CPR) and certain transmission lines for the delivery of the chilled water to the serviced properties. The Developer, as the owner of Apartment B, intends to include in the owners' maintenance fees, a portion of the costs associated with the Project's usage and any prorata share (with other properties sharing in the use of the Central Plant and Apartments A, D and C in 2181 Kalakaua CPR) of operating costs and reserves pursuant to the Agreement. The 2181 Kalakaua CPR receives its air conditioning from the Central Plant and the cooling tower and transmission lines for the production and transmission of chilled water to the Project.
5. **PD-R and Restrictions; Waikiki Special District.** A PD-R has been negotiated with the City and County of Honolulu ("City"). The PD-R recognizes, accepts and approves certain pre-existing conditions, considered "grandfathered" under the current Land Use Ordinance ("LUO") and the Waikiki Special District ("WSD") as legal, nonconforming structures or lot. In the event something happens to the structure and it is partially or totally destroyed, the WSD Ordinance LUO §21-9.80-4(e)(1) allows the replacement of such structure as it existed prior to its destruction, provided that all other special district standards are met. The PD-R also does not expire and the "approval" of the non-conforming structure cannot normally be withdrawn or cancelled unless some action(s) are done that are contrary to the approved conditions. As such, the Project may not be consistent with current LUO and WSD requirements. See attached Exhibit "E" for details. Also note that the City Condominium Conversion Compliance Letter in Exhibit "D" states that the number of off-street parking spaces (54) are nonconforming. The developer intends to reduce the number of Apartments in the Project from what was originally constructed in 1965. As a result the number of off-street parking stalls will eventually be conforming under the PD-R prior to any sales of time share interests in the Project.
6. **Certain Beach Walk Declarations, Covenants and Conditions on Title Affecting the Project.** Exhibit "K" attached hereto summarizes certain documents on title that sets forth standards and/or restrictions on use and improvements to the Project (collectively, "Master Documents").
7. **Affiliates of Developer.** The Developer's project broker for the sales of time share interests in the Project and the time share manager, is Hilton Grand Vacations Management, LLC, a Nevada limited liability company, whose sole member is Hilton Resorts Corporation, who is also the sole member of HRC Islander LLC, the Developer.
8. **Other Units in 2181 Kalakaua CPR.** All of the hotel rooms and hotel amenities in 2181 Kalakaua CPR are located within the Other B Apartments and Apartment B. In addition to the Other B Apartments and Apartment B, however, the 2181 Kalakaua CPR consists of three additional condominium apartments, Apartment A, Apartment C and Apartment D. Apartment A is currently owned by Catherine Evans Lloyd Moore, Trustee of the Revocable Living Trust and is leased by a bank. Apartment C is currently owned by ABW 2181 Holdings LLC and a commercial apartment currently being leased to retail vendors. Apartment D is a cooling tower owned by WBW CHP LLC that services 2181 Kalakaua CPR.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

HRC ISLANDER LLC, a Delaware limited liability company

Printed Name of Developer

Rebekah Ellouze

Duly Authorized Signatory*

4/5/13

Date

Rebekah Ellouze, Vice President - Regulatory Compliance

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department; City and County of Honolulu

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

EXHIBIT "A"

**APARTMENT B AND OTHER B APARTMENTS:
APARTMENT NUMBERS, APARTMENT TYPES, BEDROOMS/BATHROOMS, APPROXIMATE NET
LIVING AREA, APPROXIMATE LANAI AND OTHER COVERED AREA AND PERCENTAGE
COMMON INTERESTS (G.1, G.2 and G.3)**

Apartment Number	Apartment Type	Bedroom & Living / Bathroom	Approx. Net Living Area (sf) (Interior)	Approx. Lanai and Other Covered Area (sf) (Exterior)	Total Area (sf) (Interior and Exterior)	G.1 & G.2 Common Interests	G.3 Common Interest
B301	B	1/1	594	42	636	0.274356224%	0.365541941%
B302	B	1/1	594	42	636	0.274356224%	0.365541941%
B303	B	1/1	594	42	636	0.274356224%	0.365541941%
B304	B	1/1	594	42	636	0.274356224%	0.365541941%
B305	C	1/1	593	42	635	0.273924847%	0.364967191%
B306	C	1/1	593	42	635	0.273924847%	0.364967191%
B307	B	1/1	594	42	636	0.274356224%	0.365541941%
B308	B	1/1	594	42	636	0.274356224%	0.365541941%
B309	B	1/1	594	42	636	0.274356224%	0.365541941%
B310	B-ADA2	1/1	593	42	635	0.273924847%	0.364967191%
B311	D	1/1	519	42	561	0.242002896%	0.322435581%
B312	A	1/1	578	42	620	0.267454181%	0.356345918%
B401	B	1/1	594	42	636	0.274356224%	0.365541941%
B402	B	1/1	594	42	636	0.274356224%	0.365541941%
B403	B	1/1	594	42	636	0.274356224%	0.365541941%
B404	B	1/1	594	42	636	0.274356224%	0.365541941%
B405	C	1/1	593	42	635	0.273924847%	0.364967191%
B406	C	1/1	593	42	635	0.273924847%	0.364967191%
B407	B-ADA2	1/1	593	42	635	0.273924847%	0.364967191%
B408	B	1/1	594	42	636	0.274356224%	0.365541941%
B409	B	1/1	594	42	636	0.274356224%	0.365541941%
B410	B	1/1	594	42	636	0.274356224%	0.365541941%
B411	A	1/1	578	42	620	0.267454181%	0.356345918%
B412	A	1/1	578	42	620	0.267454181%	0.356345918%
B501	B	1/1	594	42	636	0.274356224%	0.365541941%
B502	B	1/1	594	42	636	0.274356224%	0.365541941%
B503	B	1/1	594	42	636	0.274356224%	0.365541941%
B504	B	1/1	594	42	636	0.274356224%	0.365541941%
B505	C	1/1	593	42	635	0.273924847%	0.364967191%
B506	C	1/1	593	42	635	0.273924847%	0.364967191%
B507	B	1/1	594	42	636	0.274356224%	0.365541941%
B508	B	1/1	594	42	636	0.274356224%	0.365541941%
B509	B	1/1	594	42	636	0.274356224%	0.365541941%
B510	B	1/1	594	42	636	0.274356224%	0.365541941%
B511	A	1/1	578	42	620	0.267454181%	0.356345918%
B512	A	1/1	578	42	620	0.267454181%	0.356345918%
B601	B	1/1	594	42	636	0.274356224%	0.365541941%
B602	B	1/1	594	42	636	0.274356224%	0.365541941%
B603	B	1/1	594	42	636	0.274356224%	0.365541941%
B604	B	1/1	594	42	636	0.274356224%	0.365541941%
B605	C	1/1	593	42	635	0.273924847%	0.364967191%

Apartment Number	Apartment Type	Bedroom & Living / Bathroom	Approx. Net Living Area (sf) (Interior)	Approx. Lanai and Other Covered Area (sf) (Exterior)	Total Area (sf) (Interior and Exterior)	G.1 & G.2 Common Interests	G.3 Common Interest
B606	C	1/1	593	42	635	0.273924847%	0.364967191%
B607	B	1/1	594	42	636	0.274356224%	0.365541941%
B608	B	1/1	594	42	636	0.274356224%	0.365541941%
B609	B	1/1	594	42	636	0.274356224%	0.365541941%
B610	B	1/1	594	42	636	0.274356224%	0.365541941%
B611	A	1/1	578	42	620	0.267454181%	0.356345918%
B612	A-ADA	1/1	578	42	620	0.267454181%	0.356345918%
B701	B	1/1	594	42	636	0.274356224%	0.365541941%
B702	B	1/1	594	42	636	0.274356224%	0.365541941%
B703	B	1/1	594	42	636	0.274356224%	0.365541941%
B704	B	1/1	594	42	636	0.274356224%	0.365541941%
B705	C	1/1	593	42	635	0.273924847%	0.364967191%
B706	C	1/1	593	42	635	0.273924847%	0.364967191%
B707	B	1/1	594	42	636	0.274356224%	0.365541941%
B708	B	1/1	594	42	636	0.274356224%	0.365541941%
B709	B	1/1	594	42	636	0.274356224%	0.365541941%
B710	B	1/1	594	42	636	0.274356224%	0.365541941%
B711	A	1/1	578	42	620	0.267454181%	0.356345918%
B712	A	1/1	578	42	620	0.267454181%	0.356345918%
B801	B	1/1	594	42	636	0.274356224%	0.365541941%
B802	B	1/1	594	42	636	0.274356224%	0.365541941%
B803	B-ADA2	1/1	593	42	635	0.273924847%	0.364967191%
B804	B	1/1	594	42	636	0.274356224%	0.365541941%
B805	C	1/1	593	42	635	0.273924847%	0.364967191%
B806	C	1/1	593	42	635	0.273924847%	0.364967191%
B807	B	1/1	594	42	636	0.274356224%	0.365541941%
B808	B	1/1	594	42	636	0.274356224%	0.365541941%
B809	B	1/1	594	42	636	0.274356224%	0.365541941%
B810	B	1/1	594	42	636	0.274356224%	0.365541941%
B811	A	1/1	578	42	620	0.267454181%	0.356345918%
B812	A	1/1	578	42	620	0.267454181%	0.356345918%
B901	B	1/1	594	42	636	0.274356224%	0.365541941%
B902	B	1/1	594	42	636	0.274356224%	0.365541941%
B903	B	1/1	594	42	636	0.274356224%	0.365541941%
B904	B	1/1	594	42	636	0.274356224%	0.365541941%
B905	C	1/1	593	42	635	0.273924847%	0.364967191%
B906	C	1/1	593	42	635	0.273924847%	0.364967191%
B907	B	1/1	594	42	636	0.274356224%	0.365541941%
B908	B	1/1	594	42	636	0.274356224%	0.365541941%
B909	B	1/1	594	42	636	0.274356224%	0.365541941%
B910	B	1/1	594	42	636	0.274356224%	0.365541941%
B911	A	1/1	578	42	620	0.267454181%	0.356345918%
B912	A	1/1	578	42	620	0.267454181%	0.356345918%
B1001	B	1/1	594	42	636	0.274356224%	0.365541941%
B1002	B-ADA1	1/1	594	42	636	0.274356224%	0.365541941%
B1003	B	1/1	594	42	636	0.274356224%	0.365541941%
B1004	B	1/1	594	42	636	0.274356224%	0.365541941%
B1005	C	1/1	593	42	635	0.273924847%	0.364967191%

Apartment Number	Apartment Type	Bedroom & Living / Bathroom	Approx. Net Living Area (sf) (Interior)	Approx. Lanai and Other Covered Area (sf) (Exterior)	Total Area (sf) (Interior and Exterior)	G.1 & G.2 Common Interests	G.3 Common Interest
B1006	C	1/1	593	42	635	0.273924847%	0.364967191%
B1007	B	1/1	594	42	636	0.274356224%	0.365541941%
B1008	B	1/1	594	42	636	0.274356224%	0.365541941%
B1009	B	1/1	594	42	636	0.274356224%	0.365541941%
B1010	B	1/1	594	42	636	0.274356224%	0.365541941%
B1011	A	1/1	578	42	620	0.267454181%	0.356345918%
B1012	A	1/1	578	42	620	0.267454181%	0.356345918%
B1101	B	1/1	594	42	636	0.274356224%	0.365541941%
B1102	B	1/1	594	42	636	0.274356224%	0.365541941%
B1103	B	1/1	594	42	636	0.274356224%	0.365541941%
B1104	B	1/1	594	42	636	0.274356224%	0.365541941%
B1105	C	1/1	593	42	635	0.273924847%	0.364967191%
B1106	C	1/1	593	42	635	0.273924847%	0.364967191%
B1107	B	1/1	594	42	636	0.274356224%	0.365541941%
B1108	B	1/1	594	42	636	0.274356224%	0.365541941%
B1109	B	1/1	594	42	636	0.274356224%	0.365541941%
B1110	B	1/1	594	42	636	0.274356224%	0.365541941%
B1111	A	1/1	578	42	620	0.267454181%	0.356345918%
B1112	A-ADA	1/1	578	42	620	0.267454181%	0.356345918%
B1201	B	1/1	594	42	636	0.274356224%	0.365541941%
B1202	B	1/1	594	42	636	0.274356224%	0.365541941%
B1203	B	1/1	594	42	636	0.274356224%	0.365541941%
B1204	B	1/1	594	42	636	0.274356224%	0.365541941%
B1205	C	1/1	593	42	635	0.273924847%	0.364967191%
B1206	C	1/1	593	42	635	0.273924847%	0.364967191%
B1207	B	1/1	594	42	636	0.274356224%	0.365541941%
B1208	B	1/1	594	42	636	0.274356224%	0.365541941%
B1209	B	1/1	594	42	636	0.274356224%	0.365541941%
B1210	B	1/1	594	42	636	0.274356224%	0.365541941%
B1211	A	1/1	578	42	620	0.267454181%	0.356345918%
B1212	A	1/1	578	42	620	0.267454181%	0.356345918%
B1401	B	1/1	594	42	636	0.274356224%	0.365541941%
B1402	B	1/1	594	42	636	0.274356224%	0.365541941%
B1403	B	1/1	594	42	636	0.274356224%	0.365541941%
B1404	B	1/1	594	42	636	0.274356224%	0.365541941%
B1405	C	1/1	593	42	635	0.273924847%	0.364967191%
B1406	C	1/1	593	42	635	0.273924847%	0.364967191%
B1407	B	1/1	594	42	636	0.274356224%	0.365541941%
B1408	B-ADA1	1/1	594	42	636	0.274356224%	0.365541941%
B1409	B	1/1	594	42	636	0.274356224%	0.365541941%
B1410	B	1/1	594	42	636	0.274356224%	0.365541941%
B1411	A	1/1	578	42	620	0.267454181%	0.356345918%
B1412	A	1/1	578	42	620	0.267454181%	0.356345918%
B1501	B	1/1	594	42	636	0.274356224%	0.365541941%
B1502	B	1/1	594	42	636	0.274356224%	0.365541941%
B1503	B	1/1	594	42	636	0.274356224%	0.365541941%
B1504	B	1/1	594	42	636	0.274356224%	0.365541941%
B1505	C	1/1	593	42	635	0.273924847%	0.364967191%

Apartment Number	Apartment Type	Bedroom & Living / Bathroom	Approx. Net Living Area (sf) (Interior)	Approx. Lanai and Other Covered Area (sf) (Exterior)	Total Area (sf) (Interior and Exterior)	G.1 & G.2 Common Interests	G.3 Common Interest
B1506	C	1/1	593	42	635	0.273924847%	0.364967191%
B1507	B	1/1	594	42	636	0.274356224%	0.365541941%
B1508	B	1/1	594	42	636	0.274356224%	0.365541941%
B1509	B	1/1	594	42	636	0.274356224%	0.365541941%
B1510	B	1/1	594	42	636	0.274356224%	0.365541941%
B1511	A	1/1	578	42	620	0.267454181%	0.356345918%
B1512	A	1/1	578	42	620	0.267454181%	0.356345918%
B		N/A			65,748.3*	28.362351240%**	37.788932835%**
					156,862.3*	67.6669%**	90.1568392%**

* See A.2 below.

** See C. below.

A. Location of Apartments.

On floors 3 through 15, each Apartment Number begins with B followed by the number of the floor and then the number of the apartment on the floor. There are 12 apartments on floors 3 through 15 (and no 13th floor) for a total of 144 Other B Apartments and one B Apartment, as described below. Odd numbers are on the ewa side and even numbers are on the diamond head side of the building. Numbers go from 01 and 02 at the makai end to 11 and 12 at the mauka end. For example, B301 is the makai/ewa apartment on floor 3 and B1212* is the mauka/diamond head apartment on floor 12.

1. Other B Apartments. There are a total of 144 Other B Apartments that will eventually become the subject of a time share program. The Other B Apartments are currently located on Floors 3-15. There is no 13th floor. Types “-ADA,” “-ADA1” and “-ADA2” apartments are handicap accessible apartments.

2. Apartment B. There is one Apartment B, which is comprised of the remaining spaces in the Apartment B Envelope that is not an Other B Apartment, limited common element or common element, as described in the Declaration and as depicted on the Condominium Map. The area of Apartment B includes the following:

Apartment B Airspace Area
(measured at the top surface of the Apartment B Airspace Area): 19,575 square feet
Indoor Area: 45,519.7 square feet
Outdoor Area: 20,228.6 square feet

The area noted in the table above for Apartment B is the total of the indoor and outdoor areas only.

B. Layout of Apartments.

1. Other B Apartments. All of the Other B Apartments, except for Apartment B311, have one bedroom/living area, one bathroom and a kitchen. Each of the Other B Apartments also contains a lanai.

2. Apartment B. Apartment B contains all remaining portions of the Apartment B Envelope that is not an Other B Apartment and contains the hallways, walkways, first floor lobby, the existing driveway on the diamond head side of the Project leading from Lewers Street to the existing first floor loading and parking area (which are also within Apartment B), the existing first floor loading and parking area in the makai/Ewa corner of the Project and the roof over the 15-story portion of the building, all exterior stairs, walkways, pedestrian ramps, planters, planting areas, landscaping and signs, all as further described in the Declaration and as depicted on the Condominium Map.

C. Common Interest.

According to the Declaration, the common interest of 2181 Kalakaua CPR is allocated among Apartments A, B, C and D as follows:

1. G1 Common Interest. The following are undivided percentage interests in all common elements of 2181 Kalakaua CPR and in all common profits and expenses of 2181 Kalakaua CPR and for all other purposes including voting:

Apartment A	29.3511%
Apartment B	67.6669%
Apartment C	2.4820%
Apartment D	.5000%
Total	100.0000%

2. G2 Common Interest. The following are undivided percentage interests in the basement parking garage (excluding the limited common elements appurtenant to certain apartments) and the areas marked "Fire Pump" and "Domestic Water Supply Pump" (and their equipment), the existing ramp between the garage and Kalakaua Avenue, and the existing stairway from said garage to Lewers Street, as shown in the Condominium Map:

Apartment A	29.3511%
Apartment B	67.6669%
Apartment C	2.4820%
Apartment D	.5000%
Total	100.0000%

3. G3 Common Interests. The following are undivided percentage interests in the remainder of the common elements:

Apartment A	6.0362451%
Apartment B	90.1568392%
Apartment C	3.3069157%
Apartment D	.50000000%
Total	100.0000%

All common expenses which pertain to those portions of the common elements described above shall be born by the owners of Apartments A, B, C and D in the respective amounts described above. For purposes of voting on issues solely affecting the common elements described above, the owners of Apartments A, B, C and D shall have the respective voting percentages described above.

The common interests appurtenant to Apartment B and the Other B Apartments were calculated by dividing each apartment's total area by the total area of Apartment B plus the Other B Apartments, then multiplying that total by the percentages noted above for Apartment B.

Note that the Common Interests reflected in the chart above have been rounded to the ninth decimal place. Thus, the calculations herein are estimates and not exact figures.

.000000049% was added to G.1 and G.2 Common Interest for Apartment B so the total Common Interest for G.1 and G.2 would equal 67.6669%.

.000000053% was added to G.3 Common Interest for Apartment B so the total Common Interest for G.3 would equal 90.1568392%.

In the event the sum of all Common Interests of Apartment B and the Other B Apartments does not equal exactly the Common Interests of Apartment B immediately before this Amendment, any excess or shortage, if any,

shall be added to or subtracted from, accordingly, Apartment B's Common Interests to equal exactly the Common Interests of Apartment B immediately before this Amendment. The common interests appurtenant to Apartments A, C and D shall remain unchanged.

The common interest calculations for Apartment B are based on the total of the indoor and outdoor areas of Apartment B (not including the airspace area).

The approximate Net Living Area square footage of each Other B Apartment in the Project is based on measurements taken from the interior surface of all perimeter walls, except that no reduction has been made to account for interior walls, ducts, vents, shafts, stairways and the like located within the perimeter walls.

D. Parking Stalls.

There are a total of 57 covered parking stalls located in the Basement Level of 2181 Kalakaua CPR. Of those 57 parking stalls, 38 are limited common elements appurtenant to Apartment B, as reflected on the Condominium Map. The remaining 19 parking stalls are limited common elements appurtenant to Apartment A in the Kalakaua CPR. Since there is limited parking at the Project, guest parking and valet parking are available on a first-come, first-served basis. There is currently no off-site parking for the Project.

EXHIBIT "B"

BOUNDARIES OF EACH APARTMENT

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

A. Apartment B shall be deemed to include the following:

1. Except for those areas that are excluded by subsections (iii) and (iv) of **Section D.1(b)** of the Declaration, Apartment B is located on the makai or southern portion of the Project within the area designated on Sheets A3-01 through A3-04 of the Condominium Map as Apartment B (the "Apartment B Envelope"), which consists of three spaces that together form a single three-dimensional space:

a. the first floor of the Apartment B Envelope is enclosed by:

(i) a bottom surface that is an imaginary horizontal surface in the area shown in green cross-hatching on Sheet A1-02; the bottom surface is bounded on three sides by land boundaries of the Project and on the other sides by the boundaries of Apartment B with Apartment A, Apartment C and the common elements; the bottom surface is flush with the unfinished underside of the slab over the basement level; where there is no basement below Apartment B, the bottom surface is flush with the underside of the sidewalk or other improvements on the Land and where there is no improvement, the bottom surface is flush with the surface of the Land;

(ii) a top surface which is the same shape and dimensions as the bottom surface; the top surface is immediately below the unfinished surface of the underside of the second floor slab, and where there is no slab, extends to the boundaries on the same plane; and

(iii) imaginary vertical surfaces rising perpendicular to the boundaries of the bottom surface and linking the bottom surface and the top surface to form a three-dimensional space.

b. the second floor of the Apartment B Envelope is enclosed by:

(i) a bottom surface that is an imaginary horizontal surface in the area shown on Sheet A1-03 of the Condominium Map, a portion of which is shown in green cross-hatching and a portion of which is identified as "Apartment B Airspace"; the bottom surface is bounded on three sides by the same land boundaries of the Project referenced in **Section D.1(b)(i)a.i.** of the Declaration and on the other side by the boundaries with Apartment A, Apartment C and general common element airspace; the bottom surface being flush with the top surface of the first floor of Apartment B; and where the second floor of Apartment B does not lie above the first floor of Apartment B, extends to the boundaries in the same plane;

(ii) a top surface which is the same shape and dimensions as the bottom surface; the top surface is flush with the unfinished underside of the third floor slab and where there is no slab, extends to the boundaries on the same plane; and

(iii) imaginary vertical surfaces rising perpendicular to the boundaries of the bottom surface and linking the bottom surface and the top surface to form a three-dimensional space.

c. The remainder of the Apartment B Envelope, above the second floor, is enclosed by:

(i) a bottom surface that is an imaginary horizontal surface in the area shown on Sheet A1-04 of the Condominium Map, a portion of which is shown in green cross-hatching and a portion of which is identified as "Apartment B Airspace"; the bottom surface is bounded on three sides by the same land boundaries of the Project referenced in **Section D.1(b)(i)a.i.** of the Declaration and on the other side by the boundaries with the roof portion of Apartment A and the beginning of the general common elements

airspace; the bottom surface being flush with the top surface of the second floor of Apartment B so that there is no gap and where the third floor of Apartment B does not lie above the second floor of Apartment B, extends to the boundaries in the same plane;

(ii) a top surface which is the same shape and dimensions as the bottom surface of the Apartment B Envelope; the top surface is four hundred and fifty feet (450') above the bottom surface of the Apartment B Envelope; and

(iii) imaginary vertical surfaces rising perpendicular to the boundaries of the bottom surface and linking the bottom surface and the top surface to form a three-dimensional space.

2. The Apartment B Envelope is located on the makai side of the Party Wall. As of the date of this Declaration, the Apartment B Envelope contains approximately the following square feet of improved (indoor and outdoor) area (where Apartment B includes the unfinished surface of a floor and an Other B Apartment includes the finished surface of the floor in the same location, the floor area has been excluded from the Net Living Area of Apartment B and included in the Net Living Area of the Other B Apartment).

Floor	Indoor (Net Living Area)	Outdoor	Total Square Footage
First	5,173.9	4,519.9	9,693.8
Second	8,882.5	3,683.5	12,566
Third	2,649.5	4,035.2	6,684.7
Fourth through Fifteenth (no Thirteenth)	2,449	70.8	2,519.8
Sixteenth (Penthouse)	1,874.8	7,211.2	9,086
Total (Indoor/Outdoor)	45,519.7	20,228.6	65,748.3
Apartment B Airspace	N/A	N/A	19,575

For purposes of Section G.3 of the Declaration only, the aggregate of Apartment B and the Other B Apartments remains at 152,210 square feet.

3. Apartment B shall be deemed to include, without limitation, a. the perimeter walls of the improvements existing or shown on the Condominium Map within the Apartment B Envelope (that is not the Party Wall or other party wall); b. the finished surface of the Party Wall within the Apartment B Envelope (the unfinished surface being a common element); c. the finished surface of all party walls between the Apartment B Envelope and Apartment C (the unfinished surfaces and the party walls being limited common elements); d. all exterior stairs, walkways, pedestrian ramps, planters, planting areas, landscaping and signs located within the Apartment B Envelope, as shown on the Condominium Map; e. the finished surface of the floor of that portion of the Apartment B Envelope which is located above Apartment A within the 15-Story Portion (the unfinished surface being a common element); f. the floor of that portion of the Apartment B Envelope which is located above Apartment C within the 15-Story Portion to the unfinished underside (the finished underside being a part of Apartment C); g. the existing driveway on the Diamond Head side of the Project leading from Lewers Street to the existing first floor loading and parking area within the Apartment B Envelope, as shown on Sheet A1-02 of the Condominium Map; h. the existing first floor loading and parking area in the makai/Ewa corner of the Project as shown on Sheet A1-02 of the Condominium Map; i. the roof over the 15-Story Portion and all other portions of the Apartment B Envelope that are not part of the Other B Apartments; and j. the wall around the perimeter of

the roof over the 15-Story Portion, including the portion of the wall between Apartment D and the outer edge of the 15-Story Portion and including any portion of the slab or other structure on which the wall sits and its finished surfaces (the "parapet wall").

Apartment B excludes the Other B Apartments (as described in Section D.1(bb) and D.2(b) of the Declaration) and the area shown as Apartment D on Sheets A3-01 through A3-04 on the Condominium Map and more fully described in Section D. 1 (d) of the Declaration, all of which are located within the boundaries of the Apartment B Envelope.

B. Apartments A, B, C and D shall be deemed to include the following:

1. Each apartment shall be deemed to include, without limitation and in addition to the description of inclusions contained in Section D.1 of the Declaration, and except as set forth in C., (a) all perimeter walls (except for the Party Wall which is a common element and other party walls which are limited common elements or portions of Apartment B); (b) all interior walls, columns and partitions (except those described in the foregoing paragraph); (c) all perimeter doors, door frames, windows and window frames; (d) all floors and ceilings surrounding each apartment (except for (i) the unfinished slab comprising the ceiling of Apartment A and the third floor of Apartment B within the 15 Story Portion, (ii) the unfinished slab comprising the ceiling of Apartment C and the second floor of Apartment B within the 15 Story Portion, and (iii) the unfinished slab comprising the ceiling of Apartment C and the third floor of Apartment B within the 15 Story Portion, all of which are common elements and (ii) and (iii) limited common elements); (e) all areas and spaces within each apartment enclosed by the horizontal and vertical planes described in Section D.1 of the Declaration (except in the case of Apartment B, for the exclusion of the Other B Apartments and Apartment D); (f) the roof immediately above any apartment (i.e., the roof over the 2 Story Portion is a part of Apartment A, and the roof over the 15 Story Portion and other portions of Apartment B is a part of Apartment B and the roof over Apartment D, if any, is a part of Apartment D); (g) all adjacent lanais, all lobbies, decks, balconies, corridors, elevators and elevator shafts, ramps and stairways located within or for the exclusive use of such apartment; and (h) all fixtures and appliances in such apartment. The word "perimeter" as used in this paragraph means the perimeter of improvements not the perimeter of airspace. All improvements of the kind described in subsections (a) through (h) above that are located entirely within the Apartment B Envelope shall be deemed to be included as part of Apartment B and are not part of the Other B Apartments.

Each apartment shall also be deemed to include all mechanical rooms, switchboard rooms, fan rooms, primary vaults, trash chutes and rooms, janitorial closets, electrical transformer vaults, exhaust plenums and areaways, intake areaways, generators, all central and appurtenant installations for services such as power, light, 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 each apartment for such apartment's exclusive use. In the case of Apartment D, such improvements that exist in the Apartment B Envelope for Apartment D's exclusive use are part of Apartment D.

2. Each apartment shall not be deemed to include the undecorated or unfinished surface of the Party Wall, or any other party wall between that apartment and either the enclosed area of another apartment or the enclosed area of a common element or any load-bearing columns or walls necessary for the support of any other apartment or common element, or any pipes, wires, conduits or other utility lines running through such apartment which serve any other apartment, the same being deemed common elements as provided below, except that party walls and surrounding walls of the Other B Apartments are part of Apartment B.

C. Each of the Other B Apartments shall be deemed to include the following:

1. Each Other B Apartment shall be deemed to include: (A) all of the walls and partitions which are not load-bearing within its perimeter or party walls, (B) all pipes, shafts, ducts, pumps, conduits, wires and other utility or service lines running through such apartment which are utilized for and serve only that

Other B Apartment, (C) the inner decorated or finished surfaces of all walls, floors and ceilings surrounding the apartment, (D) the inner decorated or finished surfaces of all interior load-bearing walls and columns, if any, within the apartment, (E) the inner decorated or finished surfaces of any doors, door frames, windows and window frames, and (F) all appliances and fixtures installed in them, and their replacements.

2. The respective Other B Apartments shall not be deemed to include: (i) the surrounding or party walls and their undecorated or unfinished interior surfaces, (ii) the floors and ceilings surrounding each Apartment and their undecorated or unfinished surfaces, (iii) the perimeter doors, door frames, windows and window frames and all hardware associated with them, and their undecorated or unfinished interior surfaces, (iv) the interior load-bearing walls and columns, if any, and their undecorated or unfinished surfaces, and (v) any pipes, shafts, ducts, pumps, conduits, wires and other utility or service lines which are utilized for or serve more than one Other B Apartment or serve an Other B Apartment and Apartment B, all (i) through (v) being deemed part of Apartment B.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE DESCRIPTION OF THE BOUNDARIES OF EACH APARTMENT. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL DESCRIPTION OF SUCH BOUNDARIES, PURCHASER SHOULD REFER TO THE CONDOMINIUM DECLARATION TO DETERMINE THE ACTUAL DESCRIPTION. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DECLARATION, THE CONDOMINIUM DECLARATION WILL CONTROL.

EXHIBIT "C"

PERMITTED ALTERATIONS TO APARTMENTS

This information is from the Amended and Restated Declaration. These rights were not changed by the Second Amendment to Declaration. As such, as discussed in this Section, the physical Apartment B in the Amended and Restated Declaration is now the Apartment B Envelope, as defined in the Second Amendment to Declaration.

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

A. RIGHT OF OWNER OF APARTMENT B TO CONSTRUCT NEW IMPROVEMENTS.

Except as otherwise expressly provided in the Declaration or in the Master Documents (as defined in the public report), the owner of Apartment B shall have the right, at its sole cost and expense, to demolish all or a portion of the existing improvements within Apartment B and to construct therein new improvements for such use and purpose as may be permitted by law, to the intent, purpose and effect that Apartment B will include such new improvements. Such new improvements shall conform with all applicable statutes, ordinances and rules and regulations of governmental authorities and with plans and specifications prepared by a licensed architect. The construction of said new improvements may be effected in phases as the owner of Apartment B may deem appropriate or convenient. The aggregate floor area (as defined above) of Apartment B, including such new improvements, shall be limited to the number of square feet determined by multiplying the then applicable floor area ratio (as that term is defined by the LUO) by the number of square feet of the land then subject to the Declaration, and multiplying that result by the current ratio of the floor area of Apartment B to the aggregate floor areas of Apartments A, B, C and D (as such floor areas are determined by the LUO) in the 2181 Kalakaua CPR. Notwithstanding the foregoing, in the event that the owner of Apartment B shall be entitled to more floor area because of the inclusion of such owner's interests in the Land (defined in the Declaration) and or 2181 Kalakaua CPR with such owner's interests in surrounding properties as part of a planned development project or other development permitted by the LUO or any successor ordinance, then such owner shall be entitled to use such additional square footage exclusively. For example, if the floor area ratio in effect at the time the owner of Apartment B decides to construct new improvements is 4.0 and the square footage of the Land is 28,309, but the owner of Apartment B is entitled to a floor area ratio of 5.0 by including its interests in the Land and the 2181 Kalakaua CPR, along with its interests in surrounding properties, to a planned development permitted by the LUO and such owner's interests in the Land equal 19,870 square feet, then the owner of Apartment B could build, in addition to the square footage calculated in the foregoing example, additional floor area not exceeding 19,870 square feet [1.0 floor area ratio (5.0 floor area ratio for a planned development - 4.0 floor area ratio for a non-planned development = 1.0 floor area ratio) x 19,870 square feet = 19,870 square feet]. No such construction shall exceed the limits described in the Declaration without the consent of the Association, nor shall such construction adversely affect the value, light, air, use or enjoyment of Apartments A, C or D in 2181 Kalakaua CPR, including, but not limited to, the structural or mechanical integrity thereof, nor the structural or mechanical integrity of the common elements.

Upon completion of construction of any new improvements, the owner of Apartment B, shall amend the Declaration by filing the as-built plans showing such new improvements and, if applicable, amending Section G.3 of the Declaration to reflect any change in the floor area of such apartment. The consent to and execution of such amendment to the Declaration by any other apartment owner shall be required only if Section G.3 of the Declaration is amended; provided, however, that an apartment owner shall not be required to amend Section G.3 of the Declaration to reflect any change in the floor area of an apartment upon completion of construction of any such new improvements. No such amendment shall be effective until the same is recorded in the State of Hawaii Bureau of Conveyances ("Bureau"), together with the as-built plans of said improvements.

B. RIGHT OF APARTMENT B TO SUBDIVIDE APARTMENT B.

Notwithstanding anything to the contrary contained in this Declaration, the owners of Apartments A, B, C and D shall each have the right and option at any time and from time to time, at such owner's sole cost and expense, to alter such owner's apartment by subdividing such owner's apartment into two or more apartments. If said option is exercised, then the aggregate common interests of the apartments thereby created (the

"Subdivided Units") shall be equal to the common interests described in Section G of the Declaration for the apartment prior to such subdivision, and the following terms and conditions shall control:

1. The plans and specifications for any new improvements shall be prepared by a licensed architect, shall not require (A) the alteration or demolition of unaffected apartments or the improvements which are contained within such unaffected apartments or (B) the substantial alteration or diminishment of other improvements constituting a part of the common elements, and shall not materially interfere with easements in favor of such unaffected apartments.

2. The owner of the apartment being subdivided shall, at such owner's sole expense, without the consent or joinder of any other apartment owner or lienholder thereof, execute and record in the Bureau an amendment to this Declaration and the Condominium Map:

a. to create the Subdivided Units, as shown on said plans and specifications and amendment to the Condominium Map;

b. to describe the limited common elements appurtenant to the Subdivided Units;

c. to convert portions of the apartment being subdivided into limited common elements appurtenant to one or more of the Subdivided Units and allocate their pro rata shares in the expenses of such limited common elements;

d. to reallocate the common interests and limited common elements appurtenant to apartment being divided among the Subdivided Units, as determined solely by the owner of the apartment being subdivided; and

e. when applicable, to add, delete, relocate, realign, serve and grant all easements and rights-of-way over, under, on and above the limited common elements appurtenant to the apartment being subdivided necessary or desirable, including, without limitation, easements and rights-of-way for utilities, cesspools, sanitary and storm sewers, television cable, refuse disposal, driveways, parking areas and roadways; provided that such easements and rights-of-way do not materially impair the use of the common elements by the unaffected apartment.

C. RIGHT OF APARTMENT B OWNER TO CONSOLIDATE APARTMENT B WITH ANOTHER APARTMENT.

Notwithstanding anything to the contrary contained in the Declaration, the owner of any two or more apartments shall have the right and option at any time and from time to time, at such owner's sole cost and expense, to alter such owner's apartments by consolidating such owner's apartments into one apartment. If said option is exercised, then the common interests of the apartment thereby created (the "Consolidated Unit") shall be equal to the common interests described in Section G of the Declaration for the apartments prior to such consolidation, and the following terms and conditions shall control:

1. The plans and specifications for any new improvements shall be prepared by a licensed architect, shall not require (A) the alteration or demolition of unaffected apartments or the improvements which are contained within such unaffected apartments or (B) the substantial alteration or diminishment of other improvements constituting a part of the common elements, and shall not materially interfere with easements in favor of such unaffected apartments.

2. The owner of the apartments being consolidated shall, at such owner's sole expense, without the consent or joinder of any other apartment owner or lienholder thereof, execute and record in the Bureau an amendment to this Declaration and the Condominium Map:

a. to create the Consolidated Unit, as shown on said plans and specifications and amendment to the Condominium Map;

- b. to describe the limited common elements appurtenant to the Consolidated Unit;
- c. to convert portions of the apartments being consolidated into limited common elements appurtenant to the Consolidated Unit or to convert limited common elements appurtenant only to the apartments being consolidated into parts of the Consolidated Unit;
- d. to reflect the common interests and limited common elements appurtenant to the Consolidated Unit; and
- e. when applicable, to add, delete, relocate, realign, serve and grant all easements and rights-of-way over, under, on and above the limited common elements appurtenant to the apartment being subdivided necessary or desirable, including, without limitation, easements and rights-way for utilities, cesspools, sanitary and storm sewers, television cable, refuse disposal, driveways, parking areas and roadways; provided that such easements and rights-of-way do not materially impair the use of the common elements by the unaffected apartment.

The owners of apartments may exercise their subdivision and consolidation rights under the Declaration concurrently, for example the owners of Apartments B and C may consolidate Apartments B and C and resubdivide them into three Apartments in a single amendment.

C. OWNERS OF THE OTHER B APARTMENTS. Other than the Developer, the owners of the Other B Apartment shall be restricted from improving the Other B Apartments in the Project, subject to the terms and provisions of the timeshare documents.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL RESTRICTIONS ON ALTERATIONS TO APARTMENTS CONTAINED IN THE PROJECT DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF RIGHTS AND OBLIGATIONS UNDER THE PROJECT DOCUMENTS, PURCHASER MUST REFER TO THE DECLARATION, BYLAWS AND HOUSE RULES TO DETERMINE THE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PROJECT DOCUMENTS, THE PROJECT DOCUMENTS WILL CONTROL.

ADDITIONALLY, DEVELOPER MAKES NO REPRESENTATION THAT THE PROJECT WILL BE DEVELOPED AS CURRENTLY PLANNED, OR THAT THE PROJECT WILL BE DEVELOPED AT ALL. DEVELOPER HAS THE SOLE DISCRETION TO DETERMINE HOW, WHEN AND UNDER WHAT CIRCUMSTANCES DEVELOPMENT OF THE PROJECT WILL OCCUR.

EXHIBIT "D"

CITY AND COUNTY CONDOMINIUM CONVERSION COMPLIANCE LETTER

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 06813
TELEPHONE: (808) 768-8200 • FAX: (808) 768-8041
DEPT. WEB SITE: www.honolulu.gov • CITY WEB SITE: www.honolulu.gov

PETER B. CARLISLE
MAYOR



DAVID K. TANOUÉ
DIRECTOR
ROBERT M. SUMITOMO
DEPUTY DIRECTOR

2010/ELOG-2572(AS)

March 23, 2011

Bernice Littman, Esq,
Cades Schutte
A Limited Liability Law Partnership
Cades Schutte Building
1000 Bishop Street, Suite 1200
Honolulu, Hawaii 96813

Dear Ms. Littman:

Subject: Condominium Conversion Project
2181 Kalakaua CPR
2181 Kalakaua Avenue
Tax Map Key: 2-6-003: 001

This is in response to your letter dated November 29, 2010, requesting verification that the above-referenced project met all applicable code requirements at the time of construction.

Investigation revealed that a zoning variance (No. 65/Z-116) was approved on September 16, 1965 to permit the 14-story, with penthouse, hotel/bank building on this 28,309-square-foot Resort-Mixed-Use-zoned lot.

The building (setback) and the number of off-street parking spaces (54) currently provided are considered nonconforming.

Investigation also revealed there are a bank, restaurant, and a bar located on the first floor. The hotel lobby, retail shops, and a storage room are located on the second floor. There are 23 guest rooms on the third floor, 24 guest rooms on each of the fourth through fourteenth floors, and one apartment unit on the penthouse floor. There are also a laundry area and parking garage on the basement floor.

Further investigation revealed the following:

1. City Council Resolution No. 02-272, CD1, FDD1, approved on November 13, 2002, and Waikiki Special District Major Permit No. 2002/SDD-46, approved on December 27, 2002, allow Tax Map Keys: 2-6-002: 015 and 016; 2-6-003: 002, 003, 004, 006 through 012, 021, 032, 034, 035, 039, 052, 056, 057; 2-6-004: 010; and a 4,000-square-foot portion of Helumoa Road from Beach Walk to Lewers Street to redevelop under the Planned

Bernice Littman, Esq,
Cades Schutte
March 23, 2011
Page 2

Development Resort (PD-R) permit. Under the PD-R provisions, the multiple lots that are part of and approved PD-R project shall be considered and treated as one zoning lot for development purposes.

2. Special Management Area Permit No. 2002/SMA-35 was approved on November 13, 2002 for a porte cochere alteration and an overhead pedestrian bridge by City Council Resolution No. 02-271.
3. Subdivision Permit No. 2006/SUB-171 was approved on July 29, 2006 to consolidate Lot 1-A of 28,278 square feet and Lot 1-B (corner rounding) of 31 square feet.
4. Sign Master Plan No. 2006/ZA-36 was approved with conditions on November 16, 2002.
5. Waikiki Special Design Permit No. 2007/SDD-8 was approved with conditions on February 2, 2007 for a canopy at First Hawaiian Bank.
6. Building Permit Nos. 627734, 631092, 634063, and 634064 were issued in 2008 for major alterations to this project. All of these permits are currently active.
7. Waikiki Special Design Permit (minor) No. 2010/SDD-75 was approved with conditions on August 8, 2010 for tree removal and replacements.
8. Waikiki Special Design Permit (minor) No. 2010/SDD-102 was approved with conditions on January 13, 2011 for tree removal and sidewalk/infrastructure improvements.

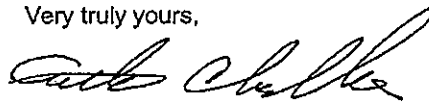
For your information, the Department of Planning and Permitting cannot determine all other legal nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

No other 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.

If you have any questions regarding this matter, please contact Alex Sugai of our Commercial and Multi-Family Code Enforcement Branch at 768-8152.

Very truly yours,



For David K. Tanoue, Director
Department of Planning and Permitting

DKT:ft
[838804]

EXHIBIT "E"

PLANNED DEVELOPMENT – RESORT (PD-R)

(see attached)

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET - HONOLULU, HAWAII 96813
 TELEPHONE: (808) 529-4414 • FAX: (808) 527-6745 • INTERNET: www.cc.honolulu.hi.us

JEREMY HARRIS
 MAYOR



ERIC G. CRISPIN, AIA
 ACTING DIRECTOR
 LORETTA K.C. CHIEE
 DEPUTY DIRECTOR

2002/SDD-46(GU)

December 27, 2002

Mr. Ralph Portmore, AICP
 Group 70 International, Inc.
 925 Bethel Street
 Honolulu, Hawaii 96813

RALPH
 Dear Mr. Portmore:

**SUBJECT: PLANNED DEVELOPMENT- RESORT/SPECIAL DISTRICT PERMIT
 APPLICATION (2002/SDD-46)**

Project: Outrigger Enterprises, Inc. - Outrigger Beach Walk
 Location: Waikiki - Makai of Kalakaua Avenue, along Saratoga
 Road, Beach Walk, Lewers Street, and Kalia Road
 Tax Map Key: 2-6-2: 15, 16
 2-6-3: 1, 2-4, 6-12, 21, 32, 34, 35, 39, 52, 57
 2-6-4: 10
 Received: June 21, 2002

The Director of Planning and Permitting has APPROVED the above Special District Permit, subject to certain conditions. A copy of the location map and the Director's Findings, Conclusions, and Decision and Order, including the conditions of approval, are attached.

Any party (to the case) wishing to appeal the Director's action must submit a written petition to the Zoning Board of Appeals (ZBA) within 30 calendar days from the date of mailing or personal service of the Director's written decision. (Zoning Board of Appeals Rules Relating to Administrative Procedure, Rule 22-2, Mandatory Appeal filing deadline.) Essentially, the Zoning Board of Appeals rules require that a petitioner show that the Director based his action on an erroneous finding of a material fact, and/or that the Director acted in an arbitrary or capricious manner, or manifestly abused his discretion. Generally, the ZBA can only consider the evidence previously presented to the Director of Planning and Permitting.

Mr. Ralph Portmore
Page 2
December 27, 2002

Failure to comply with ZBA Rule 22-2, Procedures for Appeals, may result in the dismissal of the appeal. Copies of the ZBA rules are available at the Department of Planning and Permitting. Appeals should be addressed to:

Zoning Board of Appeals
c/o Department of Planning and Permitting
650 South King Street
Honolulu, Hawaii 96813

Should you have any questions, please contact Geri Ung of our Urban Design Branch at 527-6044.

Sincerely yours,



ERIC G. CRISPIN, AIA
Acting Director of Planning
and Permitting

EGC:pl

cc: Outrigger Enterprises, Inc. - Eric Masutomi

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET - HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4414 • FAX: (808) 527-6743 • INTERNET: www.co.honolulu.hi.us

JEREMY HARRIS
MAYOR



RANDALL K. FUJIKI, AIA
DIRECTOR

LORETTA K.C. CHEE
DEPUTY DIRECTOR

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

STATE OF HAWAII

IN THE MATTER OF THE APPLICATION)
)
 OF)
)
 OUTRIGGER ENTERPRISES, INC.)
)
 FOR A)
 SPECIAL DISTRICT (MAJOR) PERMIT)

FILE NO. 2002/SDD-46

FINDINGS OF FACT, CONCLUSIONS
OF LAW, AND DECISION AND ORDER

I. APPLICATION

A. Basic Information

APPLICANT : Outrigger Enterprises, Inc.
LANDOWNERS : IRL, LLC,
(TMK: 2-6-3: 1 H.P.R. No. 2; 32, 35; Outrigger
affiliate)
Melinda C. Crawford and Pacific Century Trust
(TMK: 2-6-3: 3; subject of condemnation)
Clarice Margaret Garrison
(TMK: 2-6-3: 8; subject of condemnation)

Jacqueline L. Johnson, Bronwen L. Welch,
Deborah Sloane Underhill
(TMK: 2-6-3: 7; subject of condemnation)

OWT, LLC; RRK Hotel Assoc., LLC; RRK
Land Company, LLC
(2-6-3: 21; Outrigger affiliates)

Central Pacific Bank as ancillary trustee of the
Trust Agreement executed by Joseph Barstow
Andrade; Outrigger Hotels Hawaii
(2-6-2:15; subject of condemnation)

Outrigger-LAX Limited Partnership
(2-6-2:16; Outrigger affiliate)

Jabron Mango Company
(2-6-3:39; subject of condemnation)

Sutton Family Partners
(2-6-3:34; Outrigger option to purchase)

ORF, LLC
(2-6-4:10; Outrigger Affiliate)

City and County of Honolulu
(portion of Helumoa Road right-of-way
between Lewers St. and Beach Walk)

Outrigger Hotels Hawaii
(2-6-3: 2, 4, 6, 9-12, 52, 57, por. 56)

LOCATION : Waikiki - Makai of Kalakaua Avenue, along
Saratoga Road, Beach Walk, Lewers Street, and
Kalia Road

TAX MAP KEYS : 2-6-2:15, 16
2-6-3: 1, 2-4, 6-12, 21, 32, 34, 35, 39,
52, 56, 57
2-6-4:10 (only parcel in SMA)

LAND AREA : Approximately 7.9 acres (revised)

STATE LAND USE DISTRICT : Urban

- EXISTING ZONING : Resort Mixed Use Precinct
- EXISTING USE : Existing hotels (Ohana Reef Towers, Outrigger Islander Waikiki, Edgewater Lanais, Ohana Coral Seas, Ohana Waikiki Village, Ohana Waikiki Tower, Outrigger Edgewater, Ohana Royal Islander, Ohana Reef Lanai, Outrigger Reef on the Beach, and site of the demolished Malihini Hotel)
- SURROUNDING LAND USE : Hotels, condominium apartments, commercial/retail establishments, eating and drinking establishments, Fort DeRussy
- EXHIBIT A : Planned Development-Resort Application Conceptual Plan (Dated June 2002)
- EXHIBIT B : Resolution 0-272, CD1, FD1
- EXHIBIT C : Revised Project Data and Schematic Design Drawings (dated November 19, 2002, and date-stamped December 2, 2002)
- EXHIBIT D : Memorandums Detailing Project Compliance with Council Resolution No. 02-272, CD1, FD1 (Dated November 26, 2002 and December 6, 2002)

B. Proposal

The proposed project received conceptual Planned Development-Resort (PD-R) approval from the City Council (Resolution 02-272, CD1, FD1) on November 13, 2002, subject to a number of conditions. These conditions are contained in the attached copy of the Resolution, and require some modification of the proposal. The following project description incorporates the applicant's proposed changes to the conceptual plans, in response to those conditions.

The project involves the redevelopment of approximately 7.9 acres in Waikiki with a mixed use hotel, retail and entertainment project. The project will be done in two phases over an approximately ten-year period, and includes the demolition of six hotels and the upgrading of five others. Redevelopment will also include a new retail/entertainment promenade and open plaza along Lewers Street, and the construction of a new hotel fronting Saratoga Road.

The following describes each of the project's two phases in more detail.

1. Phase 1:

The first phase of the project will focus on project properties between Lewers Street and Beach Walk. Construction is projected to begin in 2004 and extend over a 15 to 18 month period. The estimated cost for this phase is \$130M. Work will include the renovation of the Waikiki Village, Waikiki Tower, and Reef Towers hotels, and the demolition and redevelopment of the Edgewater Lanais, Coral Seas and Edgewater hotels.

- a. A three-level (56 ft. height maximum) retail/entertainment complex and ground level public plaza will be developed along Lewers Street on the former sites of the Edgewater Lanais and Coral Seas hotels and the ground level lobby/retail portion of the Waikiki Village and the Carl's Jr. restaurant. This new retail/entertainment complex will also be integrated with the renovated tower portions of the Waikiki Village and Waikiki Tower hotels.

Two public amenities will occupy approximately 10,000 square-feet on the third level of the retail/entertainment complex: a Hawaiian Music Preservation Hall to perpetuate the history/significance of Hawaiian music and dance; and a Visitors Center to serve as a central location for visitor information and assistance services.

A third public amenity space, an on-site interpretive area, will also be provided to display archaeological and historical artifacts uncovered on the site. As required by Condition 11.b. of Resolution 02-272, CD1, FD1, this interpretive area must be provided in a *prominent ground floor location*, be open to the public for a minimum of 8 hours a day, and maintained in perpetuity by the applicant. The condition further requires the applicant to submit to the DPP's Urban Design Branch a plan for establishing this on-site interpretive area and a timetable for its implementation.

- b. The redesigned Edgewater Plaza, now an approximately 20,433 square-foot open-air public plaza, is proposed as a pedestrian focal point for Phase 1, as well as a venue for public performances and demonstrations. The approved conceptual plan for a single-level Edgewater Plaza has subsequently been revised by the applicant to include stepped areas and walkways at varying elevations and a variety of paving patterns. The newly proposed design elements (paving patterns, hardscape areas, landscape planters) also extend across Lewers Street to the Reef Towers Hotel, for a unified area design theme.

c. The site of the demolished Edgewater Hotel will become a new four-level podium connecting the redeveloped towers of the Waikiki Village and Waikiki Towers hotels. This new podium will feature:

- a grand lobby servicing both hotel towers on the ground (+4 ft. elevation);
- shops, restaurants and cultural/entertainment venues on the ground and second (+22 ft. elevation) levels, and a pedestrian bridge over Kalia Road connecting the Reef on the Beach Hotel to the retail promenade and banquet facilities;
- a banquet hall, meeting rooms, and a showroom on the second and third (+39 ft. elevation); and
- a rooftop pool deck at the +56 ft. elevation.

The exteriors of the new Saratoga Hotel and the renovated Waikiki Village and Waikiki Tower hotels will feature Hawaiian motif detailing and decoration. Back-of-house areas for the two hotels will be located on the ground, second and third levels. Guest rooms on the upper floors of the hotels will be renovated and upgraded, as will those in the Ohana Reef Towers hotel. The recent redesign of the Edgewater Plaza has also prompted some redesign of the Reef Towers Hotel lobby and basement area, which will eliminate 16 rooms at the Reef's first guestroom level (+13 feet).

d. There are 3,102 existing hotel rooms within the total project area. Of these, 1,652 are located within the 3 hotels to be retained (Ohana Reef Towers, Outrigger Islander Waikiki, and Outrigger Reef on the Beach). The reconfiguration of the Reef Towers Hotel will eliminate 16 of the 484 rooms, for a reduced total of 464 rooms. Therefore, excluding the Islander and Reef on the Beach hotels to be retained, Phase 1 area hotels (including the Reef Towers) contain 1,709 rooms; 463 of these rooms will be demolished in Phase 1 for development of the retail/entertainment complex and Edgewater Plaza, and 1,246 rooms will be retained.

e. Existing underground parking (-4 ft. elevation) within this Lewers-Beach Walk area of Phase 1 will largely be redeveloped into a single interconnected underground facility. Small portions will be removed to accommodate parts of the new Edgewater Plaza above, and a new off-street loading area. Parking within the Islander Waikiki hotel will be connected to this redeveloped parking area. Existing parking at the Reef Towers hotel will be retained.

Resolution 02-272, CD1, FD1, allows the applicant to utilize a maximum of 337 off-site parking stalls within the Fort DeRussy Saratoga parking lot (corner of Saratoga and Kalia Roads) to satisfy a portion of the project's parking needs. The Resolution requires the applicant to enter into a binding agreement with the Federal government (landowner) for the use of these stalls.

Phase 1 redevelopment will incorporate closure of a segment of the Helumoa Road right-of-way (between Lewers Street and Beach Walk), which the applicant is in the process of acquiring from the City. Although considered at one time by the applicant, the proposed project does not involve the closure of Lewers Street.

2. Phase 2:

The second phase of the project will focus primarily on project properties between Saratoga Road and Beach Walk. Construction is anticipated to begin in 2006 and take about two- to two- and- a- half years to complete, at an estimated cost of \$170M.

- a. A new 350-foot tall hotel tower will replace the Royal Islander, Reef Lanai and Malihini hotels fronting Saratoga Road. Recently redesigned to comply with conditions of Council's PD-R conceptual approval, the hotel tower's proposed floor area has been increased to approximately 576,470 square feet (from 504,890 s.f.); the number of floors has been increased from 27 to 32, and the number of hotel rooms increased from 891 rooms to 898. The total maximum height remains 350 feet. Parking will be provided underground; the three lower floors will be devoted to lobby, retail shops and restaurants, and various hotel back-of-house functions; hotel rooms will occupy the upper floors.

The net increase of hotel rooms within the project area will be 214 (previously 234); the total number of rooms within the project area will be 3,316 (previously 3,336).

- b. Two pedestrian bridges will be constructed over Beach Walk (at +39 ft. and +56 ft. elevations) to connect the new hotel tower to the retail complex, banquet/meeting facility, and pool deck levels constructed in Phase 1.
- c. Remodeling and upgrading of the Reef-on-the-Beach hotel porte-cochere and public areas, and the Islander Waikiki hotel's public areas on the lower floors will be included in Phase 2.

3. Design Features:

The project will utilize Hawaii-themed design elements to support the project's "vintage Waikiki" concept. The Phase I Edgewater Plaza will incorporate a central water feature with a base approximately 4' high, which, with a covering platform, will double as a performance stage. While the previous conceptual plans and renderings consistently depicted the Edgewater Plaza as a single-level "grand plaza" to provide useable public gathering space, the redesign now proposes the use of stepped, tiered walkways of differing elevations. Additionally, in place of a simple paving pattern (e.g., concentric lava rock bands), a variety of paving patterns and materials are now reflected in recent plans. According to the latest submitted information, paving materials will include basalt, river rock, lava rock, concrete with Abalone Matrix and colored concrete. The use of native (e.g., hala and kukui trees) and exotic (for color and fragrance) landscape materials are still proposed, as is the retention of as many of the existing banyan and coconut trees within the project area as possible.

The retail complex surrounding the plaza will be of limited height and density. The previously proposed 'signature tower' which was to serve as a landmark for the Lewers Street area has now been replaced by a new signature form, a large vine-covered trellis at the third level of the complex.

The retail complex will be an integrated structure featuring sitting areas facing the plaza, a system of exterior and interior corridors for pedestrian circulation between the retail and hotel uses, and extensive detailing using Hawaiian motifs within building facades. Hawaiian motif detailing/decoration is also proposed for the exteriors of the renovated Waikiki Tower and Waikiki Village hotels. While the approved conceptual plan described "minimized" retail storefronts, design details have not yet been provided.

The new Saratoga Hotel tower will face Saratoga Road and be oriented mauka-makai to minimize impacts on mountain-to-ocean views. The structure will feature a vintage porte-cochere and hip-roofed podium. Building articulation and decoration will also utilize Hawaiian and tropical motifs.

Emphasis throughout the project will be placed on the use of native and natural building materials (lava rock, coral, wood, and stone) and natural colors.

4. Traffic Circulation, Parking and Loading:

The project will include the following:

- a. Construction of a new porte-cochere on Beach Walk during Phase I for the Waikiki Village and Waikiki Towers hotels, and the retail/entertainment complex. Vehicles are proposed to enter from driveways on Beach Walk and Kalia Road, and exit onto Beach Walk. All parking will be by valet from the porte cochere, which will have direct access to the underground parking garage;
- b. Construction of a separate porte-cochere for the new hotel tower during Phase 2, with proposed entry from Saratoga Road and exit onto Kalia Road. A bus driveway and loading and unloading area will be located at the hotel's rear along Beach Walk;
- c. Provision of off-street parking and off-street loading spaces in compliance with LUO requirements, as required by Conditions 6.a. and 7, respectively, of Resolution 02-272, CD1, FD1;
- d. Use of a maximum of 337 parking spaces (per Condition 6.b.(1)(A) of the Resolution) located off-site at the Fort DeRussy Saratoga parking lot;
- e. Installation of a traffic signal at Saratoga Road north of Kalia Road; and construction of a new traffic island with driveway.
- f. Implementation of all roadway improvements specified in a project Traffic Impact Analysis Report (TIAR) required by Condition 12 of the Resolution. Approval of the TIAR by the DPP's Traffic Review Branch and the Department of Transportation Services is required;
- g. Widening of the mauka side of Helumoa Road east of Lewers Street to provide a minimum 20-foot paved roadway, in accordance with Condition 12.b. of the Resolution; and
- h. Widening of the Kalia Road right-of-way by 4 feet, on the mauka side between Lewers Street and Saratoga Road, as required by Condition 12.a. of the Resolution.

C. Background Information

The Final EIS for the project was accepted by the DPP on February 25, 2002. Notice of this acceptance was published in The Environmental Notice on March 8, 2002. The applicant then submitted the application for the Planned Development-Resort/Special District Permit on June 21, 2002, and the application for the Special Management Area Permit (SMP) on June 26, 2002. Both applications were accepted on July 5, 2002.

On August 30, 2002, the DPP held a combined public hearing to address the Planned Development-Resort/Special District Permit and SMP applications. On September 16, 2002, within 10 working days after the close of the public hearing, the DPP submitted its joint recommendations and draft resolutions to the City Council (2002/SDD-46, 2002/SMA-35).

On November 13, 2002, the City Council adopted the SMA permit (Res. 02-271, CD1) and the PD-R (Res. 02-272, CD1, FD1).

It is important to note that the 7.7-acre project area referenced throughout the PD-R application and report was approximate. The applicant proposed to use portions of parcels 2-6-3: 1, 56 and 57. However, for development purposes, the entire parcel areas must be used in density, floor area, and setback calculations. Therefore, the revised project area is 7.9 acres.

II. FINDINGS OF FACT

On the basis of the evidence presented, the Director has found:

A. Description of Site and Surrounding Uses

The entire project area lies within the Waikiki Special District (WSD), and a portion (the Outrigger Reef on the Beach hotel, TMK: 2-6-4:10) is located within the Special Management Area (SMA). The project area is developed with a total of 1,517,070 square-feet (updated total) within existing hotels and associated facilities. A breakdown of existing floor areas by building is included in Exhibits A and B.

The surrounding area is developed with hotels, retail shops, restaurants and other visitor-oriented operations. Directly east across Lewers Street and south of Helumoa Road is the Imperial Hawaii Resort, with the Waikiki Parc Hotel just behind it to the east. Further east at the end of Don Ho Lane and Helumoa Road are the Sheraton Waikiki and Royal Hawaiian Hotels, and the Royal Hawaiian Shopping Center. South of the project area across Kalua Road is the Halekulani Hotel. To the west of the Halekulani is the Outrigger Reef on the Beach Hotel, the Waikiki Shore Apartments, and Fort DeRussy. To the north of the project along Beach Walk are a number of older low-rise hotels and apartments and retail operations fronting Kalakaua Avenue.

B. Other Permits/Approvals Required

1. Special Management Area: 2002/SMA-35 was processed concurrently with the Planned Development-Resort permit for a portion of the proposed pedestrian bridge across Kalia Road. This bridge will connect the mauka portion of the project area to the existing Outrigger Waikiki Reef on the Beach Hotel, the only project property within the Special Management Area (SMA). Resolution 02-271, CD1, granting the Special Management Area Permit was adopted by the City Council on November 13, 2002.
2. Acquisition of Certain Parcels: The applicant is in the process of finalizing acquisition of fee ownership or restructured lease of 5 parcels within the project area in which it, or an affiliate, has had a leasehold or sub-leasehold interest. These 5 parcels are:

Parcel 1: Tax Map Key: 2-6-2:15; Parcel 2: Tax Map Key: 2-6-3: 03;
Parcel 3: Tax Map Key: 2-6-3:07; Parcel 4: Tax Map Key: 2-6-3:08; and
Parcel 5: Tax Map Key: 2-6-3:39.
3. Acquisition of Helumoa Road Segment: At the applicant's request, the City has initiated proceedings to close the segment of Helumoa Road between Lewers Street and Beach Walk for disposal and negotiated sale for the proposed project. According to the City's Department of Budget and Fiscal Services, those proceedings are not yet finalized.
4. Grading Permits: The applicant must obtain the necessary grading permits for all grading and excavation work.
5. Building and Demolition Permits: The applicant must obtain the necessary demolition permits for the demolition of existing structures, and building permits for new construction.
6. Other ministerial approvals (construction plan approvals, water and sewer connection, etc.).

C. Public Agency and Community Comments

Public Agency and Community comments are documented in the department's joint report and recommendations (2002/SDD-46 and 2002/SMA-35) to the City Council. Major comments were addressed by Conditions of Approval contained in Resolution 02-272, CD1, FD1. A record of the DPP's public hearing on the project (including written testimonies received), the joint report and the Resolution are on file at the DPP.

D. Design Advisory Committee Comments

On December 4, 2002, a second Design Advisory Committee (DAC) meeting was convened to review the proposed project for compliance with the Waikiki Special District design guidelines. An earlier Committee meeting was held on August 20, 2002, to review the project's conceptual plan. At the December meeting, the DAC offered the following comments and recommendations:

1. Edgewater Plaza - With its varied tiers of walkway ramps, the redesigned Plaza appears to be circulation-oriented - that is, directing pedestrian traffic toward the retail complex - rather than providing a gathering place that invites pedestrians to "dwell", or linger. This redesign is not conducive to general pedestrian-through movement, nor to outdoor dining opportunities. The DAC supports the Edgewater Plaza as a gathering place, in keeping with its original conceptual design as first presented to the DAC, and recommended that the Plaza be single-level, with a simplified paving pattern.
2. Building edges - As currently proposed, the project's building edges appear somewhat stark and abrupt. Therefore, the use of shading devices (e.g., projecting trellises, awnings) along the project's Lewers Street frontage and the Saratoga Hotel's Kalia Road frontage is recommended to soften the appearance of the buildings and promote more of a "Hawaiian Sense of Place".
3. Lewers Street curb - The six-inch drop at the Lewers Street curb is a safety hazard and should be eliminated. Along the Edgewater Plaza, Lewers Street should be raised 6" to be at the same level as the Plaza. Concerns regarding interaction of pedestrians and vehicles could be addressed through other means, e.g., bollards, landscaping.
4. Unified Design for Lewers Street Frontage - The design of the Edgewater Plaza should be carried through Lewers Street and across to the Reef Towers Hotel. This unified design would involve common elements such as landscaping and a simplified paving pattern.
5. Unified Paving Pattern - Some expression of the paving pattern used at the Edgewater Plaza should also be carried through along the sidewalks fronting the project, to both Kalakaua Avenue and Kalia Road. This would visually tie both ends of the project together.
6. Design Coordination of Other Lewers Street Improvements - The applicant should continue discussions with Kamehameha Schools (KS) about coordinating the design of general Lewers Street improvements (e.g., roadway widening, paving patterns, landscape treatments, lighting), as KS proceeds with planning for its renovation of the Royal Hawaiian Shopping Center.

III. ANALYSIS

The proposed development was reviewed in accordance with adopted Resolution 02-272, CD1, FD1, which approved the PD-R conceptual plan, and Land Use Ordinance (LUO) Sections 21-9.80 to 21-9.80-9, relating to the Waikiki Special District and 21-9.80-4(d), relating to PD-R projects.

A. Compliance with Approved PD-R Conceptual Plan

Council Resolution 02-272, CD1, FD1, adopted on November 13, 2002, approved the project's PD-R conceptual plan subject to 26 conditions. These conditions are specified in the attached copy of the Resolution.

B. Compliance with Waikiki Special District Regulations

1. *Objectives:* The proposed project would support, with some design refinements, many of the WSD objectives, including: providing for the renovation and redevelopment of existing structures which might otherwise experience deterioration; providing for development capable of substantially contributing to rejuvenation and revitalization of Waikiki; encouraging architectural features in building design which complement Hawaii's tropical climate and ambience, while respecting Waikiki's urbanized setting; and providing people-oriented, interactive, landscaped open spaces to offset the high density urban ambience.
2. *General Requirements and Design Controls:* The intent of the Waikiki Special District is to foster a Hawaiian Sense of Place in the design of buildings and structures. To that end, Waikiki design should compose spaces and elements in ways that encourage experiencing the natural environment, encourage social interaction by creating spaces where people may congregate, encourage people to walk outside to get from one space to another, and encourage interaction between people and landscaping. Buildings should provide rich visual textures by contrasting light and shadows on surfaces, and by using many of the elements symbolic of Hawaii's environment, people or culture.

New developments are required to demonstrate a high degree of compliance with applicable objectives, guidelines and standards.

a. Uses and Structures Allowed in Required Yards and Setbacks -

- (1) Roof Eaves, Awnings, and Other Shade Devices: The maximum allowable extension into the required yard is 36 inches with no more than 42 inches vertical thickness.

As observed by the DAC, the project buildings have a somewhat stark and abrupt appearance. To soften building edges and provide articulation for visual interest, the use of shading devices along the project's Lewers Street frontage as well as the new Saratoga Hotel's frontage along Kalia Road was recommended. The use of such elements are encouraged as appropriate to Hawaii's climate and the desired "Hawaiian Sense of Place", and therefore should be required as a condition of approval.

- (2) Outdoor Dining Areas: Outdoor dining areas accessory to eating establishments may encroach into required front yards up to 5 feet from the property line. Up to 40 percent of the yard may be used as outdoor dining, provided the balance of the yard is landscaped.

Preliminary project plans indicate that outdoor dining is contemplated primarily at the third level of the Edgewater Plaza retail complex, and at the +4' level of the Reef Towers lobby. The DAC supports the concept of the Edgewater Plaza as a multi-purpose "gathering place" that not only provides a venue for performances and cultural activities, but also encourages a variety of pedestrian experiences/interactions. Among these are outdoor dining opportunities and through-flow of pedestrian traffic. Therefore, the DAC views the proposed redesign of hardscape tiers and stepped configuration as physical barriers to outdoor dining and the desired overall pedestrian interaction. It recommended a return to the single-level Plaza design originally proposed.

The DPP concurs with the DAC observation that the stepped design of the Plaza and its use of hardscape serves more as circulation rather than the multi-purpose "gathering place" desired at that location. However, the department also agrees with the applicant's assertion that a single-level design would not guarantee a dynamic public open space. As such, the department encourages further refinement of the current design to reduce hardscape, and incorporate gentle grade transitions through the use of grass berms and landscaping. A condition of SD approval should therefore require that the Plaza be designed to promote a variety of pedestrian experiences as a true "gathering place", and to encourage outdoor dining experiences wherever possible.

- (3) Lei Making and Selling: Lei making and selling may utilize up to 10 percent of front yards.

This activity is specifically permitted within front yards of the Resort Mixed Use and Resort Commercial precincts in Waikiki to promote a Hawaiian Sense of Place and hospitality, and to educate the public on the art of lei making. Preliminary project plans do not indicate lei making and selling activities in any of the project's front yards. Therefore, a condition of approval should require the Applicant to incorporate lei making and selling activities where permitted.

If information for this use is not available at the time of building permit application, then a separate minor special district permit shall be processed at the time of its implementation.

- (4) Vending Carts: Only one vending cart shall be permitted in the required front yard per zoning lot.

Like lei making and selling, limited use of vending carts in front yards is permitted to encourage experiences and interactions that contribute to a Hawaiian Sense of Place. While preliminary project plans do not specify the use of vending carts, the Applicant may choose to implement this use in the future.

If information for this use is not available at the time of building permit application, then a separate minor special district permit shall be processed at the time of its implementation.

Given all of the elements which are permitted in the front yards, a minimum of rooted landscaping should be required to offset these structures and hardscape and enhance Waikiki's distinct tropical ambiance.

- b. Curb Cuts - The number of curb cuts should be kept to a minimum in order to enhance pedestrian movement along sidewalks.

Curb cuts for the project are proposed along Beach Walk, Saratoga Road and Kalia Road for the porte cochere and other driveway ramps. No curb cuts are proposed along Lewers Street.

- c. Design Guidelines - The proposed project reflects many of the major design elements encouraged by the WSD guidelines:

- The orientation and form of the buildings generally adhere to the recommended mixture of low, mid and high-rise buildings;

- The long axis of the new hotel tower will be oriented mauka-makai to minimize obstruction of mauka views;
- With design refinements, the Edgewater Plaza will provide useable, landscaped open space;
- On-site project parking will be located primarily underground;
- Most project ground level spaces such as entryways, lobbies and arcades are designed to provide visual links through the buildings

(1) General Guidelines:

Urban Design Controls - The project conforms to the Urban Design Controls specified in Exhibit 21-9.15 of the LUO: no identified view corridors or Waikiki gateways will be impacted; only a short segment of Kalakana Avenue, identified as a major street, is within the project area and does not front any structure to be redeveloped; an existing beach right-of-way located within the project area adjacent to the Outrigger Reef on the Beach Hotel will continue to be maintained; and a portion of the Waikiki Promenade will be constructed along the beach makai of the Outrigger Reef on the Beach Hotel in compliance with Condition 19 of Resolution 02-272, CD1, FD1.

- (2) *Development Standards* [per LUO Table 21-9.6(B) and Sec. 21-9.80]: The project meets: the minimum lot area (one acre) for PD-R projects; and minimum width and depth (50 feet); required yards, density, open space percentage, building heights and transitional height setbacks as approved by Resolution 02-272, CD1, FD1.
- (3) *Off-Street Parking and Loading* - The project will comply with the off-street parking and loading requirements established by the LUO, as required by Condition 6 of Resolution 02-272, CD1, FD1.
- (4) *Utility Installations* - Utility installations are required to be designed and installed so as to hide or screen equipment and wires completely from view, including views from above. A condition of approval will require such screening.
- (5) *Building Materials* - Building materials are required to contribute to a Hawaiian Sense of Place through the use of subdued and natural materials, such as plaster finishes, textured concrete, stone, wood and limited use of color-coated material. Shiny or reflective surfaces are discouraged.

The project proposes to include a palate of building materials for various applications, including coral stone, cut stone, lava rock, brick and terra cotta for hardscape and hard surfaces, and native woods for doors, windows, veneer and frames. A condition of permit approval should require the use of building materials appropriate to Waikiki.

- (6) *Building Scale, Features and Articulation* - Buildings should provide a human scale at ground level, with stepped forms preferred. Articulated facades are encouraged to break up building bulk, and features such as sunshades, canopies, eaves, lanais, and other architectural elements that promote a Hawaiian Sense of Place are encouraged.

As previously discussed, the preliminary design of project buildings is somewhat stark and abrupt. Incorporation of shade devices would soften the appearance of the buildings and enhance the project's overall Hawaiian Sense of Place.

Therefore, the use of shade devices in the final design of project buildings should be made a condition of permit approval.

- (7) *Exterior Building Colors* - Project colors should complement or blend with surrounding colors, rather than call attention to the structures. Principal colors, particularly for high-rise towers, should be of neutral tones with more vibrant colors used as accent. Highly reflective colors are not permitted.

While no specific details about colors of building materials have been provided, preliminary renderings of project buildings show the use neutral principal colors with more vibrant colors as accents.

The use of appropriate exterior colors should also be made a condition of permit approval.

- (8) *Ground Level Features* - Projects should include pedestrian-oriented ground level features and promote a close indoor-outdoor relationship. Ground level building facades at open spaces and major streets should be devoted to open lobbies, arcade entrances, display windows and outdoor dining where permitted. Ground level commercial uses shall have at least one-half of the total length of the building facade devoted to these elements. Wide, open entryways should be provided for the street facades of ground level hotel lobbies, and natural ventilation should be maximized.

Preliminary plans indicate the desired visual links through buildings where feasible, and links between buildings and the natural environment. Further, plans for street frontage areas along the Edgewater Plaza and the renovated Reef Towers Hotel appear to be developed to human scale. The Plaza will also provide, with design refinement, a centrally-located open space where people may congregate. Some design refinement at the Plaza is required to better reflect a sense of "openness" and a Hawaiian Sense of Place. Primarily, this entails reducing the use of hardscape and tiered walkways in order to encourage pedestrians to "dwell", or congregate, at what is proposed to be a major area open space. Further, the paving patterns and colors shown on updated plans should be simplified and muted. These should be made conditions of permit approval.

The revised design of the Edgewater Plaza and Reef Towers lobby also incorporates a connection of spaces and common design elements which flow across Lewers Street. The use of pedestrian walkways, paving patterns, water features and landscaping all serve to unify the project. The DPP concurs with the DAC's support of this continuity of design and pedestrian access, which connects the project on both sides of Lewers Street.

To further ensure the desired continuity of design, and as a safety measure, there should be no grade separation at this section of Lewers Street.

Therefore, conditions of SD approval should require design continuity from the Edgewater Plaza through to the Reef Towers hotel, and prohibit a grade separation at the Edgewater Plaza/Lewers Street transition.

The project's ground level commercial uses on all street frontages, including Lewers Street, will need to comply with the WSD requirement that at least 50 percent of the total length of those building facades be devoted to open lobbies, arcade entrances, display windows and outdoor dining where permitted. Also, WSD provisions encourage ground level hotel lobbies to primarily depend on natural ventilation. Compliance with these and other WSD design guidelines should be required as conditions of approval.

- (9) *Outdoor Lighting* - Outdoor lighting should be subdued or shielded to prevent glare and light spillage onto surrounding properties and public rights-of-way. Light sources which have movement, flicker or flash should not be visible to the public.

A condition of permit approval will require the provision of appropriate outdoor lighting for the project.

- (10) *Landscaping, Water Features & Artwork, and Sidewalks & Paving* - Landscaping should be used to promote Waikiki as a tropical resort destination, and is required in open spaces, setback areas and all required yards. Water features and artwork are encouraged within open spaces and access areas, while public and private walkways and sidewalk paving materials should be patterned and textured to provide a sense of scale and rhythm appropriate to the surrounding buildings.

While the proposed water feature could enhance the Edgewater Plaza as a gathering place, the DPP believes that the feature's proposed 4-foot height would be less inviting for pedestrian congregating or "dwell-time". This would diminish the Plaza's ability to function as a multi-purpose gathering place. However, a water feature at seating-level height, or approximately 18-inches high, would be appealing as an informal seating area when not in use as a performance stage. Therefore, a condition of SD approval should restrict the height of the water feature at the Edgewater Plaza to a height that invites and accommodates pedestrian seating.

In concert with the recommendation of the DAC, conditions of permit approval will require that paving materials within the Edgewater Plaza be simplified in color and pattern, and that it be carried across Lewers Street to the Reef Towers Hotel, and along project sidewalks to Kalakaua Avenue and Kalia Road.

Preliminary plans show a large landscaped traffic island at the intersection of Kalia and Saratoga Roads. While its design may require some refinement, the DPP supports this conceptual plan because: it offsets the loss of landscaped area within the project's Saratoga Road front yard while still accommodating all required vehicular and pedestrian movements at this intersection. Therefore, the provision of this landscaped traffic island as part of the project's landscape plans should be required as a condition of approval.

Preliminary landscaping plans indicate the use of native and exotic plant materials and trees, which should also be required in project landscape plans.

- (11) *Signage* - Given the size of the proposed project and the variety of uses and establishments to be involved, it is appropriate that a Sign Master Plan be provided for the project. Such a master plan will ensure that all project signage will be coordinated and conform to WSD design guidelines.

Submittal of a Sign Master Plan should be required as a condition of permit approval.

IV. CONCLUSIONS OF LAW

Based on the foregoing Findings, the Director has made the following conclusions:

1. The proposal generally conforms to the Planned Development-Resort and Special District provisions, and meets with the criteria for approval specified in Sections 21-2.40-2, 21-9.80 to 21-9.80-9, and 21-9.80-4(d) of the LUO;
2. The proposal generally conforms to other applicable LUO regulations; and
3. The proposal would not adversely affect adjoining uses, and is consistent with character (including the design and density) of the neighborhood.

V. DECISION AND ORDER

Based on the preceding Analysis and Conclusions of Law, the Director of the Department of Planning and Permitting (DPP) hereby grants **APPROVAL** of the Special District Permit application for the Outrigger Waikiki Beach Walk project, subject to the following conditions:

1. Prior to submitting any building permit applications, the APPLICANT, its successors, or assigns shall submit **REVISED PLANS** in conformance with the conditions of City Council Resolution 02-272, CD1, FD1, and this Special District approval. Such plans shall be accompanied by a narrative description specifying how *each* of the conditions contained in the Resolution and this SDD approval have been (or will be) met.

The revised plans shall include:

- a. A revised design of the Edgewater Plaza which encourages a variety of pedestrian experiences, and allows the Plaza to serve as a true "gathering place". The design theme of the Plaza shall be continued across Lewers Street and through the redeveloped ground floor of the Reef Towers Hotel.

Grade transition(s) between the Edgewater Plaza and Lewers Street shall be minimized.

The revised Edgewater Plaza design shall utilize a water feature that shall be used to accommodate public performances when not in use as a water feature. This feature shall be less than 4-feet in height and closer to a maximum height of 18 inches, to accommodate public seating.

- b. Thematic continuation of the Plaza's paving pattern and other sidewalk improvements (e.g., landscaping, lighting, street furniture) along Lewers Street through to Kalakana Avenue and Kalia Road;
- c. Project plans shall comply with all WSD design guidelines, including appropriate building materials, exterior colors, ground level features and outdoor lighting. The plans shall demonstrate a high degree of compliance in providing a sense of "openness" to encourage interaction between people with the natural environment, particularly at: ground level hotel lobbies where natural ventilation shall be maximized, and along ground level commercial areas where a minimum of 50 percent of street-front building facades shall be devoted to open lobbies, arcade entrances, display windows and outdoor dining where permitted.

Project design details for the new and redeveloped/renovated buildings which reflect the "Hawaiian Sense of Place" experience and "Hawaiian - themed" architectural detail motifs and elements described and approved for the project's conceptual plan. These include exterior detail/design enhancements for the Saratoga Hotel tower, and the Waikiki Tower and Waikiki Village hotels (as shown in the PD-R application document);

- d. The locations of the following, as required by Resolution 02-272, CD1, FD1:
 - (1) a restroom at the Outrigger Reef on the Beach to be made accessible to the general public (Condition 9.b);
 - (2) an on-site interpretive area on the ground floor (Condition 11. b.);
 - (3) the portion of the Waikiki Promenade along the beach makai of the Outrigger Reef on the Beach Hotel, between the Halekulani Hotel and Fort DeRussy. Proposed amenities (i.e., seating areas, drinking fountains, lighting and landscaping) shall be identified;
 - (4) preliminary plans for signage for the 3 above public amenity spaces; and
 - (5) all off-site parking locations, if replacement off-site parking facilities are required pursuant to Condition 6.b.(1)(C).

- e. Widening of the mauka side of Helumoa Road east of Lewers Street *up to the existing parking ramp*, to provide a minimum pavement width of 20-feet for that segment of the road. Widening of the remaining portion of the mauka side of Helumoa Road shall be deferred until future redevelopment of the Reef Towers Hotel;
- f. Detailed floor area tabulations, density, and open space calculations. An explanation of how each of the project's proposed open spaces complies with the LUO 'open space' definition;
- g. Yard averaging tabulations if yard averaging is utilized, dimensions, areas of encroachment into the required front yards, and corresponding revised setback lines;
- h. All building elevations, indicating proposed building materials, finishes, and colors, and include building and paving material and color samples. The plans shall incorporate the use of awnings, trellises, and other appropriate architectural treatments to create visual interest and soften the appearance of project buildings.
- i. Outdoor lighting plan, which provides illumination and a sense of place within the project area;
- j. Location of utility installations, which shall be designed and installed in an aesthetic manner so as to hide or screen wires and equipment completely from view, including views from above (except for antennas);
- k. A minimum of 50 percent of front yards shall be in rooted landscaping. Revised landscape plans and detailed tree disposition plans for the project area, including all improved open space areas, the Kalia Road/Saratoga Road intersection, and the required segment of the Waikiki Promenade fronting the Ontrigger Reef on the Beach Hotel. Plans should include the use of both native and exotic trees and plant material, and indicate location, quantity, species, caliper, height, and spread of existing and proposed trees or palms, and plants. Trees or palms more than 6 inches in trunk diameter shall be replaced with an equivalent size tree or palm;
- l. All traffic and roadway improvements specified in the TRB-approved Traffic Impact Analysis Report (TIAR) as required by Resolution 02-272, CD1, FD1. Also, final internal project vehicular circulation patterns. Vehicular circulation patterns and driveway ramp locations are subject to the findings and recommendations of the TRB-approved TIAR.
- m. Detailed drawings of proposed water features and pedestrian walkways;

- n. Detailed drawings of roof design with cross sections showing compliance with height limits and transitional height setbacks. Rooftop machinery, equipment, and utility installations on structures shall be screened from view to prevent undesirable views and vistas from surrounding buildings, and be integrated to the building's design;
 - o. Street improvements at the intersections of Kalakaua Avenue/Lewers Street; Saratoga Road/Kalia Road, and along Kalia Road and Lewers Street, including widenings, corner roundings, signalizations, and crosswalks and other pedestrian accommodations;
 - p. Off-street parking, in compliance with Condition 6.b.(B), of Council Resolution 02-272, CD1, FD1;
 - q. Off-street loading, in compliance with Condition 7 of Resolution 02-272, CD1, FD1;
 - r. Replacement locations for all existing publication racks to be displaced by the project, as approved by the appropriate City agency, and in compliance with Resolution 02-272, CD1, FD1;
2. The project shall comply with the Waikiki Special District requirements for building materials and colors, ground level features, and landscaping. In addition, all work shall comply with all applicable Federal, State and County regulations, standards, statutes and ordinances unless otherwise stated.

To enhance the stated desired "Hawaiian Sense of Place" for the project, outdoor dining and lei-making and selling activities shall be incorporated where permitted and in compliance with applicable WSD provisions.

- 3. Prior to submittal of any building permit applications for Phase 1, the Applicant shall provide to the DPP appropriate documentation attesting to completion of its acquisition from the City of the Helumoa Road segment east of Lewers Street.
- 4. In accordance with Condition 8 of Resolution 02-272, CD1, FD1, the Applicant shall execute and record a joint development agreement for all (23) of the project's parcels and the 4,000 square-foot portion of Helumoa Road. Approval of the DPP and the Corporation Counsel shall be required prior to recordation at the Bureau of Conveyances (or Land Court as appropriate).

A copy of the recorded agreement shall be submitted to the DPP prior to submittal of any building permit applications for Phase 1.

5. Should noise complaints or problems arise from any loading activities, sound mitigation measures shall be imposed, including a prohibition against the use of back-up beepers.
6. The Traffic Impact Analysis Report (TIAR) required by Resolution 02-272, CD1, FD1, shall include analysis of implementing a speed table on the segment of Lewers Street makai of Don Ho Lane and mauka of Helumoa Road. The analysis shall also include elimination of the 6-inch curb drop along that section of Lewers, possible crosswalk locations and other roadway improvements.
7. Grades for exit driveway ramps shall be reduced to the extent possible. Where grades exceed five percent, the Applicant shall install electronic warning mechanisms to warn pedestrians of exiting vehicles.
8. A Sign Master Plan for the project shall be approved by the DPP's Urban Design Branch prior to the issuance of Certificates of Occupancy for Phase 1 of the project.
9. CADD files for proposed structures shall be submitted at the time of building permit application.
10. Constructed *lanais* shall not be enclosed. Prior to the issuance of any building permit, the applicant shall submit a draft covenant, for review and approval by the DPP, agreeing to this condition (see attached sample). The covenant shall run with the land, and it is to serve as notice to all owners and/or tenants that the *lanais* shall not be closed.
11. Prior to the issuance of any building permit, the Applicant shall:
 - a. submit a street tree plan for landscaping and trees within the City rights-of-way for all segments of streets within the project area, to the DPP (Urban Design Branch) for review and approval, and
 - b. obtain a surface encroachment variance for all trees and landscaping within the City rights-of-way. Plans shall indicate the species, size, location, quantity, planting details, and irrigation of all landscaping within the rights-of-way.
12. Building permit plans, including any REVISIONS, shall be submitted to the DPP for review and approval, and shall include:
 - a. Approved REVISED plans;
 - b. Approved REVISED landscape plans. All landscaping shall be provided with irrigation and be maintained in a healthy visual condition at all times;

- c. Electrical transformers, traffic control boxes and backflow prevention devices, if more than 30 inches in height above grade, shall not be located within the required front yard and shall be concealed from public view;
 - d. Notation of approved exterior materials and colors. Exterior building materials, finishes and colors shall be non-reflective and subdued in appearance. Highly reflective material, finishes and colors shall not be permitted. Material samples may be required to be submitted, if different from those transmitted with this permit application;
 - e. Specifications for all exterior lighting, including light fixture type and intensity. All lighting shall be subdued or shielded to prevent glare and light spillage on surrounding properties and public rights-of-way. Outlining of the buildings with lights shall not be permitted. Where appropriate, cut-off fixtures or shields may be required. Mercury vapor, exposed fluorescent and low pressure sodium lamps shall not be permitted. High pressure sodium lamps may only be permitted if it is determined by the DPP to be appropriate to its application;
 - f. Should information for lei making and selling and vending carts in required front yards not be available at the time of building permit application, a separate minor special district permit(s) shall be processed at the time of its implementation.
13. The Applicant shall obtain all necessary building permits within the timeframes specified in Resolution 02-226, CD1, FD1, dated November 13, 2002. Any extension requests must be submitted in writing to the DPP prior to the expiration date and include justifications for the extension.
14. For good cause, the Director of the DPP may impose additional requirements and/or amend the above conditions.

Dated at Honolulu, Hawaii, this 27th day of December, 2002.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU
STATE OF HAWAII

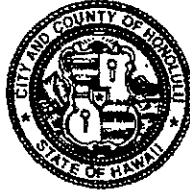
By 
ERIC G. CRISPIN, AIA
Acting Director of Planning and Permitting

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Attachments
Doc. No. 191210

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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JEREMY HARRIS
MAYOR



ERIC G. CRISPIN, AIA
DIRECTOR

BARBARA KIM STANTON
DEPUTY DIRECTOR

2004/ELOG-2153(GU)
2002/SDD-46

December 17, 2004

VIA FACSIMILE & REGULAR MAIL

Mr. Melvin Y. Kaneshige
Outrigger Enterprises, Inc.
2375 Kuhio Avenue
Honolulu, Hawaii 96815

Dear Mr. Kaneshige,

Re: Outrigger Beach Walk – Planned Development Resort Permit
Minor Modifications (Resolution 02-272, CD1, FD1)

Thank you very much for the opportunity to respond to your request for minor modifications to the above-referenced permit. We are in receipt of the justification you have provided by letter dated December 15, 2004. We have relied on the representations made therein, and your "Description Specifying how City Council and DPP Conditions Have (or Will Be) Met", transmitted on December 14, 2004 (copy attached for reference purposes).

Outrigger Enterprises, Inc. ("Outrigger") has proposed two (2) changes to the project as described in the original resolution: (1) the addition of TMK Parcel No. 2-6-03:31 consisting of 4,117 SF to the project area; and (2) the modification to the phasing of the project to separate Phase 1 into two phases: Phase 1A consisting of building and demolition permits for the renovation of OHANA Reef Towers by Fairfield Resorts, Inc. ("Phase 1A"), and Phase 1B, consisting of the retail complex, renovations to two hotels, and demolition of three hotels in the area bounded by Lewers Street, Kalia Road and Beach Walk ("Phase 1B").

As you know, Condition 23 of the resolution gives the Director the discretion to modify the project as long as the modifications "do not significantly alter the size or nature of the Project, if the changes remain in conformance with the conceptual plan and the conditions herein." Reading Condition 23 in the context of the Council's intent and the obvious purpose of the condition itself, it is clear that the condition grants absolute discretionary power to the

Mr. Mel Y. Kaneshige
December 17, 2004
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Director as long as the changes do not significantly alter the size or nature of the project approved by council. This discretionary authority extends also to changes affecting conditions as long as the resulting change does not significantly alter the size or nature of the project.

Based on justified circumstances, the Director may allow a change in the phasing of the project, and still can require the applicant to comply with all of the major conditions in the resolution which are intended to mitigate traffic, utility, design and infrastructure concerns as well as provide for other public benefits, prior to the phase of the project which will actually have a significant impact on the project area.

Addition of Parcel 31: Parcel 31 is 4,117 SF in size and is adjacent to the original boundary of the project area. The addition of Parcel 31 would represent an increase of less than 1.2% of the nearly 8 acres of project area. The inclusion of Parcel 31 is a change that does not "significantly alter the size of the Project." Accordingly, your proposal to add Parcel 31 to the project area is hereby approved.

Phase 1A: We have reviewed the information provided by your office for Phase 1A, including your supplement statement providing additional justification. The proposed change to the phasing of the project in bifurcating the original Phase 1 into Phase 1A and 1B "do not significantly alter the size or nature of the Project."

Phase 1A consists primarily of interior renovations of the old Ohana Reef Hotel and will result in a net reduction in the number of rooms from 480 hotel rooms to 195 time share units. The reduction of rooms appears to actually benefit the current utilities and infrastructure in the area.

Conditions in the resolution that are intended to mitigate design, traffic, utility, and infrastructure concerns as well as provide for other public benefits remain as part of the resolution and must still be satisfied by Outrigger prior to or at the time of the approval of permits for Phase 1B or Phase 2 improvements.

Accordingly, we are **approving** the change in the phasing of the project and authorizing the approval of the Fairfield Resorts, Inc. Phase 1A relating to the reduction of rooms and interior improvements.

Further, we have **approved** the Revised Plans for the Waikiki Beach Walk project submitted November 8, 2004 (as amended), based on the justifications and representations set forth in your December 15, 2004, letter and your "Description Specifying how City Council and DPP Conditions Have (or Will Be) Met," submitted December 14, 2004, all of which have been made a part of the file. As project plans are refined for building permit approvals, we will continue to work with Outrigger to address the concerns/issues as noted above and in recent discussions.

Mr. Mel Y. Kaneshige
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Lastly, please note that our approval of the minor modifications regarding the addition of Parcel 31 and project phasing, as described above, should not be construed by Outrigger as a waiver or modification of any other provisions of the resolution. We look ahead to Outrigger proceeding in accordance with the terms of the resolution and consistent with the intent of the City Council.

Should you have any questions or comments regarding the above, please do not hesitate to contact our office.

Sincerely yours,



ERIC G. CRISPIN, AIA
Director of Planning and Permitting

EGC:pl

- Attachments:
1. Outrigger letter date stamped December 15, 2004
 2. Outrigger's "Description Specifying how City Council and DPP Conditions Have (or Will Be) Met", transmitted on December 14, 2004
 3. DPP (TRB) Memorandum – TIAR Conditional Approval



Melvin Y. Kaneshige
Senior Vice President &
Chief Operating Officer

December 15, 2004

VIA HAND DELIVERY

Mr. Eric G. Crispin, AIA, Director
Department of Planning and Permitting
City and County of Honolulu
650 S. King Street, 7th Floor
Honolulu, Hawai'i 96813

Re: Waikiki Beach Walk;
Implementation of City Council Resolution No. 02-272, CD1, FD1

Dear Eric:

This letter provides additional information to supplement the meetings that Outrigger's representatives have had with you and your staff with regard to minor changes that we are requesting to the conditions of City Council Resolution No. 02-272, CD1, FD1 (the "Resolution"), which approved Outrigger's Waikiki Beach Walk Planned Development-Resort Project (the "Project"). In particular, our meetings have focused on how, as a practical matter, to implement the conditions stated in the Resolution, some of which appear, by the express terms of the Resolution, to require that they be satisfied prior to the issuance of demolition or building permits. At the time the Resolution was adopted, the development plans and timetable for the Project were not as definite as they are now, and now that those plans are more definite, a strict application of the express terms of the Resolution would make the development infeasible, without furthering or accomplishing the intent of the Council in imposing those conditions.

The City administration, the City Council, and the Mayor-elect have all expressed their support of the Project. It will revitalize and rejuvenate a part of Waikiki that is in great need of redevelopment, and the City Council has found that the Project is in the best interests of the people of the City and County of Honolulu.

The Resolution

At the time the Resolution was passed, the underlying assumption was that all of the Phase I work described in the Resolution would start at the same time. Since that time, for a variety of reasons, Outrigger needs to bifurcate the Phase I work into at least two separate sub-phases. The first sub-phase (has been called "Phase 1A") is the conversion of the 480-room OHANA Reef Towers Hotel to a condominium containing 195 timeshare units which will

be developed and sold by Fairfield Resorts, Inc. ("Fairfield"), and retail and restaurant space on the first two floors of the buildings that will be owned and leased by Outrigger's retail affiliate, WBW Retail LLC. Fairfield has already submitted an application to DPP for a demolition permit and an application for a building permit that cover the timeshare units as well as the retail and restaurant units. The second sub-phase (has been called "Phase 1B") is the demolition of three hotels, the construction of new retail and entertainment spaces and the renovation of two hotels within the block bounded by Lewers Street, Kalia Road and Beach Walk. Phase 1B is scheduled to start in April 2005. Design development drawings have been completed on the Phase 1B improvements, and Outrigger or its affiliate plans to submit its applications for demolition and building permits for Phase 1B in late January 2005.

The Resolution requires certain actions that are tied either to the building permit or the demolition permit for Phase 1 of the Project. As an initial matter, the Resolution does not prohibit the issuance of all building permits or demolition permits for work proposed within the Project boundaries. In fact, building permits have been issued for work done since the Resolution was adopted. Rather, the intent of the Resolution is to require certain things to be done before starting work in certain areas to ensure that potential impacts are addressed before construction begins. For example, the sewer master plan required by condition 16 is intended to address "needed wastewater infrastructure," but the actual need for a master plan may in fact be negated if, all other factors being equal, the project ultimately results in a net decrease in the number of guest rooms (and, in turn, demand) in the Project area.

As stated above, the Council assumed that there would be only one building permit for Phase 1 and another for Phase 2. It did not address the possibility of multiple permits for each phase, some of which would not have the types of impacts that will be addressed by the actions required. This single-permit concept for each phase is reflected in Condition 22: "The building permit for Phase 1 of the Project shall be obtained within 5 years of the date of this resolution, and the building permit for Phase 2 of the Project shall be obtained within 10 years of the date of this resolution."

Condition 23 gives the Director the discretion to make changes to the Project, as long as those changes "do not significantly alter the size or nature of the Project, if the changes remain in conformance with the conceptual plan and the conditions herein." Although the phrase prior to the comma seemingly conflicts with the phrase after the comma, Committee Report No. 506 of the Committee on Zoning, at its meeting of October 24, 2002, states that the Committee changed DPP's proposed language of Condition 23 in CD 1 "to reflect the fact that the Council is approving a conceptual plan for the Project." Clearly, the Committee's report reflects the Council's recognition that it could not possibly anticipate all contingencies that might arise in a Project of this nature and scope, and granted the Director the authority to permit changes that do not significantly alter the size or nature of the Project, so long as the changes are consistent with the concepts approved by the Council in the Resolution.

Implementation of the Conditions

With these concepts in mind, we ask that you consider the following:

1. The Resolution is an approval of a conceptual plan only and a PD-R approval is based on the concept of flexibility. See LUO section 21-9.80-4(d) ("Reflective of the significance of the flexibility represented by this option, it is appropriate to approve projects conceptually by legislative review and approval prior to more detailed review and approval by the department.")

2. DPP is charged with approving the details of a PD-R project. See LUO section 21-9.80-4(d).

3. To the extent the Resolution requires certain actions ("Conditions") that are tied either to the building permit or the demolition permit for Phase I of the Project, the intent of the Resolution, that is, to require certain things to be done before starting work in certain areas to ensure that potential impacts are addressed before construction begins in those certain areas, should control. If the demolition work proposed by a demolition permit, or construction of the improvements proposed by a building permit, do not affect or are unaffected by the Condition, we request that DPP, in reviewing each such permit application, exercise its reasonable discretion in determining whether to:

(a) require satisfaction of the Condition before approving the permit being applied for, or

(b) approve the permit, subject to Outrigger's agreement that (i) such approval is not a waiver of the Condition by the Department, and (ii) the Department will require the Condition to be satisfied prior to issuance of some future permit.

4. If and to the extent DPP's implementation of the Conditions is viewed as a "change" to the Conditions, Condition 23 gives the Director the discretion to make such changes to the Project, as long as those changes "do not significantly alter the size or nature of the Project." Furthermore, such change will be "in conformance with the conceptual plan and the conditions herein" if implemented in accordance with principle no. 3 above.

Application of Principles to Inclusion of TMK Parcel No. 2-6-03:31 (Hale Pua Nui Parcel) in Project Area

We would like to include a 4,117 square foot parcel of land, currently identified by TMK Parcel No. 2-6-03:31 and commonly referred to as the "Hale Pua Nui Parcel," in the Project area. Outrigger acquired that parcel after the Resolution was passed.

As the Director has the authority, under Condition 23 of the Resolution, to approve "changes to the Project that do not significantly alter the size or nature of the Project, if the changes remain in conformance with the conceptual plan and the conditions herein," and as that condition evidences the City Council's intent that there may be changes to the Project that "alter the size or nature of the Project," we believe the Director has the express authority under that condition to permit the change.

The inclusion of the Hale Pua Nui Parcel in the Project is a change that does not "significantly alter the size or nature of the Project." The Resolution authorized a project of "approximately 7.7 acres" or approximately 335,096 square feet. In this Department's approval of the PD-R Permit, the Project area was described as having approximately 7.9 acres or 344,107 square feet, which is approximately 9,011 square feet more than the area stated in the Resolution. The 4,117 square feet of land area comprising the Hale Pua Nui Parcel is less than 1.2 percent (1.2% or .012) of the area comprising the Project approved by the Council and this Department. The inclusion of the 4,117 square feet in the Project area does not "significantly alter the size of the Project," and should be included within the Project. Further, despite the addition of the lot area, no changes are being proposed to the development plans for the site as originally proposed and approved.

Application of Principles to Fairfield's Demolition Permit and Building Permit Applications.

By way of further examples of the Director's exercise of his discretion granted by Condition 23 of the Resolution, we request that the Director approve the following actions that are tied either to the building permit or the demolition permit for Phase 1 of the Project (those tied to Phase 2 are not listed).

PD-R Resolution Condition No.	Subject of Condition (tied to building permit (BP) or demolition permit (DP))	Effect of Fairfield's BP or DP on Subject of Condition
6.c	Parking plan as part of the required initial Traffic Impact Analysis Report (see Condition 12) (BP)	<p>A revised parking plan was submitted to DPP on September 23, 2004 as part of the Waikiki Beach Walk PD-R revision application package, and the plan was also incorporated into the revised TIAR.</p> <p>The revised parking plan shows that the number of parking stalls on the ORT property will be unchanged, but because of the significant reduction in the number of guest rooms proposed under the Fairfield BP, a net improvement to projected traffic conditions can be expected. Thus, this condition has been satisfied insofar as it relates to The Phase 1A renovations. It is understood, however, that prior to issuance of a building permit for Phase 1B the updated TIAR may be subject to further revision as determined by DPP.</p>

PD-R Resolution Condition No.	Subject of Condition (tied to building permit (BP) or demolition permit (DP))	Effect of Fairfield's BP or DP on Subject of Condition
8	<p>Joint Development Agreement (JDA) (BP) (Execute and record a joint development agreement for the project. Approval of the DPP and the Corporation Counsel is required prior to recordation at the Bureau of Conveyances.)</p>	<p>A form of Joint Development Agreement (JDA) for the Project was submitted on December 6, 2004 to DPP and Corporation Counsel for review and approval. Outrigger will execute and record a JDA covering the OHANA Reef Towers property and its interests in the remainder of Phase 1 and Phase 2 upon approval of the form of JDA by DPP and Corporation Counsel. Outrigger will subsequently submit executed JDA covering the interests of the non-Outrigger owners in the remaining Phase 1 and Phase 2 properties.</p>
11	<p>Submit revised plans to DPP (BP) regarding:</p> <ul style="list-style-type: none"> a. Hawaiian Preservation Music Hall / Visitor Center to a location more accessible to the general public, preferably on a lower level of the proposed retail promenade b. On-site interpretive area for the display of archaeological and historical artifacts which may be uncovered on the site c. Signage for public amenity spaces d. All off-site parking locations, if replacement off-site parking facilities are required pursuant to Condition 6.b(1)(C); and e. Plans consistent 	<ul style="list-style-type: none"> a. The Hawaiian Preservation Music Hall/Visitor Center will be located on the ewa side of Lewers Street and is unaffected by Fairfield's BP. The Hall/Center will be shown in the building permit plans submitted for Phase 1B. b. The on-site interpretive area will be located on the ground floor on the ewa side of Lewers Street and is unaffected by Fairfield's BP. The specific location of the interpretive area and timetable for implementation will be identified and submitted to DPP. This area will be shown in the building permit plans submitted for Phase 1B. c. The public amenity spaces and the signage will be located on the ewa side of Lewers Street and are unaffected by Fairfield's BP. d. Condition 6.b(1) approves off-site parking at Ft. DeRussy, and (C) addresses a situation in which the Ft. DeRussy off-site parking agreement is terminated and replacement parking is required. Condition 6.b(1)(C) has not been triggered at this time. e. Fairfield's BP plans are consistent

PD-R Resolution Condition No.	Subject of Condition (tied to building permit (BP) or demolition permit (DP))	Effect of Fairfield's BP or DP on Subject of Condition
	with open space, transitional height setback and yard conditions	with the open space, transitional height setback and yard conditions contained in the Resolution
12	Traffic Impact Analysis Report (TIAR) (BP).	<p>Because of the net reduction in rooms, Fairfield's BP will result in traffic conditions more favorable than projected in the original TIAR. The revised TIAR submitted to DPP reflects this change.</p> <p>The revised TIAR has been conditionally approved by TRB and DTS. See TRB memorandum 12/14/04.</p>
14	<p>Construction Traffic Management Plan (DP). This plan should cover:</p> <ul style="list-style-type: none"> a. Number and frequency of construction vehicles traveling to and from the construction site, and any off-site construction yard; b. Measures to minimize the impacts on the surrounding street system; c. Measures to inform neighboring properties and the general public about construction activities which may impact area traffic and pedestrian movement. 	Fairfield/Outrigger will submit a construction traffic management plan prior to the commencement of the ORT demolition and construction activities.
16	Sewer Master Plan (BP)	DPP's Wastewater Branch has determined that a Sewer Master Plan will not be required until the start of Phase 2.
18	Archaeological inventory survey and monitoring plan; consultation with OIBC (DP)	The demolition permit for Phase 1A does not require SHPD's approval because all demolition proposed under the Reef Towers demolition permit is above-grade and involves no ground-disturbance activities.
19.	Waikiki Promenade (BP)	Outrigger has submitted to DPP preliminary plans for the construction of a portion of the Waikiki Promenade. Outrigger has agreed to revise those plans and will resubmit them prior to applying for a building permit for Phase 1B.

PD-R Resolution Condition No.	Subject of Condition (tied to building permit (BP) or demolition permit (DP))	Effect of Fairfield's BP or DP on Subject of Condition
20	Solid Waste Management Plan (BP)	A Solid Waste Management Plan for ORT is being prepared in consultation with DOH. The approved plan will be submitted to DPP prior to the start of construction.

Planned Development-Resort/Waikiki Special District Major Permit FILE NO. 2002/SDD-46:

By letter dated December 27, 2002, the Director approved the PD-R / Waikiki Special District Permit (the "Permit"), subject to certain conditions. The following are further examples of the application of the above principles to the demolition or improvements proposed by Fairfield's building permit or demolition permit:

Permit Condition No.	Subject of Condition (tied to building permit (BP) or demolition permit (DP))	Effect of Fairfield's BP or DP on Subject of Condition
1	Submit revised plans, with narrative description specifying how <i>each</i> of the conditions contained in the Resolution and this SDD approval have been (or will be) met (BP)	Revised plans with narrative descriptions were submitted to DPP on September 23, 2004.
3	Completion of acquisition of Helumoa Road segment (BP)	The portion of Helumoa Road that is being acquired by Outrigger is located on the ewa side of Lewers Street and is unaffected by Fairfield's BP. Council approved the acquisition at its meeting on November 10, 2004 and Outrigger is obtaining the required DPP subdivision approval and utility easements prior to the formal conveyance.

4	Joint Development Agreement (JDA) (BP) (Execute and record a joint development agreement for the project. Approval of the DPP and the Corporation Counsel is required prior to recordation at the Bureau of Conveyances.)	A form of Joint Development Agreement (JDA) for the Project was submitted on December 6, 2004 to DPP and Corporation Counsel for review and approval. Outrigger will execute and record a JDA covering the OHANA Reef Towers property and its interests in the remainder of Phase 1 and Phase 2 upon approval of the form of JDA by DPP and Corporation Counsel. Outrigger will subsequently submit executed JDA covering the interests of the non-Outrigger owners in the remaining Phase 1 and Phase 2 properties.
9	CADD files for proposed structures (BP)	CADD files of the proposed ORT renovation will be provided to DPP in connection with the building permit application.
11	Submit a street tree plan for landscaping and trees within the City rights-of-way for all segments of streets within the project area. (BP) Obtain a surface encroachment variance for all trees and landscaping within the City rights-of-way. (BP)	Work in the City rights-of-way will be processed under a separate building permit application.

Special Management Area Permit No. 2002/SMA-35

There are no actions tied to building permits or demolition permits (other than deadlines to obtain the same) in the SMA Permit.

Thank you for your consideration of this request.

Aloha,



Melvin Y. Kaneshige

c: Eric Masutomi, David Z. Arakawa, Esq./ David K. Tanoue, Esq.,
Christine Ruotola, Donna Y.L. Leong, Esq.



OUTRIGGER
ENTERPRISES, INC.

Melvin Y. Kaneshige
Senior Vice President &
Chief Operating Officer

December 14, 2004

DELIVERY

Mr. Eric G. Crispin, AIA
Director
Department of Planning and Permitting
City and County of Honolulu
650 South King Street, 7th Floor
Honolulu, HI 96813

Dear Eric:

We enclose a 26 page document entitled "Description Specifying how City Council and DPP Conditions Have (or Will Be) Met" that supercedes the materials bearing the same title in our original submission to you dated September 22, 2004.

The enclosed reflects the discussions that we have had to date with your staff and others on our request. We appreciate the time and effort spent by you and your staff in reviewing our request.

As amended, this constitutes the final updated request of the revised plans for Waikiki Beach Walk project.

Please let me know if you or your staff have any questions or comments regarding the enclosed

Aloha,

Melvin Y. Kaneshige

MYK:lth

Enclosure

c with enclosure: Barbara Moon, Patrick Seguirant, Geri Ung, Eric Masutomi,
Christine Ruutola, Donna Y.L. Leong, Esq.

**Waikiki Beach Walk Planned Development Revisions
Description Specifying how City Council and DPP Conditions Have (or Will Be) Met**

References:

- 1) Council Resolution 02-272, CD 1, FD 1, approved 11/13/02. In the table below, "Reso Ref" refers to the conditions of the Resolution.
- 2) Planned Development – Resort Detail Plan, Special District Permit (Major), approved 12/27/02. In the table below, SD Major refers to the conditions of the approval.

Reso. Ref.	SD Major	Condition	PD-R Revised Plans
1.		<p><u>Density/Floor Area</u> - The maximum permitted floor area for the Project shall be 1,858,970 square feet or a floor area ratio (FAR) of 4.68, whichever is greater.</p>	<p>(Lot Area + Street Bonus Area) x 4.68 = Max Floor Area (348,224 sf + 70,809 sf) x 4.68 = 1,961,074 sf Proposed floor area = 1,869,864 sf</p> <p>Change does not significantly alter the size or nature of the project. See also discussion under Reso Ref. 8.</p> <p>Project meets condition.</p>
2.		<p><u>Open Space</u> - The <i>minimum</i> required open space within the Project area shall be 25%.</p>	<p>Proposed Open Space = 91,132 sf = 26.3%</p> <p>Project meets condition.</p>
3.		<p><u>Building Height</u> - The maximum permitted height limit for the proposed hotel tower shall be 350 feet. All other structures within the Project area shall comply with the applicable height limit(s) established by the LUO.</p>	<p>See also discussion under Reso Ref. 8.</p> <p>All structures conform to height limits.</p> <p>Project meets condition.</p>
4.		<p><u>Yards</u> -</p> <p>a. The permitted yard encroachments shall be:</p> <p>(1) A 5-foot encroachment (reduced from the requested 10-foot yard encroachment) on the west side of Beach Walk for the passenger and coach loading area and related structures of the proposed hotel tower;</p> <p>(2) A 3-foot existing front yard encroachment along Lewers Street for the Waikiki Tower Hotel; and</p> <p>(3) The stairwells at the proposed hotel tower</p>	<p>Project meets condition.</p> <p>Project meets condition.</p> <p>Project meets condition.</p>

Reso Ref	SD Major	Condition	PD-R Revised Plans
		<p>development shall be permitted to encroach into the front yard along Kalia Road.</p> <p>b. No side or rear yards along the perimeter of the Project shall be required.</p> <p>c. All other redevelopment shall comply with a 15-foot front yard requirement.</p> <p>d. All existing nonconforming encroachments, except as noted above, remain nonconforming and subject to the applicable nonconformity provisions of the LUO.</p>	<p>Applicant acknowledges provision.</p> <p>A 6-foot yard encroachment along Lewers Street at the present Carl Jr.'s location is proposed to be accommodated through yard averaging.</p> <p>An existing nonconforming yard encroachment along Kalia Road at Lewers - 1½-foot based on current conditions, and 5½-foot after the 4-foot ROW widening adjustment is imposed- is being retained for outdoor dining purposes.</p>
5.	<p><u>Transitional Height Setbacks -</u></p> <p>a. The permitted transitional height setback encroachments shall be:</p> <p>(1) A maximum 20-foot height setback encroachment (reduced from the requested 24 feet) on the west side of Beach Walk for the proposed hotel tower;</p> <p>(2) A maximum 10-foot height setback encroachment along Saratoga Road for the proposed hotel tower development (to offset the reduced request on the hotel's Beach Walk side);</p> <p>(3) A maximum 15-foot height setback encroachment (existing) along the west side of Lewers Street for the renovation and expansion of the existing Waikiki Tower Hotel;</p> <p>(4) A maximum 33-foot height setback encroachment along the proposed new hotel's mauka side;</p>	<p>Project meets condition.</p> <p>Project meets condition.</p> <p>Project meets condition.</p> <p>Project meets condition.</p>	

Reso Ref	SD Major	Condition	PD-R Revised Plans
	<p>(5) A maximum 24-foot height setback encroachment along Kalia Road for the proposed hotel development (reduced from the requested 33 feet). An exception is granted for stairwells, which shall be permitted to exceed this maximum height setback encroachment; and</p> <p>(6) A maximum 1-foot height setback encroachment at the rear yards of the existing Edgewater Lanais and Ohana Coral Seas hotels.</p> <p>b. All other proposed redevelopment and renovation for the Project shall comply with required transitional height setbacks.</p> <p>c. All existing nonconforming encroachments, except as noted above, remain nonconforming and subject to the applicable nonconformity provisions of the LUO.</p>	<p>Project meets condition.</p> <p>Project meets condition.</p> <p>A transitional height setback encroachment for the canopy sheltering the escalators along Lewers Street at the present Carl Jr.'s location is proposed to be accommodated through yard averaging.</p>	
6.	<p><u>Parking</u> -</p> <p>a. The Applicant shall provide the number of parking stalls required by LUO standards. All required parking stalls shall be provided on site, provided that a maximum of 337 off-site parking stalls at Fort DeRussy may be utilized to satisfy parking requirements if the requirements in subsection b.(1) are met. Valet and aggressive valet stalls may be utilized to satisfy parking requirements.</p> <p>b. (1) Off-site parking may be provided at Fort DeRussy subject to the following requirements: (A) No more than 337 parking stalls shall count toward the LUO requirement;</p>	<p>a. Required Spaces = 764 spaces Total Spaces Provided = 1,155 spaces On-site = 818 spaces Ft DeRussy = 337 spaces Project meets condition</p> <p>b. Project meets condition and condition deemed satisfied by DPP by letter dated September 1, 2004 (See Memorandum of Understanding between Hale Koa Hotel/Fort DeRussy Armed Forces Recreation Center of the Pacific and Outrigger Enterprises, Inc., effective January 1, 2003).</p>	

Reso Ref	SD Major	Condition	PP-R Revised Plans
		<p>(B) The Applicant shall enter into a binding agreement with the applicable landowner, satisfactory to the DPP and the Corporation Counsel, to provide the parking stalls to the Applicant. The agreement shall not be terminable in whole or in part unless written notice is provided to the Applicant and the DPP at least six months prior to the termination date; and</p> <p>(C) If the agreement is terminated in whole or in part, then, at least 60 days prior to the termination date, the Applicant shall provide replacement parking stalls for all stalls affected by the termination, either on the Project site or at an off-site location approved by the DPP. The distance of the entrance to any replacement off-site parking facility from the nearest principal entrance of the Project shall not exceed 1,000 feet by customary pedestrian routes. The DPP shall require the Applicant to execute and record, and the Applicant shall cause to be executed and recorded, documents satisfactory to the DPP and the Corporation Counsel to ensure the continued availability of any off-site parking stalls.</p> <p>(2) The provisions of the LUO establishing standards for parking spaces, as set forth in Sections 21-6.40 through 21-6.80, do not apply to the parking provided at Fort DeRussy.</p> <p>(3) No conditional use permit (minor) for off-site parking shall be required for the parking</p>	

Reso Ref	SD Major	Condition	PD-R Revised Plans
		<p>provided at Fort DeRussy or any replacement off-site parking facilities required by subsection b.(1)(C).</p> <p>c. A parking plan shall be provided to the DPP as part of the required <i>Initial Traffic Impact Analysis Report</i> (see Condition 12) prior to the issuance of any building permit for Phase 1 of the Project.</p> <p>d. The Applicant shall provide 15 parking stalls at reduced rates for use by the general public.</p>	<p>c. Revised parking plan reflected in Project Database 4 and Figures 1-5 (Parking and Loading Management Plans), which have been provided to DPP. The revised parking plan shows that the number of parking stalls for the Reef Towers renovation ("Phase 1A") remains unchanged, but that the number of Reef Towers guestrooms proposed will be substantially reduced, from 480 rooms to 195 rooms. This will result in a net improvement to projected traffic conditions. As such, this condition as it relates to the issuance of a building permit for Phase 1A has been satisfied. The issuance of a building permit for the retail component of the project ("Phase 1B"), however, shall be contingent upon DPP approval of the revised Traffic Impact Analysis Report (the "Revised TIAR").</p> <p>d. 15 stalls will be provided for public use at reduced rates at the OHANA Waikiki Village parking facility</p>
7.		<p>Loading - The Applicant shall comply with the off-street loading requirements established by the LUO. The final location of loading spaces shall be approved by the DPP's Urban Design and Traffic Review branches and included in the required <i>Initial Traffic Impact Analysis Report</i> (see Condition 12). Between the hours of 10:00 p.m. and 6:00 a.m., loading shall be permitted only at enclosed loading spaces. As used in this Condition 7, "enclosed" means closed in by a roof and at least three side walls. If noise problems arise from any loading activities, the DPP may require additional sound mitigation measures, including, without limitation, a prohibition against the use of back-up beepers.</p>	<p>Required Loading Spaces = 31 Total Spaces Provided = 32</p> <p>Location of loading spaces is shown in Figures 1 and 2 (Parking and Loading Management Plans), and is subject to DPP approval of the Revised TIAR.</p>
8.		<p>The 23 parcels (tax map keys and the 4,000-square-foot portion of Helumoa Road) of the Project area, identified herein, shall be considered and treated as one zoning lot for development purposes. The Applicant shall cause to</p>	<p>The revised plan incorporates TMK Parcel 2-6-03:31 into the project area as such inclusion does not significantly alter the size or nature of the Project.</p>

Reso Ref	SD Major	Condition	PC-R Revised Plans
9.		<p>be executed and recorded a joint development agreement substantially similar to that required for a conditional use permit (minor) for joint development of two or more adjacent lots pursuant to LUC Section 21-5.380, which shall bind all the parcels, the owner(s) thereof, and successors in title or lease, to the approved pattern of development. The agreement shall be subject to the review and approval of the DPP and the Corporation Counsel.</p> <p>The Applicant shall be responsible for the coordination and compliance with applicable public agencies for:</p> <p>a. Financial contribution equal to the estimated combined cost of the two planned BRT transit stops on Saratoga Road. Except as otherwise provided in this subsection, the contribution shall be used to offset the City's share of any BRT costs and shall be paid in two installments. The first installment shall be paid on the commencement of construction of the first of those two stops, and the second installment shall be paid on the commencement of construction of the second of those two stops; provided that if not sooner paid, both installments shall be paid upon the issuance of a certificate of occupancy for the proposed hotel tower. The amount of the first installment shall be equal to the estimated cost to construct the first of those two stops, and the amount of the second installment shall be equal to the estimated cost to construct the second of those two stops; provided however, that in no event shall Applicant's combined contribution exceed \$500,000. If, immediately prior to the issuance of the certificate of occupancy for the proposed hotel tower, one or both installments have not been paid and the City Council has not appropriated funds for the completion of both Saratoga transit stops, then the Applicant shall, upon issuance of the certificate of occupancy,</p>	<p>A form of Joint Development Agreement (JDA) for the Project was submitted on December 6, 2004 to DPP and Corporation Counsel for review and approval. Outrigger will execute and record a JDA covering the OHANA Reef Towers property and its interest in the remainder of Phase 1 and Phase 2 upon approval of the form of JDA by DPP and Corporation Counsel. Outrigger will subsequently submit executed JDA covering the interests of the non-Outrigger owners in the remaining Phase 1 and Phase 2 properties.</p> <p>a. Outrigger and the Department of Transportation Services are in discussions regarding this condition. Once DTS provides Outrigger with the estimated cost of the stops, Outrigger will satisfy this condition by making the required financial contribution.</p>

Reso Ref	SD Major	Condition	PP-R Revised Plans
		<p>contribute to the City an amount equal to the difference between any installment previously paid and \$500,000, to be used for public transit improvements in Waikiki. This contribution for public transit improvements shall be deposited into the Highway Improvement Bond Fund.</p> <p>b. Provision of public access to a public restroom facility of at least four stalls to be located on the Applicant's property at, or in the vicinity of, the Outrigger Reef on the Beach Hotel. The Applicant may either construct a new facility or provide access to an existing restroom facility of the required size at the Outrigger Reef on the Beach Hotel, provided that the location of the existing restroom facility shall be close to the beach and easily accessible by the general public from the beach, as determined by the DPP. Prominent signage indicating that the restroom facility is available to the public, and indicating the location thereof, shall be provided. Within one year of the date of approval of this resolution, the Applicant shall submit restroom and signage plans for the restroom to the DPP for review and approval of the location and design. The Applicant shall make the restroom facility available to the public within three years of the date of approval of this resolution and prior to the issuance of any certificate of occupancy for any Phase 1 establishment. The Applicant shall maintain the restroom facility.</p>	<p>b. Outrigger provided plans to DPP on 11/22/04, for public access to an existing restroom facility at the Reef on the Beach Hotel, including supplemental information on signage location and ADA access plan for these restrooms. The ADA plans meet the technical requirements of the condition. Outrigger acknowledges that the ADA accessible route from the beach is lengthy and circuitous; however, other means of providing access are not feasible at this time. At the time of future beach widening and construction of the beach promenade, Outrigger agrees to provide more direct ADA access to the public restroom.</p> <p>Project meets condition.</p>
10.		<p>The Applicant shall be responsible for the maintenance of all constructed improvements not otherwise accepted by the City/State for maintenance.</p>	<p>Applicant will meet condition.</p>
11.		<p>Prior to submitting any building permit applications, the Applicant shall submit REVISED PLANS, for DPP (Urban Design Branch) review and approval, which include:</p>	

Reso Ref	SD Major	Condition	PD, R, Revised Plans
		<p>a. Relocation of the Hawaiian Preservation Music Hall/Visitor Center public space to a location more accessible to the general public, preferably on a lower level of the proposed retail promenade, and approved by the DPP's Urban Design Branch. Activities/exhibits in this space shall be free to the general public; provided that a nominal admission fee may be charged for performances in the hall if the fees are used only to cover the costs of staging the performance (which shall not include any payments to the Applicant) and payment of the performers.</p> <p>b. An on-site interpretive area, approved by the DPP (Urban Design Branch), for the display of archaeological and historical artifacts which may be uncovered on the site. The area shall be located in a prominent ground floor location and shall be maintained in perpetuity by the Applicant. The area shall be readily accessible and free to the general public, identified by appropriate signage, and be open to the public for a minimum of 8 hours per day. If no or an insufficient number of archaeological and historical artifacts are uncovered on the site, then the on-site interpretive area shall be devoted to displays relating to the culture and history of Waikiki.</p> <p>The Applicant shall submit to the DPP (Urban Design Branch) a plan for establishing such an on-site interpretive area. The plan shall include a timetable for implementation;</p> <p>c. Preliminary plans for signage for the public amenity spaces;</p> <p>d. All off-site parking locations, if replacement off-site parking facilities are required pursuant to</p>	<p>a. Hawaiian Music venue to be provided at the pool deck pavilion at the Waikiki Tower Hotel. Performances showcasing Hawaiian music and dance will also be held at the Edgewater Plaza stage.</p> <p>The Visitor Center -- managed by the Waikiki Business Improvement District Association -- will include a kiosk at the ground level of the new retail complex and related office and public information and assistance facilities on the 2nd floor of the renovated OHANA Reef Towers hotel.</p> <p>Project meets condition.</p> <p>b. A ground level location in Phase 1B will be provided for the on-site interpretive area. The specific location of the interpretive area and timetable for implementation will be identified and submitted to DPP for approval prior to building permit application for Phase 1B.</p> <p>Project meets condition.</p> <p>c. No public amenity spaces are located in Phase 1A. Preliminary signage plans will be prepared and submitted to DPP prior to building permit application for Phase 1B.</p> <p>d. Not required at this time</p>

Reso Ref	SD Major	Condition	PD-R Revised Plans
		<p>Condition 6.b(1)(C); and</p> <p>e. Plans which are consistent with the open space, transitional height setback and yard conditions contained herein.</p>	<p>e. Project meets condition. See response to Resolution items 2, 4 and 5.</p>
12.		<p><u>Traffic Impact Analysis Report (TIAR)</u> - The Applicant shall be responsible for providing a revised and updated TIAR (also referred to herein as the "Initial Traffic Impact Analysis Report") for review and approval by the DPP's Traffic Review Branch and the DTS. The scope of the TIAR shall include, but not be limited to, the following:</p> <p>a. A preliminary design to widen the Kalia Road right-of-way by 4 feet on the mauka side between Lewers Street and Saratoga Road (for a total right-of-way width of 44 feet). If the loading survey required by Condition 13.a. indicates that additional loading spaces are necessary along Kalia Road, or if the analysis of circulation alternatives required by Condition 12.d. indicates that more than two travel lanes on Kalia Road will improve pedestrian and/or traffic circulation, then the Applicant shall be responsible for implementing the additional travel lane. Any portion of the 44-foot right-of-way not used for paved travel lanes shall be used only for other public purposes, including but not limited to pedestrian walkways and landscaping. The Applicant is required to implement the 4-foot widening of the right-of-way and dedicate the widened right-of-way to the City, but the implementation of the additional travel lane within the right-of-way is dependent on the results of the loading survey and the analysis of circulation alternatives as discussed above in this subsection.</p> <p>b. A preliminary design to widen the mauka side of Helunoa Road east of Lewers Street to provide a</p>	<p>The revised TIAR has been conditionally approved by TRB and DTS. See TRB memorandum dated December 14, 2004.</p> <p>Project meets condition</p>

Reso Ref	SD Major	Condition	PDR Revised Plans
		<p>minimum 20-foot paved roadway. The Applicant shall be responsible for implementing this improvement. It is understood that this widening shall increase the nonconformity of the existing Reef Towers with respect to required yards and transitional height setbacks, but the existing Reef Towers shall be allowed to remain, subject, however, to the increased nonconformities and the applicable nonconformity provisions of the LUO.</p> <p>c. An analysis and preliminary design of a dedicated right-turn lane from Kalakaua Avenue to Lewers Street. The analysis shall consider a design that incorporates a raised, channelized traffic island large enough to accommodate peak pedestrian demand, and that does not require reduction of existing pavement width on Kalakaua Avenue.</p> <p>The Applicant shall be responsible for implementing this improvement if determined by the analysis to be feasible.</p> <p>d. Circulation alternatives in the area, including potential two-way circulation on Lewers Street and Kalia Road. The intent is to analyze alternatives to minimize congestion from existing conditions, to mitigate concerns raised by the closure of Helumoa Road, and to mitigate potential project impacts.</p> <p>The Applicant shall be responsible for implementing the improvements recommended by this analysis, as determined by the DPP's Traffic Review Branch and the DTS.</p> <p>e. Improvements to Lewers Street which are needed to facilitate traffic movement and loading, and to minimize congestion due to loading activities.</p>	

Reso Ref	SD Major	Condition	PD-R Revised Plans
		<p>The Applicant shall be responsible for implementing these improvements, as determined by the DPP's Traffic Review Branch and the DTS.</p> <p>f. Traffic flow between the Project and the identified off-site and valet parking facilities.</p> <p>Prior to the issuance of any building permit for Phase 1, the Applicant shall obtain the review and written approval of the DPP, Traffic Review Branch, for the required TIAR. The DPP shall, within 60 days of the approval of the TIAR, specify to the Applicant all improvements that the Applicant is required to implement under the TIAR, provided that the DPP may extend this deadline for an additional 30 days if necessary for further DPP review of the TIAR.</p> <p>Prior to the issuance of any building permit for Phase 2, the Applicant shall obtain the review and written approval of the DPP, Traffic Review Branch, for a further updated TIAR. This update shall include measures to improve pedestrian crossings at Saratoga Road and Kaila Road, and preliminary design plans for this intersection. The DPP shall, within 60 days of the approval of the further updated TIAR, specify to the Applicant all improvements that the Applicant is required to implement under the further updated TIAR, provided that the DPP may extend this deadline for an additional 30 days if necessary for further DPP review of the further updated TIAR.</p> <p>The analysis shall consider impacts on the surrounding roadway system, an analysis of pedestrian circulation and activities and improvements to pedestrian facilities (i.e., full width sidewalks and pedestrian crossings); and shall include consultation with the HPD and other affected entities in the vicinity of the Project regarding vehicular and pedestrian activity.</p>	<p>Applicant will meet condition.</p>

Reso Ref	SD Major	Condition	PD-R Revised Plans
13.	<p><u>Traffic Management Plan</u> - The Applicant shall be responsible for providing a Traffic Management Plan, to be updated annually, or at major development milestones determined by the DPP, which includes:</p> <ul style="list-style-type: none"> a. A survey of current non-Applicant loading activities; b. Parking and Loading Management Plan- The plan shall be revised to contain detailed information regarding parking access locations (guest, visitor and employee parking), locations for Handi-Van drop-off and pick-up, frequency of use, valet parking management, loading space management and arrangements with tour bus companies and vendors, and bus loading areas located on site or at Fort DeRussy. If Fort DeRussy becomes unavailable, then the Applicant shall file an updated Parking and Loading Management Plan with the DPP. c. Description of project impacts on traffic, parking, and pedestrian activities, and loading activities; d. Description of potential traffic and parking problems during regular operations and special events; and identification and effects of the proposed mitigative measures; e. Implementation plan and timetable for providing identified mitigative measures and other required traffic/roadway improvements; f. Description of issues/concerns raised in discussions with other City agencies and other users of the surrounding streets. <p>Prior to the issuance of a Certificate of Occupancy for Phase 1 of the project, the Applicant shall obtain the review and written approval of the DPP; Traffic Review</p>	<p>A survey of current non-Applicant loading activities will commence no later than January 2005.</p>	<p>Project will meet condition. A Traffic Management Plan covering items a through f will be submitted for approval prior to Certificate of Occupancy for Phase 1.</p>

Reso Ref	SD Major	Condition	PD-R Revised Plans
		<p>Branch, for the initial traffic management plan.</p> <p>Prior to the issuance of any building permits for Phase 2, the Applicant shall obtain the review and written approval of the DPP, Traffic Review Branch, for a new traffic management plan that considers the operations of the new hotel tower, and the combined operations of Phase 1 and Phase 2 development.</p>	<p>Project will meet condition. A new Traffic Management Plan will be submitted for approval prior to the issuance of any building permits for Phase 2.</p>
14.		<p><u>Construction Traffic Management Plan</u> - The Applicant shall be responsible for providing a construction traffic management plan for each of the two phases of Project development, which shall include:</p> <ol style="list-style-type: none"> a. The number and frequency of construction vehicles traveling to and from the construction site, and any off-site construction yard; b. Identification of measures to minimize the impacts on the surrounding street system, i.e., scheduling vehicular activities to avoid peak traffic periods, large conferences, parades and other major scheduled events; c. Identification of measures to inform neighboring properties and the general public about construction activities which may impact area traffic and pedestrian movement. <p>Prior to issuance of any demolition permits, the Applicant shall obtain the review and written approval of the DPP, Traffic Review Branch and the DTS, for each of the two construction traffic management plans.</p>	<p>Project will meet condition. A Construction Traffic Management Plan covering items a through c will be prepared and submitted for review and approval prior to issuance of any demolition permits.</p>
15.		<p>The Applicant shall submit to the Department of Environmental Services for review and approval, a plan either to provide access to, or to relocate, the 12-inch sewer line underneath Helumoa Road. Written documentation of approval shall be submitted to the DPP.</p>	<p>Project will meet condition. Relocation design is underway and will be submitted for ENV review and approval prior application for building permits that would allow construction over Helumoa Road.</p>

Reso. Ref.	SD Major	Condition	PD-R Revised Plans
16.		<p>prior to, or at the time of, application for building permits that would allow construction over Helumoa Road.</p> <p>The Applicant shall submit a sewer master plan for the Project to the Department of Planning and Permitting's Wastewater Branch and the Department of Environmental Services for review and approval. This master plan shall:</p> <ul style="list-style-type: none"> a. Show how implementation of needed wastewater infrastructure will be coordinated with the City's projects. A schedule of needed sewer infrastructure shall be provided by the applicant. b. Include a table detailing the estimated flow by phase and by use, including retail, meeting rooms and hotel rooms; c. Include a recommended sewer relief plan with maps and sewer flow data; and d. Address improvements needed to relieve existing surcharge conditions and the need to size sewer infrastructure to accommodate anticipated growth. <p>During formulation of the master plan for the wastewater infrastructure, the designer should obtain trouble call information and cleaning frequency maps of the existing City system to help them identify system problems.</p> <p>The Applicant shall implement improvements that are identified in the approved sewer master plan.</p> <p>Written documentation of the DPP's Wastewater Branch and Department of Environmental Services' approval shall be submitted to the Department of Planning and Permitting prior to, or at the time of, building permit application (excluding those for demolition) for the Project.</p>	<p>Phase 1A and Phase 1B improvements, individually and collectively, will result in a reduction of demand on area sewer infrastructure. Accordingly, DPP Wastewater Branch has determined that a Sewer Master Plan is not required for Phase 1 Improvements and that consultation with the Department of Environmental Services is not required at this time. See memorandum dated October 4, 2004, from Wilson Okamoto Associates.</p> <p>A Sewer Master Plan will be prepared for Phase 2 Improvements. At such time, the applicant shall submit an SMP to DPP's Wastewater Branch and the Department of Environmental Services for review.</p> <p>Written documentation of the DPP's Wastewater Branch and Department of Environmental Services' approval shall be submitted to the Department of Planning and Permitting prior to, or at the time of, building permit application (excluding those for demolition) for Phase 2 of the Project.</p>

Reso Ref.	SD Major	Condition	PD-R Revised Plans
17.		<p>Prior to issuance of a Certificate of Occupancy for the proposed hotel tower, the Applicant shall submit the following to the DPP:</p> <ul style="list-style-type: none"> a. Written confirmation from the State Department of Defense (DOD) of review and acceptance of the installation of an Emergency Alert System (EAS) receiver in a 24-hour staffed office; and b. Plans showing the location of the EAS receiver. 	<p>Project will meet condition.</p>
18.	<p>The Applicant shall:</p> <ul style="list-style-type: none"> a. Prior to or at the time of approval of demolition permits, provide to DPP Land Use Approvals Branch written documentation from the State Department of Land and Natural Resources, Historic Preservation Division (SHPD), confirming SHPD's receipt and review of an acceptable archaeological inventory survey and monitoring plan. The Applicant shall consult with the SHPD regarding the preparation of the plans and the information to be contained in the plans; b. Prior to or at the time of approval of building permits, and prior to beginning any ground disturbance for construction, provide to the DPP Land Use Approvals Branch written documentation from the SHPD confirming the SHPD's receipt and review of an acceptable archaeological inventory survey work plan and other plans (i.e., data recovery, burial treatment, monitoring) as needed, based on the findings of the archaeological inventory survey. The Applicant shall consult with the SHPD regarding the preparation of the plans and the information to be contained in the plans; and c. Prior to approval of demolition permits, the Applicant shall provide to the DPP Land Use 	<p>Applicant will, prior to approval of demolition permits and prior to beginning any ground disturbance for construction, provide to DPP, Land Use Approvals Branch, a letter from the State Department of Land and Natural Resources, Historic Preservation Division (SHPD), that approves Applicant's proposed plan covering archaeological inventory survey work and construction monitoring. Applicant will comply with the recommendations stated in SHPD's letter, including those recommendations that apply during ground disturbance activities. After demolition and after undertaking any archaeological inventory survey required by the plan, Applicant will submit a report of such survey to SHPD for its review, and Applicant will submit to SHPD for its review and approval additional plans (such as data recovery, burial treatment, and/or further monitoring plans) as needed, based on the findings of the archaeological inventory survey.</p> <p>The demolition permit for Phase 1A does not require SHPD's approval because all demolition proposed under the Reef Towers demolition permit is above-grade and involves no ground-disturbance activities.</p> <p>Applicant will also, prior to approval of demolition permits (not including the Phase 1A demolition permit), consult with</p>	

Reso Ref.	SD Major	Condition	PP-R Revised Plans
19.		<p>Approvals Branch written documentation from the Oahu Island Burial Council, confirming consultation with the Burial Council regarding burial issues.</p> <p>Prior to submitting any building permit applications, the Applicant shall submit to the DPP, for DPP review and approval, preliminary plans for the construction of a portion of the Waikiki Promenade along the beach makai of the Outrigger Reef on the Beach Hotel between the Halekulani Hotel and Fort DeRussy. The portion of the Promenade shall contain amenities—i.e., seating areas, drinking fountains, lighting, and landscaped planting strips with irrigation, shade trees, coconut palms, shrubs and groundcover. The Applicant shall implement the approved plans.</p>	<p>the Oahu Island Burial Council regarding potential burial issues.</p> <p>Preliminary plans were submitted to DPP on 11/22/04. In response to comments from DPP, Applicant will submit revised preliminary plans that address the amenities specified in the condition before the building permit application for Phase 1B.</p> <p>Within one year of completion of beach widening by the State of Hawaii, Outrigger will initiate the permitting process (including but not limited to a CDUA permit and easement) for the applicable portion of the Waikiki Promenade.</p>
20.		<p>The Applicant shall submit a solid waste management plan to the State Department of Health, Office of Solid Waste Management, for review and approval. Written documentation of approval shall be submitted to the DPP prior to, or at the time of, application for any building permit.</p>	<p>Solid Waste Management Plans will be submitted to DOH as required prior to the start of construction for the respective phase (Phase 1A, 1B and 2).</p> <p>A Solid Waste Management Plan for the OHANA Reef Towers renovation work will be submitted for DOH approval prior to the start of construction. A Solid Waste Management Plan for the OHANA Reef Towers operations will be submitted for DOH approval prior to issuance of Certificate of Occupancy.</p>
21.		<p>Approval of this resolution does not constitute compliance with other Land Use Ordinance or governmental agencies' requirements, including building permit approval. They are subject to separate review and approval. The Applicant shall be responsible for ensuring that the final plans for the Project comply with all applicable Land Use Ordinance and other governmental provisions and requirements.</p>	<p>Applicant will meet condition.</p>
22.		<p>The Project is a two-phased project. Phase 1 of the Project shall include all of the Project's public amenities.</p>	<p>Project will meet condition.</p>

Resp. Ref.	SD Major	Condition	PD-R Revised Plans
		<p>but this shall not apply to the Applicant's contributions for the two BRT transit stops pursuant to Condition 9.a if the payment due dates occur outside of Phase 1, and to Applicant's obligations of a continuing nature to the extent required to be performed outside of Phase 1. The building permit for Phase 1 of the Project shall be obtained within 5 years of the date of this resolution, and the building permit for Phase 2 of the Project shall be obtained within 10 years of the date of this resolution. No building permit for Phase 2 of the Project shall be issued prior to completion of Phase 1 of the Project. Failure to obtain any building permit within the periods specified above shall render null and void this resolution and all approvals issued hereunder, provided that if Phase 1 has complied with the five-year deadline applicable to that phase, then Phase 1 shall not be affected by a subsequent failure to meet the Phase 2 deadline. A deadline may be extended as follows: The Director of Planning and Permitting may extend a deadline if the Applicant demonstrates good cause, but the deadline shall not be extended beyond one year from the initial deadline without the approval of the City Council, which may grant or deny the approval in its complete discretion. If the Applicant requests an extension beyond one year from the initial deadline and the Director finds that the Applicant has demonstrated good cause for the extension, the Director shall prepare and submit to the Council a report on the proposed extension, which report shall include the Director's findings and recommendations thereon and a proposed resolution approving the extension. The Council may approve the proposed extension or an extension for a shorter or longer period, or deny the proposed extension, by resolution. If the Council fails to take final action on the proposed extension within the first to occur of: (i) 60 days after receipt of the Director's report; or (ii) the Applicant's then-existing deadline for obtaining a building permit, the extension shall be deemed denied.</p>	
23.		<p>The Project shall conform to the conceptual plan approved hereby and all conditions established herein. Any change</p>	Project meets condition.

Reso Ref	SD Major	Condition	PD-R Revised Plans
		to the conceptual plan shall require a new application and approval by the Council. The Director of Planning and Permitting may approve changes to the Project that do not significantly alter the size or nature of the Project, if the changes remain in conformance with the conceptual plan and the conditions herein.	
24.		The transfer, in whole or in part, of the Project area and/or any rights arising from this resolution and all approvals issued hereunder, shall not release the Applicant from the obligation to perform all of the conditions set forth in this resolution and all approvals issued hereunder, and the Applicant shall be jointly and severally liable with any transferee to perform all conditions applicable to the transferred property.	Applicant acknowledges condition.
25.		The Applicant shall provide replacement locations for all existing publication dispensing racks displaced by the Project. The locations shall be as equally accessible by the public and publishers as the prior locations. The replacement locations shall be subject to the review and approval of the appropriate City agency.	Project will meet condition. Relocation sites for existing publication racks fronting the OHANA Islander Waikiki and Reef Towers hotels will be provided based on consultation with the Department of Planning and Permitting and Department of Customer Services
26.		The Applicant shall make available, during all phases of the Project's construction, a public outreach person to provide the general public with information about Project construction activities and to answer questions and/or resolve complaints about Project construction from the general public. The Applicant shall publicize and maintain a telephone "hotline" to facilitate this process.	A draft outreach plan is being developed and will be submitted to DPP prior to start of any construction.

Reso Ref	SD Major	Condition	PD-R Revised Plans
1.	<p>Prior to submitting any building permit applications, the APPLICANT, its successors, or assigns shall submit REVISED PLANS in conformance with the conditions of City Council Resolution 02-272, CD1, FD1, and this Special District approval. Such plans shall be accompanied by a narrative description specifying how each of the conditions contained in the Resolution and this SDD approval have been (or will be) met.</p> <p>The revised plans shall include:</p> <ol style="list-style-type: none"> A revised design of the Edgewater Plaza which encourages a variety of pedestrian experiences, and allows the Plaza to serve as a true "gathering place". The design theme of the Plaza shall be continued across Lewers Street and through the redeveloped ground floor of the Reef Towers Hotel. <p>Grade transition(s) between the Edgewater Plaza and Lewers Street shall be minimized.</p> <p>The revised Edgewater Plaza design shall utilize a water feature that shall be used to accommodate public performances when not in use as a water feature. This feature shall be less than 4-feet in height and closer to a maximum height of 18 inches, to accommodate public seating.</p> <ol style="list-style-type: none"> Thematic continuation of the Plaza's paving pattern and other sidewalk improvements (e.g., landscaping, lighting, street furniture) along Lewers Street through to Kalakaua Avenue and Kalila Road; Project plans shall comply with all WSD design guidelines, including appropriate building 	<p>Project meets conditions. The plans have been revised as follows:</p> <ol style="list-style-type: none"> The Plaza has been redesigned to eliminate terracing. The revised design features seat walls surrounding a central lawn area. Elevation changes have been minimized to create an environment more conducive to pedestrian use and enjoyment. Common paving and design themes extends across Lewers Street, linking to the Reef Towers hotel. <p>The Lewers Street curb has been eliminated to create a single level pedestrian plane. To create the seamless transition between sidewalk and road, a center swale roadway design is proposed. The center swale design replaces the need for a speed table, which has been found to be problematic vis-à-vis area-wide drainage conditions</p> <p>The Edgewater Plaza stage and water feature has been lowered to the match the grade of the plaza. The water feature will be a "dry deck fountain," featuring jets of water spouting out of a paved platform. The deck will also double as a performance venue for entertainment in the plaza.</p> <ol style="list-style-type: none"> The Plaza paving pattern and streetscape treatment has been expanded to cover the length of Lewers Street. The plan has been refined to closely conform to WSD guidelines. Key elements such as open storefronts, open- 	

Reso Ref	SD Major	Condition	PD-R Revised Plans
		<p>materials, exterior colors, ground level features and outdoor lighting. The plans shall demonstrate a high degree of compliance in providing a sense of "openness" to encourage interaction between people with the natural environment, particularly at: ground level hotel lobbies where natural ventilation shall be maximized, and along ground level commercial areas where a minimum of 50 percent of street-front building facades shall be devoted to open lobbies, arcade entrances, display windows and outdoor dining where permitted.</p> <p>Project design details for the new and redeveloped/renovated buildings which reflect the "Hawaiian Sense of Place" experience and "Hawaiian - themed" architectural detail motifs and elements described and approved for the project's conceptual plan. These include exterior detail/design enhancements for the Saratoga Hotel tower, and the Waikiki Tower and Waikiki Village hotels (as shown in the PD-R application document);</p> <p>d. The locations of the following, as required by Resolution 02-272, CD1, FD1:</p> <ol style="list-style-type: none"> (1) a restroom at the Outrigger Reef on the Beach to be made accessible to the general public (Condition 9.b); (2) an on-site interpretive area on the ground floor (Condition 11. b.); (3) the portion of the Waikiki Promenade along the beach makai of the Outrigger Reef on the Beach Hotel, between the Halekulani Hotel and Fort DeRussy. Proposed amenities (i.e., seating areas, drinking fountains, lighting and landscaping) shall be identified; 	<p>air lobbies, 2nd floor balconies, outdoor seating and dining areas have been incorporated as signature features. The percentage of open streetfront façade exceeds WSD standards.</p> <p>The project site plan, architecture, and landscape design respects and celebrates the area's natural and historic, pre- and post-contact roots. Wave forms, voyaging canoe motifs and other iconic symbols of Waikiki - past and present - also inform the project design.</p> <p>Additional exterior design enhancements to the new and existing hotel towers will be developed in consultation with DPP.</p> <ol style="list-style-type: none"> (1) Project meets condition. See response to Council Resolution Condition 9.b. (2) Project meets condition. See response to Council Resolution Condition 11.b. (3) Project meets condition. See response to Council Resolution Condition 19.

Reso Ref.	SD Major	Condition	PD-R Revised Plans
		<p>(4) preliminary plans for signage for the 3 above public amenity spaces; and</p> <p>(5) all off-site parking locations, if replacement off-site parking facilities are required pursuant to Condition 6.b.(1)(C).</p> <p>e. Widening of the mauka side of Helumoa Road east of Lewers Street up to the existing parking ramp, to provide a minimum pavement width of 20-feet for that segment of the road. Widening of the remaining portion of the mauka side of Helumoa Road shall be deferred until future redevelopment of the Reef Towers Hotel;</p> <p>f. Detailed floor area tabulations, density, and open space calculations. An explanation of how each of the project's proposed open spaces complies with the LJO 'open space' definition;</p> <p>g. Yard averaging tabulations if yard averaging is utilized, dimensions, areas of encroachment into the required front yards, and corresponding revised setback lines;</p> <p>h. All building elevations, indicating proposed building materials, finishes, and colors, and include building and paving material and color samples. The plans shall incorporate the use of awnings, trellises, and other appropriate architectural treatments to create visual interest and soften the appearance of project buildings.</p> <p>i. Outdoor lighting plan, which provides illumination and a sense of place within the project area;</p> <p>j. Location of utility installations, which shall be designed and installed in an aesthetic manner so as to hide or screen wires and equipment</p>	<p>(4) Project meets condition. See response to Council Resolution Condition 11.c.</p> <p>(5) Not required at this time. All parking will be accommodated on-site or at Ft. DeRussy</p> <p>e. Project will meet condition.</p> <p>f. Project meets condition:</p> <p>g. Yard averaging tabulations have been submitted to DPP. Yard averaging will be utilized along Lewers Street.</p> <p>h. Project meets condition. 2nd floor balconies, storefront canopies, stone pilasters, and strong vertical building elements have been incorporated into the design to add visual interest and a distinctive architectural character to the project;</p> <p>i. Detailed outdoor lighting plans will be submitted to DPP for review as part of building permit application.</p> <p>j. Detailed utility installation plans will be submitted to DPP for review as part of building permit application.</p>

Reso Ref	SD Major	Condition	PD-R Revised Plans
	<p>completely from view, including views from above (except for antennas);</p> <p>k. A minimum of 50 percent of front yards shall be in rooted landscaping. Revised landscape plans and detailed tree disposition plans for the project area, including all improved open space areas, the Kalia Road/Saratoga Road intersection, and the required segment of the Waikiki Promenade fronting the Outrigger Reef on the Beach Hotel. Plans should include the use of both native and exotic trees and plant material, and indicate location, quantity, species, caliper, height, and spread of existing and proposed trees or palms, and plants. Trees or palms more than 6 inches in trunk diameter shall be replaced with an equivalent size tree or palm;</p> <p>l. All traffic and roadway improvements specified in the TRB-approved Traffic Impact Analysis Report (TIAR) as required by Resolution 02-272, CD1, FD1. Also, final internal project vehicular circulation patterns. Vehicular circulation patterns and driveway ramp locations are subject to the findings and recommendations of the TRB.</p> <p>m. Detailed drawings of proposed water features and pedestrian walkways;</p> <p>n. Detailed drawings of roof design with cross sections showing compliance with height limits and transitional height setbacks. Rooftop machinery, equipment, and utility installations on structures shall be screened from view to prevent undesirable views and vistas from surrounding buildings, and be integrated to the building's design;</p> <p>o. Street improvements at the intersections of</p>	<p>k. Project meets condition. Front Yard area = 40,683 sf Front Yard Landscaping + ROW Landscaping = 21,259 sf (52.3%)</p> <p>l. Project will meet conditions of TRB approval of TIAR.</p> <p>m. Detailed drawings will be prepared subject to DPP specifications.</p> <p>n. Drawings provided in 9/23/04 Revisions Package (Illustrative Site Section/Elevations; Yard and Transitional Height Setback Diagrams)</p> <p>o. Plans will be finalized based on TRB-approved TIAR.</p>	

Reso Ref	SD Major	Condition	PD/R Revised Plans
	<p>Kalaka'ua Avenue/Lewers Street; Saratoga Road/Kalia Road, and along Kalia Road and Lewers Street, including widenings, corner roundings, signalizations, and crosswalks and other pedestrian accommodations;</p> <p>p. Off-street parking, in compliance with Condition 6.b.(B), of Council Resolution 02-272, CD1, FD1;</p> <p>q. Off-street loading, in compliance with Condition 7 of Resolution 02-272, CD1, FD1;</p> <p>r. Replacement locations for all existing publication racks to be displaced by the project, as approved by the appropriate City agency, and in compliance with Resolution 02-272, CD1, FD1;</p>	<p>p. Project meets condition. See response to Council Resolution Condition 6.b.(B).</p> <p>q. Project will meet condition. See response to Council Resolution Condition 7.</p> <p>r. Project will meet condition. See response to Council Resolution Condition 25.</p>	
2.	<p>The project shall comply with the Waikiki Special District requirements for building materials and colors, ground level features, and landscaping. In addition, all work shall comply with all applicable Federal, State and County regulations, standards, statutes and ordinances unless otherwise stated.</p> <p>To enhance the stated desired "Hawaiian Sense of Place" for the project, outdoor dining and lei-making and selling activities shall be incorporated where permitted and in compliance with applicable WSD provisions.</p>	<p>Project meets/will meet condition</p> <p>Outdoor dining areas are provided. Lei making and selling opportunities will be available to potential vendors.</p>	
3.	<p>Prior to submittal of any building permit applications for Phase 1, the Applicant shall provide to the DPP appropriate documentation attesting to completion of its acquisition from the City of the Helumoa Road segment east of Lewers Street.</p>	<p>The portion of Helumoa Road that is being acquired by Outrigger is located on the ewa side of Lewers Street (Phase 1B). Council approved the acquisition by Outrigger of Helumoa Road at its meeting on November 10, 2004 and Outrigger is obtaining the required DPP subdivision approval and utility easements prior to the formal conveyance</p> <p>See response to Council Resolution Condition 8.</p>	
4.	<p>In accordance with Condition 8 of Resolution 02-272, CD1, FD1, the Applicant shall execute and record a joint development agreement for all (23) of the project's parcels and the 4,000 square-foot portion of Helumoa</p>		

Reso Ref	SD Major	Condition	PD/R/Revised Plans
		Road. Approval of the DPP and the Corporation Counsel shall be required prior to recordation at the Bureau of Conveyances (or Land Court as appropriate).	
	5.	A copy of the recorded agreement shall be submitted to the DPP prior to submittal of any building permit applications for Phase 1.	
	5.	Should noise complaints or problems arise from any loading activities, sound mitigation measures shall be imposed, including a prohibition against the use of back-up beepers.	Project will comply with condition
	6.	The Traffic Impact Analysis Report (TIAR) required by Resolution 02-272, CD1, FD1, shall include analysis of implementing a speed table on the segment of Lewers Street makai of Don Ho Lane and mauka of Helumoa Road. The analysis shall also include elimination of the 6-inch curb drop along that section of Lewers, possible crosswalk locations and other roadway improvements.	Project will meet conditions of TRB approval of TIAR. (The requirement for a speed table analysis is no longer applicable. A speed table along Lewers would severely compromise area drainage conditions and, therefore, is not being considered as an option for eliminating the existing curb condition.)
	7.	Grades for exit driveway ramps shall be reduced to the extent possible. Where grades exceed five percent, the Applicant shall install electronic warning mechanisms to warn pedestrians of exiting vehicles.	Other than the proposed new above-grade parking facility at Beachwalk and the proposed below-grade parking for the new Phase 2 Tower, no new exit driveways are planned. The new Beachwalk and Saratoga Tower driveways will comply with this requirement
	8.	A Sign Master Plan for the project shall be approved by the DPP's Urban Design Branch prior to the issuance of Certificates of Occupancy for Phase 1 of the project.	Project will meet condition. A Sign Master Plan will be submitted for approval prior to issuance of CO for Phase 1.
	9.	CADD files for proposed structures shall be submitted at the time of building permit application.	Project will meet condition.
	10.	Constructed lanais shall not be enclosed. Prior to the issuance of any building permit, the applicant shall submit a draft covenant, for review and approval by the DPP, agreeing to this condition (see attached sample). The covenant shall run with the land, and it is to serve as notice to all owners and/or tenants that the lanais shall not be closed.	Project will meet condition. Draft covenant submitted to DPP and Corporation Counsel on December 6, 2004 for approval.

Reso Ref	SD Major	Condition	PD-R Revised Plans
11.		<p>Prior to the issuance of any building permit, the Applicant shall:</p> <ul style="list-style-type: none"> a. submit a street tree plan for landscaping and trees within the City rights-of-way for all segments of streets within the project area, to the DPP (Urban Design Branch) for review and approval, and b. obtain a surface encroachment variance for all trees and landscaping within the City rights-of-way. Plans shall indicate the species, size, location, quantity, planting details, and irrigation of all landscaping within the rights-of-way. 	<p>Project will meet condition.</p> <ul style="list-style-type: none"> a. Street Tree Plan will be submitted as required. b. Surface Encroachment Variance will be submitted as required.
12.		<p>Building permit plans, including any REVISIONS, shall be submitted to the DPP for review and approval, and shall include:</p> <ul style="list-style-type: none"> a. Approved REVISED plans; b. Approved REVISED landscape plans. All landscaping shall be provided with irrigation and be maintained in a healthy visual condition at all times; c. Electrical transformers, traffic control boxes and backflow prevention devices, if more than 30 inches in height above grade, shall not be located within the required front yard and shall be concealed from public view; d. Notation of approved exterior materials and colors. Exterior building materials, finishes and colors shall be non-reflective and subdued in appearance. Highly reflective material, finishes and colors shall not be permitted. Material samples may be required to be submitted, if different from those transmitted with this permit application; 	<p>Applicant will comply with these conditions.</p>

Reso Ref	SD Major	Condition	DPP Revised Plans
		<p>e. Specifications for all exterior lighting, including light fixture type and intensity. All lighting shall be subdued or shielded to prevent glare and light spillage on surrounding properties and public rights-of-way. Outlining of the buildings with lights shall not be permitted. Where appropriate, cut-off fixtures or shields may be required. Mercury vapor, exposed fluorescent and low pressure sodium lamps shall not be permitted. High pressure sodium lamps may only be permitted if it is determined by the DPP to be appropriate to its application;</p> <p>f. Should information for lei making and selling and vending carts in required front yards not be available at the time of building permit application, a separate minor special district permit(s) shall be processed at the time of its implementation.</p>	
13.		<p>The Applicant shall obtain all necessary building permits within the timeframes specified in Resolution 02-226, CD1, FD1, dated November 13, 2002. Any extension requests must be submitted in writing to the DPP prior to the expiration date and include justifications for the extension.</p>	<p>Applicant will comply with these conditions. See response to Council Resolution Condition 22.</p>
14.		<p>For good cause, the Director of the DPP may impose additional requirements and/or amend the above conditions.</p>	<p>Applicant acknowledges this condition.</p>

P:\Planning\24059-11 Waikiki Beach Walk - Planning\PD Application - REVISED PLANS\PD Revised Plans - Reso DPP Conditions 092204.doc

Outrigger Enterprises, Inc. - Waikiki Beach Walk
Special District Permit 2002/SDD-46- REVISED PLANS

7262-01
October 4, 2004

WILSON
OKAMOTO
CORPORATION



**ENGINEERS
PLANNERS**
1907 S. BERETANIA ST.
SUITE 400
HONOLULU, HI 96826
PH: (808)946-2277
FAX: (808)946-2253

Mr. Eric Masutomi, Vice President, Planning
Outrigger Enterprises, Inc.
2375 Kuhio Avenue
Honolulu, HI 96815-2992

Subject: Outrigger Beach Walk – Sewer Master Plan Update

Dear Mr. Masutomi:

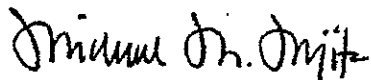
A meeting was held on September 17, 2004 with Mr. Dennis Nishimura, City and County of Honolulu Department of Planning and Permitting Wastewater Branch, to discuss the requirements of Condition 16 of the City Council Resolution (Attached). The following is a summary of the items discussed:

1. Wilson Okamoto Corporation (WOC) explained that the Phase 1 of the project would result in a reduction of the total room count within the project area. Phase 1 of the project also includes the new retail portion of the project along Lewers Street and the closure of Helumoa Street.
2. Since the Phase 1 portion of the project will result in a reduction of sewer flow into the municipal system, Mr. Nishimura indicated that the Sewer Master Plan Update including any recommended sewer improvements, would not be required until the start of the Phase 2 portion of the project. The Phase 1 portion of the project will be required to submit and obtain approval of a Sewer Connection Application prior to the Building Permit submittal.
3. Regarding the closure of Helumoa Street, Mr. Nishimura stated that the City requires a formal request for the street closure. WOC stated that it was the project's intent to re-align the existing sewerline that is located in Helumoa Street. Mr. Nishimura stated that prior to the re-alignment, the existing sewer laterals connected to the sewerline in Helumoa Street need to be verified to ensure that sewer service is not affected by the re-alignment. The re-alignment plans need to be reviewed and approved as part of the Phase 1 work.
4. In order to complete the Sewer Master Plan Update, the future sewer connection locations for both the Phase 1 and 2 need to be determined. Mr. Nishimura stated that the adequacy analysis of the existing sewer system should be based on the proposed connection points.

7262-01
Letter to Mr. Masutomi
Page 2
October 4, 2004

5. Mr. Nishimura suggested that WOC submit a formal request to Wastewater Branch to obtain existing flow information, trouble call information including cleaning frequency maps to be used in preparation of the Sewer Master Plan Update. Mr. Nishimura also suggested that WOC contact Mr. Jay Hamai, Wastewater Division, to obtain the latest list of City sewer projects affecting the project area.
6. Mr. Nishimura also requested that an updated project schedule be included in the Sewer Master Plan Update.

Sincerely:



Michael M. Fujita, Project Manager

MMF

cc: Christine Ruotola, Group 70 International

Enclosures: *PORTION CAC RESOLUTION*

Shading Area With Required Front Yard and/or Additional Height Setback



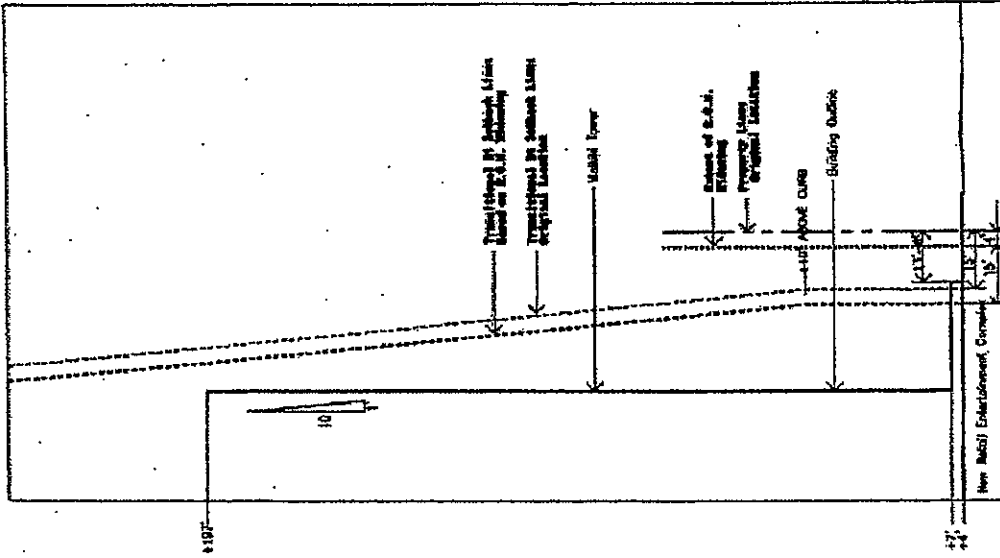
Site/Building Section Diagrams

Section 5A

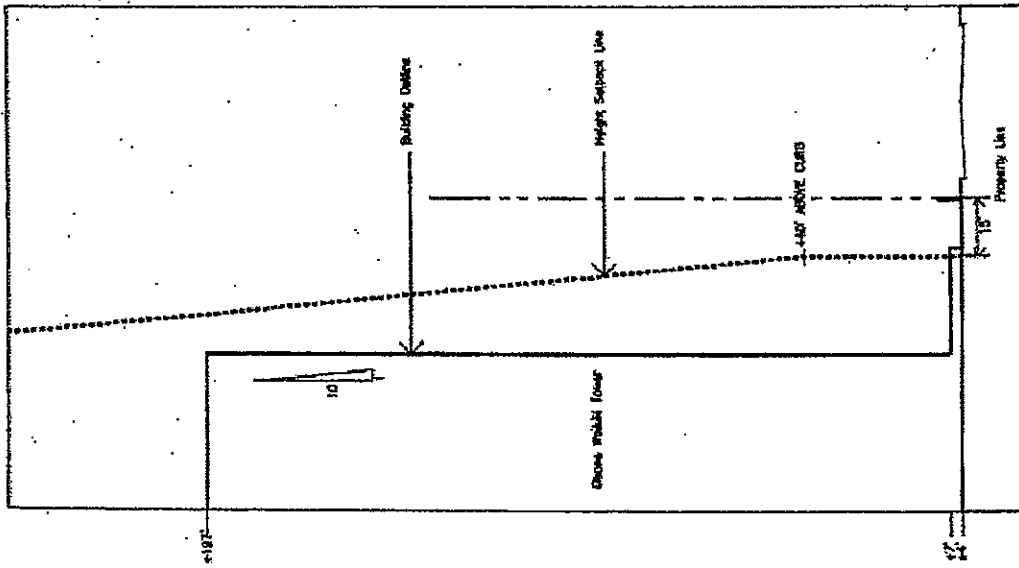
Kalia Road/Olivera Waikiki Tower

Waikiki Beach Walk
Lewers/Kalia Properties Development
OUTRIGGER ENTERPRISES INC.

0' 30' 30' 60'
Scale 1"=30'



Proposed Configuration

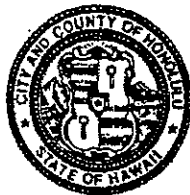


Existing Configuration

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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JEREMY HARRIS
MAYOR




ERIC S. CRISPIN, AIA
DIRECTOR

BARBARA KIM STANTON
DEPUTY DIRECTOR

(gu)

MEMORANDUM

TO: MR. MEL KANESHIGE, SR.
OUTRIGGER ENTERPRISES

FROM: ERIC CRISPIN, AIA 
DIRECTOR OF PLANNING AND PERMITTING

DATE: DECEMBER 14, 2004

SUBJECT: OUTRIGGER BEACH WALK - TRAFFIC IMPACT ANALYSIS REPORT (TIAR) - CONDITIONAL APPROVAL

As discussed with you by Mr. Mel Hirayama of the DPP's Traffic Review Branch, the TRB hereby grants Outrigger **Conditional Approval** of the Waikiki Beach Walk Traffic Impact Analysis Report (October 25, 2004) by Wilbur Smith Associates, provided that *prior to the issuance of any building permits for Phase 1B of the Beach Walk project (those subsequent to the Reef Towers renovation)*, the following are submitted to, and approved by, the TRB:

1. Beachwalk - An analysis of traffic and pedestrian impacts on Beachwalk due to a) the project's diversion of traffic from Lewers to Beachwalk, and b) the elimination of the 2 pedestrian bridges over Beachwalk that were previously approved. The analysis shall consider all vehicular traffic, including passenger vehicles, tour buses and loading vehicles.

The analysis shall also review potential measures to mitigate all vehicular and pedestrian impacts. The potential mitigative measures to be considered shall include, but not be limited to: a) the removal of on-street parking and loading from Beachwalk to provide additional capacity and ease of vehicular movements; and b) the provision of validated parking and loading w/in the new Outrigger complex to replace any loss of on-street parking and loading.

2. Loading - A survey and analysis of loading activities for goods, services and passengers around the project site, particularly on Lewers and Beachwalk. This survey and analysis is intended to determine loading demand for the various users who currently load

on-street. The survey shall identify the frequency, use/type (i.e., beverage trucks, 60- or 20-passenger tour buses), common vendors and other businesses, and other information pertinent to determining loading demand.

The analysis shall also include proposed measures to accommodate loading demand including, but not limited to, provisions for exclusive loading area(s) along and within the Outrigger project excluding the use of the vehicular travelway and sidewalk.

3. Helumoa Road - The proposed timing of the Helumoa Road closure (between Lewers and Beachwalk) in relation to overall project schedule/phasing. Describe all measures to be implemented to mitigate this road closure and related pertinent information, such as:
a) the street cross-section of any affected roadway, and b) proposed parking and loading restrictions on Lewers and Kalia (between Lewers and Saratoga).

The implementation schedule for these mitigative measures shall be provided to ensure that they are in place *prior to the closure of Helumoa Road*.

4. Impacts on Pedestrian Movement/Activity - An assessment of anticipated pedestrian activity in the area, particularly Beachwalk, Lewers and Kalia. The assessment shall include provisions to direct pedestrian traffic to specific desired locations; all pedestrian crossings shall be required to be incorporated into street design.
5. Right Turn Movement from Kalakaua to Lewers - Include a statement in the TIAR that makes clear that the right turn movement from Kalakaua Avenue to Lewers will be re-assessed at the time that the TIAR is prepared for the Saratoga Tower, and that, if necessary, other mitigative measures will be provided and coordinated with the DTS (Traffic Signals).
6. BRT - Include a statement in the pertinent section of the TIAR regarding whether the BRT route and exclusive lane use either *has been, or has not been*, included in the analysis of the anticipated traffic impacts and coordinated with the DTS (Transportation Planning).

EGC:pl

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CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR

HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUÉ
DEPUTY DIRECTOR

June 8, 2005

2005/ELOG-1122(gu)
2002/SDD-46

Mr. Melvin Y. Kaneshige
Senior Vice President &
Chief Operating Officer
Outrigger Enterprises, Inc.
2375 Kuhio Avenue
Honolulu, Hawaii 96815-2992

Dear Mr. Kaneshige:

Subject: Waikiki Beach Walk - Planned Development Resort Permit
Modification Request (Resolution No. 02-272, CD1, FD1)

This responds to your letters of May 19, 2005; and May 25, 2005, requesting a change to the project, and modification of a condition of City Council Resolution 02-272, CD1, FD1, (Resolution) which granted Planned Development-Resort (PD-R) approval for the development of the Waikiki Beach Walk project.

Outrigger Enterprises, Inc.'s (Outrigger) current request is for: 1) a change in use to develop a 325-unit condominium (multi-family dwelling units) as Phase 2, in lieu of the previously approved 898-room hotel at Saratoga and Kalia Roads; and 2) modification of the Resolution's Condition 22 to allow issuance of building permits for Phase 2 prior to the completion of Phase 1.

Condition 23 of the Resolution gives the Director the discretion to "approve changes to the project that do not significantly alter the size or nature of the Project, if the changes remain in conformance with the conceptual plan and the conditions herein". In addition, the Director may allow a change in specific phasing of the project and still require compliance with all of the major conditions in the Resolution intended to mitigate traffic, utility, design and infrastructure concerns as well as provide for other public benefits, prior to the phase of the project that will actually have a significant impact on the project area.

Mr. Melvin Y. Kaneshige
Page 2
June 8, 2005

Request to Modify Use

We have reviewed the summary of the proposed Saratoga Tower's anticipated impacts included with your May 25, 2005, letter, and appreciate the conceptual representation it provides of the proposed Saratoga Tower condominium. Your May 25, 2005, letter also explicitly states that your modification request does not include the *design* of the proposed condominium, which the developer will consult later with the DPP to address.

In this regard, the DPP will limit its evaluation and consider approval of the *condominium use* only for the Saratoga/Kalia site (in lieu of the previously approved hotel use) at this time and will not consider the development standards applicable to the new proposed use. In addition, our review of this modification is based on the assumption that this is a minor modification and that the proposed condominium use will not significantly alter the nature of the Beach Walk project as approved by the Resolution. Accordingly, please be informed that the final review and evaluation of the design features of the project will require additional information including, but not limited to, the following, which are being provided for your future reference:

1. Specific amount of floor area and open space proposed for the Saratoga Tower site, as well as the location of the open space. Such information will be necessary to assess the impacts the proposed tower will have on the scale and open space for this specific portion of the overall Beach Walk Project.
2. Calculations for required parking for the condominium (i.e., based on a 1:1 ratio), and loading.
3. Confirmation that parking for the proposed condominium will be accommodated on the Saratoga/Kalia site, and that loading for the overall Beach Walk project will remain consistent and will not significantly alter the nature of the project as previously approved.
4. Comparative analysis between the proposed condominium and the previously approved hotel regarding: total floor area, density (FAR), open space and building footprint/building area for the Saratoga/Kalia site. It appears from the conceptual plan that the density and building footprint/building area of the proposed condominium are larger than the previously approved building.
5. Driveway access to the site will not significantly alter the nature of the project as previously approved.
6. Loading maneuvering and loading bays will remain consistent and will not significantly alter the nature of the project as previously approved considering safety and traffic concerns.
7. WSD provisions state that parking structures should not dominate street frontages, thus the residential tower should reflect the intent and requirements of the WSD provisions.

Mr. Melvin Y. Kaneshige

Page 3

June 8, 2005

Request to Modify Phasing

Condition 22 states, in part, "No building permit for Phase 2 of the Project shall be issued prior to completion of Phase 1 of the Project". Your request is to amend this provision as follows: "No building permit for Phase 2 of the Project shall be issued prior to the approval of a building permit and the approval of the off-site civil drawings for Phase 1B of the Project by DPP."

You state that this provision of Condition 22 is related to another provision of that Condition, which states "Phase 1 of the Project shall include all of the Project's public amenities[.]" As justification for the requested modifications, you state that Outrigger understands the City's desire to ensure that all required Project infrastructure improvements and public amenities are constructed in a timely manner to support the Project. The building permit(s) for Phase 1B of the Project will cover much of the off-site infrastructure improvements required by the Resolution. Additionally, allowing the construction of the Project's three phases to overlap would reduce the demolition and construction impacts to the surrounding properties. We believe the reduction in overall construction time for the Beach Walk project is a public benefit.

We recognize that the Project's public amenity requirements have either already been addressed, or can be satisfied at the time of building permits for Phase 1B, per the DPP's December 17, 2004, modification approval. Thus, we concur with your assertion that much of the off-site infrastructure required by the Resolution will be covered by the building permits for Phase 1B, and that allowing overlap of the three development phases of the project would reduce the length of construction duration and therefore overall impacts of the Project.

Summary

Based on the limited conceptual information and the justification provided in support of your requests, please be advised that the DPP hereby **APPROVES** the following:

- A Project modification for *condominium use* in lieu of the previously approved hotel tower at Saratoga and Kalia Roads. This approval is for the condominium use only, and should not be construed as an endorsement/approval of the information or design specifics included in your transmittals of May 19 and 25, 2005; and
- Amendment of Condition 22 of Resolution No. 02-272, CD1, FD1, as follows:

Condition 22 - "No building permit for Phase 2 of the Project shall be issued prior to [completion of Phase 1] the approval of a building permit and the approval of the off-site civil drawings for Phase 1B of the Project by DPP, and satisfaction of related Conditions contained herein. The term 'building permit' as used herein does not include any

Mr. Melvin Y. Kaneshige

Page 4

June 8, 2005


demolition or grading permit for Phase 2 of the Project." (Portion to be deleted is bracketed, and new text is underscored).

All references and conditions pertaining to Phase 2 will apply to a proposed condominium tower.

Finally, please provide the DPP with an update of the total number of hotel units vs. multi-family dwelling units now proposed within the Waikiki Beach Walk project, the overall requirements for park dedication, and the manner and timing for compliance.

We hope this provides the information you require, and we look forward to working with Outrigger as development within the Waikiki Beach Walk area progresses. Please do not hesitate to contact me should you have any questions or require further assistance.

Sincerely yours,



HENRY ENG, FAICP
Director of Planning
and Permitting

HE:pl

Doc. 375631

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR

HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUÉ
DEPUTY DIRECTOR

2005/ELOG-1534(gu)
2002/SDD-46

July 6, 2005

Mr. Melvin Y. Kaneshige
Senior Vice President &
Chief Operating Officer
Outrigger Enterprises, Inc.
2375 Kuhio Avenue
Honolulu, Hawaii 96815-2992

Dear Mr. Kaneshige:

Subject: Waikiki Beach Walk - Planned Development Resort Permit
Modification Request (Resolution No. 02-272, CD1, FD1)

In response to your letter of July 1, 2005, requesting clarification of our Approval for Minor Modification dated June 8, 2005, we reiterate our position that, based upon our evaluation of the conceptual information and justification provided, the change in use from the previously approved hotel use to condominium does not significantly alter the size or nature of the project thus this modification request falls within Condition 23 of Resolution 02-272, CD1, FD1.

I hope the forgoing provides clarification of our approval of your request for minor modification. Should you have any questions, please do not hesitate to call.

Sincerely yours,

HENRY ENG, FAICP
Director of Planning
and Permitting

HE:pl

Doc. 381738



RECEIVED

Melvin Y. Kaneshige
Senior Vice President &
Chief Operating Officer

'05 JUL -1 P2 38

July 1, 2005

DEPT OF PLANNING
AND PERMITTING
CITY & COUNTY OF HONOLULU

VIA FACSIMILE AND HAND DELIVERY

Mr. Henry Eng, FAICP, Director
Department of Planning and Permitting
City and County of Honolulu
650 S. King Street, 7th Floor
Honolulu, Hawai'i 96813

Re: Waikiki Beach Walk; City Council Resolution No. 02-272, CD1, FD1
DPP File 2005/ELOG-1122; 2002/SDD-46

Dear Mr. Eng:

Thank you for your letter dated June 8, 2005, approving the modifications of City Council Resolution 02-272, CD1, FD1, (Resolution), which granted Planned Development-Resort (PD-R) approval for the development of the Waikiki Beach Walk project. We have reviewed the minor modification approval and would like to clarify certain provisions therein.

By your letter, you approved the "Project modification for *condominium use* in lieu of the previously approved hotel tower at Saratoga and Kalia Roads. This approval is for the condominium use only, and should not be construed as an endorsement/approval of the information or design specifics included in your transmittals of May 19 and 25, 2005; . . ."

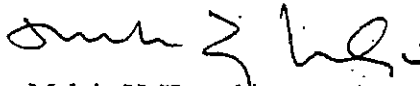
Condition 23 of the Resolution states that "The Director of Planning and Permitting may approve changes to the Project that do not significantly alter the size or nature of the Project, if the changes remain in conformance with the conceptual plan and the conditions herein." Given the approval stated in your letter that is quoted above, would you please confirm that, notwithstanding the statement in your letter that "our review of this modification is based on the assumption that this is a minor modification and that the proposed condominium use will not significantly alter the nature of the Beach Walk project as approved by the Resolution," you have determined (i) the change of use to a *condominium use* in lieu of the previously approved hotel tower at Saratoga and Kalia Roads constitutes a minor modification and no further action as regards this change of use is required; (ii) that "the Project modification for *condominium use* in lieu of the previously approved hotel tower at Saratoga and Kalia Roads" does not significantly alter the size or nature of the Project and that this modification falls within

Mr. Henry Eng, FAICP, Director
July 1, 2005
Page 2

The provisions of Condition 23, and (iii) accordingly, a multi-family residential condominium may be constructed up to the same floor area (576,470 square feet) and height limitation (350 feet) set forth in the Waikiki Special District Permit and Resolution respectively.

Thank you for your consideration of this request.

Aloha,



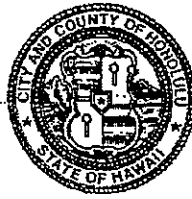
Melvin Y. Kaneshige

MYK:th

Enclosure

DEPARTMENT OF PLANNING AND PERMITTING
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MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

2006/ELOG-2445(GU)
2002/SDD-46

October 26, 2006

Mr. Keith Kurahashi
Kusao & Kurahashi, Inc.
Manoa Market Place
2752 Woodlawn Drive, Suite 5-202
Honolulu, Hawaii 96822

Dear Mr. Kurahashi:

Subject: Request for Modification
City Council Resolution No. 02-272, CD1, FD1
Waikiki Special District Permit No. 2002/SDD-46
Waikiki Beach Walk Planned Development Resort (PD-R)
Outrigger Enterprises, Inc.
2164 Kalia Road - Waikiki
Tax Map Key 2-6-3: 35

This responds to your request of September 26, 2006 and updated request of October 3, 2006, for a minor modification to the above Council Resolution for Phase 2 of the Waikiki Beach Walk PD-R project; i.e., the Trump International Hotel and Tower (formerly the Saratoga Tower). Specifically, the request is to increase the transitional height setback encroachments along Saratoga Road, for the Trump Tower, which exceeds the maximum 10-foot encroachment approved by Condition 5 of the Resolution. As described in your October submittal, these requested additional height setback encroachments are:

1. At Levels 22 and 23: 6-feet at elevations 195.5 to 214.5-feet over a distance of 23-feet;
2. At Levels 22 and 23: 6-feet at elevations 195.5-feet over a distance of 27-feet; and
3. At Levels 24 through 38: 6-feet at elevations 214.5 to 342.58-feet over a distance of 27-feet.

Thus, the request essentially increases the maximum approved 10-foot height setback encroachment along Saratoga Road to 16-feet at the above three locations.

As you note, Condition 23 of the PD-R Resolution states, in part, that "The Director of Planning and Permitting may approve changes to the Project that do not significantly alter the size or nature of the Project, if the changes remain in conformance with the conceptual plan and the conditions herein."

Mr. Keith Kurahashi
October 26, 2006
Page 2

Further, you note that the proposed changes to the transitional height setback encroachments allowed by the Resolution include reductions in the following three areas of the Tower:

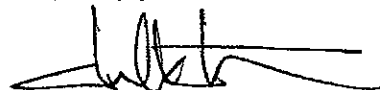
1. The maximum approved 20-foot height setback encroachment on the west side of Beach Walk would be reduced to a maximum encroachment of 14-feet;
2. The maximum approved 33-foot height setback encroachment on the structure's mauka side would be reduced to 28-feet; and
3. The maximum approved 24-foot height setback encroachment along Kalia Road would be reduced to 2-feet.

Therefore, the Director of the Department of Planning and Permitting (DPP) finds that the current (revised) design of the Trump Tower increases the height setback encroachments slightly in some areas of the building and reduces the height setback encroachments significantly in other areas. Thus, the proposal is consistent with the Waikiki Special District objectives set forth in ROH Section 21-9.80-1 and the provisions of ROH Sec. 21-9.80-4(d) and with the intent of Resolution 02-272, CD1, FD1. Therefore, the DPP, hereby, **APPROVES** the requested minor modification to allow an additional 6-foot transitional height setback encroachment at the three (3) locations specified herein.

With this approval, we ask that a copy of the landscape plan for the Trump Tower property be provided to our Urban Design Branch prior to the approval of any project construction plans and building permits.

By copy of this letter, we also remind Outrigger Enterprises that the DPP still awaits their updated status report of all PD-R and SD conditions of approval for the Beach Walk project. We hope this addresses your concerns. Please do not hesitate to contact me at 524-4432 or Deputy Director David Tanoue at 524-4433, should you have any questions.

Very truly yours,



Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:nt

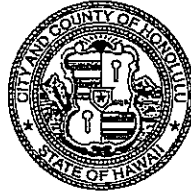
cc: Eric Masutomi

POSSE Doc. 484051

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

2007/ELOG-186(gu)
2002/SDD-46

January 29, 2007

Mr. Keith Kurahashi
Kusao & Kurahashi, Inc.
Manoa Market Place
2752 Woodlawn Drive, Suite 5-202
Honolulu, Hawaii 96822

Dear Mr. Kurahashi:

Subject: Request for Modification
City Council Resolution No. 02-272, CD1, FD1
Waikiki Special District Permit No. 2002/SDD-46
Waikiki Beach Walk Planned Development Resort (PD-R)
Trump Tower at Waikiki Beach Walk

This responds to your request of January 23, 2007, for an additional minor modification to the above Council Resolution for Phase 2 of the Waikiki Beach Walk PD-R project, now known as the Trump International Hotel and Tower (formerly the Saratoga Tower).

The Department of Planning and Permitting (DPP) previously approved (October 26, 2006) modifications to the transitional height setbacks granted under the PD-R Resolution for the project. Your current request is to further modify the height setback encroachments due to the inability of the proposed structure to comply with fire safety requirements.

Your current modification request for additional height setback encroachments reflects changes to the DPP's October 26, 2006 approval, and is as follows:

1. Between [At] Levels 19 [22] and 27[23]: 0+ to 7 [6]-feet at elevations 178.17 [195.5] to 244.54 [214.5]-feet over a distance of 0+to 32 [23]-feet (the amount of encroachment begins at 0+ over a distance of 0+ at the 19th level and increases to 7 feet over a distance of 32 feet at the 27th level due to the angular nature of the height setback over this section of the building);
2. Between [At] Levels 28 [22] and 38 [23]: 7 [6]-feet at elevations 244.54[195.5] to 342.79 [214.5]-feet over a distance of 32 [23]-feet;

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3. Between [At] Levels 19 [24] and 24 [38]: 0+ to 5 [6]-feet at elevations 178.17 [214.5] to 214.75 [342.58]-feet over a distance of 0 + to 23 [27]-feet; and
4. At Level 6: 2.5-feet at elevation 50.83 to 55.17-feet over a distance of 10-feet.

The request essentially increases the maximum 10-foot height setback encroachment along Saratoga Road approved by the Council PD-R Resolution to 0+ to 17 [16]-feet at the above four [three] locations.

As you note, Condition 23 of the PD-R Resolution states, in part, that "The Director of Planning and Permitting may approve changes to the Project that do not significantly alter the size or nature of the Project, if the changes remain in conformance with the conceptual plan and the conditions herein."

Further, you note that the proposed requested changes to the transitional height setback encroachments allowed by the Resolution include reductions in the following areas of the Tower:

1. The maximum approved 20-foot height setback encroachment on the west side of Beach Walk would be reduced to a maximum encroachment of 16 [14]-feet;
2. The maximum approved 33-foot encroachment of the structure's mauka side would be reduced to 20 [28]-feet; and
3. The maximum approved 24-foot height setback encroachment along Kalia Road would be reduced to 8[2]-feet.

Upon consideration of your request, the Director of the DPP finds that while the requested modifications would increase height setback encroachments in some areas of the building, those increases would be mitigated by reductions in other areas. Further, since the overall width of the Tower will not change for most of the structure, the increase in height setback encroachments will have little impact on the structures located both mauka and makai. On the west side of Beach Walk, the requested 16-foot height setback encroachment will still be a decrease (four feet) from what was originally approved under the PD-R Resolution, and enhance the perception of openness along the Beach Walk corridor where buildings occupy both sides of the right-of-way. Although the height setback encroachment for a small section of the tower's west face along Saratoga Road will increase, the six to seven-foot encroachment represents only 0.6 to 0.7% of the separation between the tower and the closest structure located about

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1,000 feet away. Considered in that context, the requested increase would not be significant.

Thus, the proposal is consistent with the Waikiki Special District objectives set forth in ROH Section 21-9.80-1 and the provisions of ROH Sec. 21-9.80-4(d) and with the intent of Resolution 02-272, CD1, FD1. Therefore, the Director of DPP hereby **APPROVES** the requested minor modification to allow an additional seven-foot transitional height setback encroachment at the four (4) locations specified herein.

We hope this addresses your concerns. Please do not hesitate to contact me at 524-4432 or Deputy David Tanoue at 524-4433, should you have any questions.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Henry Eng", written in black ink.

Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:pl

Doc. 511589

EXHIBIT "F"

COMMON ELEMENTS

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

One freehold estate is hereby designated in all of the remaining portions of the 2181 Kalakaua CPR (the "common elements"), which shall include the limited common elements described in **Section F** of the Declaration, the Land, the existing building and other improvements on the Land (except for the apartments), and all common elements mentioned in Hawaii Revised Statutes, Chapter 514A ("Act") which are actually constructed on the Land. Said common elements shall include, but shall not be limited to, the following:

A. The Land.

B. The Party Wall and any party wall between apartments or an apartment and an enclosed common element up to and including the undecorated or unfinished surface (other than between Apartment B and the Other B Apartments, which shall be part of Apartment B and not a common element), and any load-bearing columns and walls located within any apartment which are necessary for the support of the other apartment, the slab comprising the ceiling of Apartment A and the third floor of Apartment B within the 15-Story Portion, all foundations, columns, girders, beams, floor slabs, supports, party and other walls, roofs, corridors, stairways, ramps, and walkways, which are not part of an apartment, and all equipment, pipes, wires, conduits, utilities and other elements which serve more than one apartment (except those that serve only the Other Apartments and/or Apartment B shall be a part of Apartment B and not a common element);

C. The existing basement parking garage, marked as general common elements in brown dashes on Sheet A1-01 of the Condominium Map, including: the finished or decorated surface of the slab comprising the ceiling below Apartments B and C; the entire slab except for the upper finished or decorated surface, comprising the ceiling below Apartment A and other common elements; as well as the limited common element parking stalls described in **Sections F.1** and **F.2** of the Declaration and shown marked on Sheet A1-01 of the Condominium Map, the existing ramp between said garage and Kalakaua Avenue (including all walls which are not part of an apartment), and the existing stairway from said garage to Lewers Street, both as shown in brown dashes on Sheets A1-01 and A1-02 of the Condominium Map, and the areas marked Fire Pump and Domestic Water Supply Pump shown in brown dashes on Sheet A1-01 together with their equipment.

D. The area on the first floor surrounding the stairways adjacent to Lewers Street as shown in brown dashes on Sheet A1-02 of the Condominium Map

Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, and normally in common use and which are not part of any apartment.

EXHIBIT "G"

LIMITED COMMON ELEMENTS

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

Certain parts of the common elements (the "limited common elements") are set aside and reserved for the exclusive use of certain apartments, which apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside for each apartment are as follows:

A. The areas in the existing basement parking garage shown as "Apartment A Elements" on Sheet A1-01 of the Condominium Map, including parking stalls 27 through 38 and 51 through 57, shall be limited common elements appurtenant to Apartment A.

B. The areas in the existing basement parking garage shown as "Apartment B Elements" on Sheet A1-01 of the Condominium Map, including parking stalls 1 through 26, 22A and 39 through 50, shall be limited common elements appurtenant to Apartment B.

C. Any portion of the improvements separating Apartment B from Apartment C or Apartment B from Apartment D, to the extent such improvements are not part of an Apartment (e.g. Party Walls), shall be limited common elements appurtenant to the Apartments they separate.

E. Any portion of the common elements that do not serve all the apartments shall be limited common elements appurtenant to the Apartments they serve, unless otherwise designated a portion of Apartment B.

Notwithstanding any provision herein or in the By-Laws to the contrary, the owner(s) of the apartment(s) to which any limited common element is appurtenant shall maintain said limited common element and all fixtures and equipment located therein in good order, condition and repair. All costs of every kind pertaining to each limited common element, including without limitation, costs of maintenance, repair, replacements, additions and improvements, shall be paid by the owner(s) of the apartment(s) to which it is appurtenant, and said owner(s) shall be responsible for all loss and damage affecting any common element or any other apartment, which is caused by anything located in such limited common element.

Expenses which are attributable to more than one limited common element shall be allocated between or among the affected limited common elements on a pro rata basis and if no other pro rata formula is established by this the Declaration, then equally. Expenses of a limited common element that is appurtenant to more than one apartment shall be allocated between or among the affected apartments on a pro-rata basis and if no other prorata formula is established by the Declaration, then equally. Any expense which cannot be separately identified or attributed to a limited common element shall be charged as a common expense.

EXHIBIT "H"

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes, if any, that may be due and owing.

Tax Key (1) 2-6-003-001.

2. Assessments for Waikiki Business Improvement District in the amount of \$11,762.01 have been fully paid up to and including June 30, 2013.

Tax Key: (1) 2-6-003-001 C.P.R. No. 0002

3. Mineral and water rights of any nature in favor of the State of Hawaii.

4. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED DECLARATION OF CONDOMINIUM
PROPERTY REGIME OF 2181 KALAKAUA

DATED : June 5, 2006
RECORDED : Document No. 2006-103815
MAP : 3235 and any amendments thereto

The foregoing Amended and Restated Declaration restates in its entirety the original Declaration dated March 19, 2001, recorded as Document No. 2001-043082, and any amendments thereto.

Said Declaration was amended by instruments dated as of September 26, 2007, recorded as Document No. 2007-173686, dated as of February 3, 2011, recorded as Document No. 2011-030459, dated as of May 26, 2011, recorded as Document No. 2011-084425 and dated April 5, 2013, recorded as Document No. A-48541035.

5. The terms and provisions contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : March 19, 2001
RECORDED : Document No. 2001-043083

Said By-Laws were amended by instrument dated as of May 26, 2011, recorded as Document No. 2011-084427.

Joinder by FIRST HAWAIIAN BANK, a Hawaii corporation, dated April 29, 2011, recorded as Document No. 2011-084428.

6. The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT FOR JOINT DEVELOPMENT AND RESTRICTIVE
COVENANT REGARDING LANAI ENCLOSURES (WAIKIKI BEACH
WALK; PLANNED DEVELOPMENT - RESORT)

DATED : January 19, 2005, February 1, 2005, March 28, 2005, April 5, 2005 and April 6,
2005
FILED : Land Court Document Nos. 3219661 and 3248392

RECORDED : Documents Nos. 2005-010991, 2005-026114, 2005-062997, 2005-068466 and 2005-068467
PARTIES : OUTRIGGER HOTELS HAWAII, a Hawaii limited partnership; IRL, LLC, a Hawaii limited liability company; ALA WAI GATEWAY LIMITED PARTNERSHIP, a Hawaii limited partnership; OWT, LLC, a Hawaii limited liability company; OUTRIGGER-LAX LIMITED PARTNERSHIP, a Nevada limited partnership; ORF, LLC, a Hawaii limited liability company; OMP, LLC, a Hawaii limited liability company; CATHERINE EVANS LLOYD MOORE, Trustee under that certain unrecorded Revocable Living Trust dated July 17, 1980, RRK HOTEL ASSOCIATES, LLC, a Colorado limited liability company, RRK LAND COMPANY, LLC, a Colorado limited liability company, JABRON MANGO COMPANY, a Hawaii limited partnership, and SUTTON FAMILY PARTNERS, a Hawaii limited partnership

7. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR WAIKIKI BEACH WALK
DATED : January 19, 2005 and March 28, 2005
FILED : Land Court Document Nos. 3219662 and 3248393
RECORDED : Document Nos. 2005-010992 and 2005-062998
PARTIES : OUTRIGGER HOTELS HAWAII, a Hawaii limited partnership

Joinder by IRL, LLC, a Hawaii limited liability company, ALA WAI GATEWAY LIMITED PARTNERSHIP, a Hawaii limited partnership, OWT, LLC, a Hawaii limited liability company, OUTRIGGER-LAX LIMITED PARTNERSHIP, a Nevada limited partnership, ORF, LLC, a Hawaii limited liability company, OMP, LLC, a Hawaii limited liability company, RRK HOTEL ASSOCIATES, LLC, a Colorado limited liability company, and RRK LAND COMPANY, LLC, a Colorado limited liability company.

Section 4.1, Section 4.2 and Section 3.3 of the above Declaration are clarified in instrument dated May 26, 2011, recorded as Document No. 2011-084430.

8. The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT
DATED : January 25, 2005
RECORDED : Document No. 2005-026113
PARTIES : IRL, LLC, a Hawaii limited liability company, OUTRIGGER ENTERPRISES, INC., a Hawaii corporation, and CATHERINE EVANS LLOYD MOORE, as Trustee under that certain unrecorded Revocable Living Trust dated July 17, 1980, as amended

9. The terms and provisions contained in the following:

INSTRUMENT : RECIPROCAL EASEMENT AGREEMENT (RETAIL APARTMENT BEACH WALK / APARTMENT B 2181 KALAKAUA)
DATED : June 5, 2006
FILED : Land Court Document No. 3436497
RECORDED : Document No. 2006-103818

PARTIES : ABW LEWERS LLC, a Hawaii limited liability company, and IRL, LLC, a Hawaii limited liability company

Said Agreement was amended by instrument dated May 4, 2011, filed as Land Court Document No. 4071424 and recorded as Document No. 2011-075135.

10. Any rights or interests which may exist or arise by reason of the following facts shown on survey map prepared by Lance T. Stevens, Land Surveyor, with Controlpoint Surveying, Inc., dated October 29, 2007, updated March 11, 2011:

A. Concrete steps lead to door of adjacent building. The door can open outward up to 2 feet 10 inches over the property line into the subject lot.

11. -AS TO ITEM III OF SCHEDULE C OF TITLE REPORT:-

Any claim or boundary dispute which may exist or arise by reason of the failure of the Grant of Easements referred to in Item III of Schedule C to locate with certainty the boundaries of the easements described in said instrument.

12. The terms and provisions contained in the following:

INSTRUMENT : LIMITED WARRANTY DEED WITH COVENANTS (2181 Kalakaua)

DATED : May 26, 2011

RECORDED : Document No. 2011-084430

The foregoing includes, but is not limited to, matters relating to reservations of right to grant easements.

13. The terms and provisions contained in the following:

INSTRUMENT : JOINT USE OF FACILITIES AGREEMENT

DATED : as of May 26, 2011

RECORDED : Document No. 2011-084432

PARTIES : IRL, LLC, a Hawai'i limited liability company, and HRC ISLANDER LLC, a Delaware limited liability company

Said Agreement was amended by FIRST AMENDMENT TO JOINT USE OF FACILITIES AGREEMENT dated and effective as of December 19, 2012, recorded as Document No. A-47360426.

14. -AS TO APARTMENT NOS. B301 THRU B310, INCLUSIVE, APARTMENT NO. B312, APARTMENT NOS. B401 THRU B412, INCLUSIVE, APARTMENT NOS. B501 THRU B512, INCLUSIVE, APARTMENT NOS. B601 THRU B612, INCLUSIVE, APARTMENT NOS. B701 THRU B712, INCLUSIVE, APARTMENT NOS. B801 THRU B812, INCLUSIVE, APARTMENT NOS. B901 THRU B912, INCLUSIVE, APARTMENT NOS. B1001 THRU B1012, INCLUSIVE, APARTMENT NOS. B1101 THRU B1112, INCLUSIVE, APARTMENT NOS. B1201 THRU B1212, INCLUSIVE, APARTMENT NOS. B1401 THRU B1407, INCLUSIVE, B1409, AND B1411, ONLY:-

(A) The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND VACATION OWNERSHIP INSTRUMENT FOR BW VACATION SUITES

DATED : September 21, 2012

RECORDED : Document No. A-46510660

The foregoing includes, but is not limited to, matters relating to right of first refusal.

Said Declaration was amended by DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND VACATION OWNERSHIP INSTRUMENT FOR BW VACATION SUITES FIRST DECLARATION OF ANNEXATION dated January 4, 2013, effective as of January 10, 2013, recorded as Document No. A-47581049.

(B) MEMORANDUM OF RIGHT OF FIRST REFUSAL TO PURCHASE BW VACATION SUITES dated January 11, 2013, recorded as Document No. A-47640455.

15. The terms and provisions contained in the following:

INSTRUMENT : BW VACATION SUITES SHARED FACILITIES AGREEMENT
DATED : September 20, 2012
RECORDED : Document No. A-46510661
PARTIES : BW VACATION OWNERS ASSOCIATION, INC., a Hawaii non-profit corporation (the "Association") and HRC ISLANDER LLC, a Delaware limited liability company ("Developer")

EXHIBIT "I"

ESTIMATE OF MAINTENANCE FEE DISBURSEMENT AND COMMON EXPENSE

Attached is the estimated budget and maintenance fee disbursement for the entire Apartment B and Other B Apartments based on the 2181 Kalakaua CPR budget. Each owner in the Project will be responsible for the maintenance fee for their apartment, as represented on page 3-6 of this Exhibit.


BW VACATION SUITES
(aka Hokulani Waikiki by Hilton Grand Vacations Club)
Estimate of Maintenance Fee Disbursement and Common Expense

CERTIFICATE

I, Kim Robert Kreiger the undersigned duly sworn on oath depose and affirm as follows:

1. I am the Senior Vice President and Chief Club Officer for Hilton Grand Vacations Management, LLC, the Managing Agent for BW Vacation Suites (aka Hokulani Waikiki by Hilton Grand Vacations Club) ("Project").
2. I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated expenses for each unit in the Project as set forth in the Budget attached were determined in accordance with Section 514B-148 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules. Further that such are a responsible estimate for the one year period commencing January 1, 2013 based on generally accepted accounting principles. The Budget was calculated on an accrual basis. Maintenance fees will not be charged and developer will pay actual costs until the timeshare program is legally established and registered with the State of Hawaii pursuant to HRS, Chapter 514E. The developer will give notice to owners in advance of their timeshare maintenance fees being due and payable.

Dated: 4/17/13

Name: 
Print: K. Robert Kreiger

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**Budget for Apartment B and Other B Apartments Based on the
Association of Apartment Owners of
2181 Kalakaua Condominium**

Association of Apartment Owners of
2181 Kalakaua Condominium
Estimate of Fee Disbursements

The amounts set forth in this budget are estimates only and may change for reasons beyond the control of the Developer. Insurance, energy and labor costs are currently in flux and can substantially increase over a short period of time. The Developer cannot predict how changes in the economic, social and political conditions in Hawaii, the U.S. and/or globally may impact such costs. Purchasers are aware and acknowledge that the budget and as a result each purchasers maintenance fee, will likely increase due to the trend toward the increasing costs of insurance and energy.

12	G2	
	G3	
REVENUE	Monthly Fee	Annual Fee
Maintenance Fees	\$12,470.27	\$149,643.19
EXPENSES		
<i>Utilities</i>		
Electricity	\$563.89	\$6,766.69
Sewer	\$375.65	\$4,507.84
Water	\$0.00	\$0.00
Gas	\$0.00	\$0.00
Subtotal Utilities	\$939.54	\$11,274.52
<i>Repairs & Maintenance</i>		
Building Repairs & Maintenance	\$747.59	\$8,971.10
Common Grounds	\$0.00	\$0.00
Landscaping	\$0.00	\$0.00
Tree Trimming	\$0.00	\$0.00
Window Cleaning	\$0.00	\$0.00
Subtotal Repairs & Maintenance	\$747.59	\$8,971.10
<i>General & Administrative</i>		
Insurance	\$4,749.48	\$56,993.74
Administrative Fees	\$1,553.54	\$18,642.50
Audit and Taxes	\$100.09	\$1,201.09
Payroll and Benefits	\$0.00	\$0.00
Subtotal General & Administrative	\$6,403.11	\$76,837.33
TOTAL EXPENSES	\$8,090.25	\$97,082.96
Capital Reserve	\$3,085.66	\$37,027.97
Painting Reserve	\$1,294.36	\$15,532.26
GRAND TOTAL	\$12,470.27	\$149,643.19

Total Annual Maintenance Fee

\$149,643.19

Apartment Number	Total Area SF	Annual Budget	Monthly Budget
B301	636	\$606.73	\$50.56
B302	636	\$606.73	\$50.56
B303	636	\$606.73	\$50.56
B304	636	\$606.73	\$50.56
B305	635	\$605.78	\$50.48
B306	635	\$605.78	\$50.48
B307	636	\$606.73	\$50.56
B308	636	\$606.73	\$50.56
B309	636	\$606.73	\$50.56
B310	635	\$605.78	\$50.48
B311	561	\$535.18	\$44.60
B312	620	\$591.47	\$49.29
B401	636	\$606.73	\$50.56
B402	636	\$606.73	\$50.56
B403	636	\$606.73	\$50.56
B404	636	\$606.73	\$50.56
B405	635	\$605.78	\$50.48
B406	635	\$605.78	\$50.48
B407	635	\$605.78	\$50.48
B408	636	\$606.73	\$50.56
B409	636	\$606.73	\$50.56
B410	636	\$606.73	\$50.56
B411	620	\$591.47	\$49.29
B412	620	\$591.47	\$49.29
B501	636	\$606.73	\$50.56
B502	636	\$606.73	\$50.56
B503	636	\$606.73	\$50.56
B504	636	\$606.73	\$50.56
B505	635	\$605.78	\$50.48
B506	635	\$605.78	\$50.48
B507	636	\$606.73	\$50.56
B508	636	\$606.73	\$50.56
B509	636	\$606.73	\$50.56
B510	636	\$606.73	\$50.56
B511	620	\$591.47	\$49.29
B512	620	\$591.47	\$49.29
B601	636	\$606.73	\$50.56
B602	636	\$606.73	\$50.56
B603	636	\$606.73	\$50.56
B604	636	\$606.73	\$50.56
B605	635	\$605.78	\$50.48

B606	635	\$605.78	\$50.48
B607	636	\$606.73	\$50.56
B608	636	\$606.73	\$50.56
B609	636	\$606.73	\$50.56
B610	636	\$606.73	\$50.56
B611	620	\$591.47	\$49.29
B612	620	\$591.47	\$49.29
B701	636	\$606.73	\$50.56
B702	636	\$606.73	\$50.56
B703	636	\$606.73	\$50.56
B704	636	\$606.73	\$50.56
B705	635	\$605.78	\$50.48
B706	635	\$605.78	\$50.48
B707	636	\$606.73	\$50.56
B708	636	\$606.73	\$50.56
B709	636	\$606.73	\$50.56
B710	636	\$606.73	\$50.56
B711	620	\$591.47	\$49.29
B712	620	\$591.47	\$49.29
B801	636	\$606.73	\$50.56
B802	636	\$606.73	\$50.56
B803	635	\$605.78	\$50.48
B804	636	\$606.73	\$50.56
B805	635	\$605.78	\$50.48
B806	635	\$605.78	\$50.48
B807	636	\$606.73	\$50.56
B808	636	\$606.73	\$50.56
B809	636	\$606.73	\$50.56
B810	636	\$606.73	\$50.56
B811	620	\$591.47	\$49.29
B812	620	\$591.47	\$49.29
B901	636	\$606.73	\$50.56
B902	636	\$606.73	\$50.56
B903	636	\$606.73	\$50.56
B904	636	\$606.73	\$50.56
B905	635	\$605.78	\$50.48
B906	635	\$605.78	\$50.48
B907	636	\$606.73	\$50.56
B908	636	\$606.73	\$50.56
B909	636	\$606.73	\$50.56
B910	636	\$606.73	\$50.56
B911	620	\$591.47	\$49.29
B912	620	\$591.47	\$49.29
B1001	636	\$606.73	\$50.56
B1002	636	\$606.73	\$50.56

B1003	636	\$606.73	\$50.56
B1004	636	\$606.73	\$50.56
B1005	635	\$605.78	\$50.48
B1006	635	\$605.78	\$50.48
B1007	636	\$606.73	\$50.56
B1008	636	\$606.73	\$50.56
B1009	636	\$606.73	\$50.56
B1010	636	\$606.73	\$50.56
B1011	620	\$591.47	\$49.29
B1012	620	\$591.47	\$49.29
B1101	636	\$606.73	\$50.56
B1102	636	\$606.73	\$50.56
B1103	636	\$606.73	\$50.56
B1104	636	\$606.73	\$50.56
B1105	635	\$605.78	\$50.48
B1106	635	\$605.78	\$50.48
B1107	636	\$606.73	\$50.56
B1108	636	\$606.73	\$50.56
B1109	636	\$606.73	\$50.56
B1110	636	\$606.73	\$50.56
B1111	620	\$591.47	\$49.29
B1112	620	\$591.47	\$49.29
B1201	636	\$606.73	\$50.56
B1202	636	\$606.73	\$50.56
B1203	636	\$606.73	\$50.56
B1204	636	\$606.73	\$50.56
B1205	635	\$605.78	\$50.48
B1206	635	\$605.78	\$50.48
B1207	636	\$606.73	\$50.56
B1208	636	\$606.73	\$50.56
B1209	636	\$606.73	\$50.56
B1210	636	\$606.73	\$50.56
B1211	620	\$591.47	\$49.29
B1212	620	\$591.47	\$49.29
B1401	636	\$606.73	\$50.56
B1402	636	\$606.73	\$50.56
B1403	636	\$606.73	\$50.56
B1404	636	\$606.73	\$50.56
B1405	635	\$605.78	\$50.48
B1406	635	\$605.78	\$50.48
B1407	636	\$606.73	\$50.56
B1408	636	\$606.73	\$50.56
B1409	636	\$606.73	\$50.56
B1410	636	\$606.73	\$50.56
B1411	620	\$591.47	\$49.29

B1412	620	\$591.47	\$49.29
B1501	636	\$606.73	\$50.56
B1502	636	\$606.73	\$50.56
B1503	636	\$606.73	\$50.56
B1504	636	\$606.73	\$50.56
B1505	635	\$605.78	\$50.48
B1506	635	\$605.78	\$50.48
B1507	636	\$606.73	\$50.56
B1508	636	\$606.73	\$50.56
B1509	636	\$606.73	\$50.56
B1510	636	\$606.73	\$50.56
B1511	620	\$591.47	\$49.29
B1512	620	\$591.47	\$49.29
B	65,748	\$62,722.43	\$5,226.87
Subtotal	156,862	\$149,643.19	

EXHIBIT "J"

SUMMARY OF ESCROW AGREEMENT

Capitalized terms have the same meaning ascribed to such terms in the Agreement.

The Escrow Agreement for the Project dated June 17, 2011 ("Agreement") entered into between HRC Islander LLC ("Seller") and Title Guaranty Escrow Services, Inc. ("Escrow") contains the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. Escrow agrees to handle escrow funds paid by Purchasers and the Purchase Documents in accordance with the terms set forth in the Agreement.

B. Each Purchaser and Seller appoints Escrow as their agent to perform in accordance with the Agreement.

C. A Hawaii Escrow Account is established with Escrow and will be maintained for the deposit, handling and disbursing of Purchaser's funds.

D. Purchaser's funds will be held in accordance with the Act and Timeshare Rule §16-106-34 and will be released to Seller upon closing; provided that:

- 1) 7 days have passed after the Purchaser's contract is signed; and
- 2) 7 days have passed after Purchaser receives the Disclosure Statement; and
- 3) 5 days after the last of the 7 day periods described above expires; and
- 4) Seller delivers a sworn statement to Escrow that no cancellation notice was received from Purchaser.

E. Purchaser's funds may not be used to pay construction costs prior to closing.

F. Seller may instruct Escrow to put Purchaser's funds in an interest-bearing account designated by Seller. The interest shall be payable to Seller.

G. Escrow will close the transaction upon payment by Purchaser of all closing costs and release the Purchaser's funds to Seller only if the conditions required under HRS §514E-18 and the other conditions set forth in the Agreement have been met. Closing shall be completed upon transfer by recordation of a Deed conveying the Vacation Ownership Interest to Purchaser, recordation of the Mortgage, if any, and transfer of the funds to Seller.

H. Purchaser's funds shall be released from Escrow without a closing only if:

- 1) Purchaser gives Seller a valid notice of cancellation within the 7 days after execution of the purchase contract or receipt of the Disclosure Statement, whichever occurs later;
- 2) Purchaser or Seller properly terminates the purchase contract pursuant to its terms; or
- 3) Purchaser defaults under the Purchase Documents.

I. Escrow shall be paid the following fees:

- 1) Cancellation fee – For each purchase cancelled by Purchaser.

- 2) Escrow fee – For each purchase that closes, Escrow shall be paid a fee of \$90.00 (plus Hawaii general excise tax). The Escrow fee for closings occurring after 2 years of servicing under the Agreement will be subject to determination.

J. Each Purchaser will receive a title insurance policy. Escrow will make such arrangements unless Purchaser tells Escrow in writing differently. The fee for the policy shall be determined by the Purchase Documents, but shall not exceed \$90.00.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE ESCROW AGREEMENT, PURCHASER MUST REFER TO THE ESCROW AGREEMENT TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE ESCROW AGREEMENT, THE ESCROW AGREEMENT WILL CONTROL.

EXHIBIT "K"

**SUMMARY OF CERTAIN BEACH WALK DECLARATIONS, COVENANTS AND CONDITIONS
AFFECTING THE PROJECT**

The following agreements, declarations and easements (collectively, "Master Documents") set forth use restriction and improvements and design standards for the Project.

A. **Declaration of Covenants, Conditions and Restrictions for Waikiki Beach Walk, dated January 19, 2005 and March 28, 2005, filed as Land Court Document Nos. 3219662 and 3248393, and recorded as Document Nos. 2005-010992 and 2005-062998.**

This Declaration encumbers much of the Waikiki Beach Walk project. It is made by Outrigger Hotels Hawaii ("Declarant"), with the joinder of the other Seller entities as the fee simple or leasehold owners of the properties.

We note the following Declaration provisions for your consideration:

(a) Art. II; Architectural Standards. Section 2.1 subjects all construction on the properties to the design guidelines attached to the Declaration, including any condominium units to be developed (Section 1.11).

(b) Art. III; Planned Development Resort ("PDR"). Acknowledges restrictions on owner's rights under LUO provisions applicable to PDRs and the Permit. Section 3.2 expressly provides that no owner, as a result of the PDR approval, has development rights with respect to another owner's property. No owner has the right to sell, lease, dispose of, encumber, grade, or subject to covenants, conditions and restrictions, any other owner's property without such owner's prior written consent.

Section 3.3 – Each owner wishing to improve or develop his parcel, or change the parcel's boundaries, must obtain Declarant's prior written consent to its plans for improvement and development. Declarant shall consent and approve the plans provided:

- (i) the plans are consistent with the PDR Approval;
- (ii) if the plans will increase the floor area of the PDR project, or will decrease the open space of the PDR project, Declarant may disapprove the plants in its sole discretion;
- (iii) if the plan requires modification to the PDR Approval, increases the parking or loading requirements under the LUO or the PDR Approval, or adversely affects the development rights of any other owner's parcel (as determined by Declarant in the exercise of is sole discretion) and the owner has not agreed to the same in writing, Declarant may disapprove the plans in its sole discretion; and
- (iv) if the plans require a consolidation or subdivision of parcel boundaries, Declarant may disapprove the plans in its sole discretion.

Upon receipt of Declarant's written approval of the plans, the owner may apply for, process and obtain governmental permits and approvals required for the plans. Copies of the applications are to be provided to the Declarant, which is appointed the owner's attorney in fact to execute any and all documents required by the City in connection with such permits, as approved by Declarant.

(c) Art. IV; Reserved Easements. In Section 4.1, the Declarant reserves for itself and its designees (which may include the County) *blanket* easements upon, across, over and under all of the properties, for ingress, egress, installation, replacing, repairing, and maintaining all utilities, including water, sewers, telephones, communications, gas, electricity, cable television systems, master television antenna systems, security and similar systems, walkways, drainage and water flow, all in connection with or for the purposes of implementing the entire PDR project. The Declarant and utility companies are to use their "best efforts" to install, maintain the utilities

without disturbing the uses of the owners, to proceed as expeditiously as reasonably possible and to restore the surface of the properties to their original conditions.

Section 4.1 also provides that no sewers, electrical lines, waterlines, or other utilities may be installed or relocated on the properties, except as approved by Declarant. The easements provided for shall not adversely impact any other recorded easements existing on the properties as of the date Declarant grants such easements. Declarant is appointed owner's attorney-in-fact to file applications and to request approvals designating easements, to grant such easements and rights, and do all things necessary or convenient in connection with such easements.

(c) Reservation of Easement In Gross for Events. In Section 4.2, the Declarant reserves for itself *and its designees* a non-exclusive easement in gross over unspecified portions of the properties for the purpose of conducting (a) public and private functions, (b) educational, cultural, artistic, musical, recreational, sporting and entertainment activities, and (c) activities of general community interest, all at such locations and times as Declarant, in its sole discretion, deems appropriate. Owners agree that exercise of the easement may result in temporary increases in traffic, noise, crowds, and related inconveniences, and agree to take no action to interfere with exercise of the easement.

(d) Art. V, General Provisions. According to Sections 5.1(a) (b), (c), the Declaration restrictions, covenants and conditions run with the properties and are binding on successors and assigns, except for Declarant's rights under Articles III (PDR) and IV (Easements), which are held in gross. Declarant may designate a designee to exercise its rights in Arts. III and IV. Following the date Declarant no longer owns any Unit,¹ its rights shall be exercised by a 3-person committee elected by a majority of the then Owners.²

(e) Section 5.2 – Art. II (Architectural Standards) provisions terminate on the earlier of (i) 30 years from the date of the Declaration, (ii) Declarant's execution and recordation of an instrument terminating Art. II so long as Declarant owns any Unit, and (iii) after Declarant no longer owns any Unit, execution and recordation by a majority of the then-Owners of an instrument terminating Art. II.

(f) Section 5.3 – Owners of Units in a condominium property regime ("CPR") have no right to act individually, but shall exercise their enforcement and voting rights under Art. V through their Association of Apartment Owners pursuant to a vote of the majority of the Owners in the CPR.

B. Reciprocal Easement Agreement (Retail Apartment Beach Walk/Apartment B 2181 Kalakaua), dated June 5, 2006 and filed as Document No. 3436497 and recorded as Document No. 2006-103818.

IRL, LLC, as the owner of Apartment B in the 2181 Kalakaua CPR and ABW Lewers LLC, as the owner of the Retail Apartment in the adjoining Beach Walk condominium project, grant cross easements over Apartment B's escalators and the Retail Apartment's elevators as follows:

1. The owner of Apartment B ("Hotel Owner") grants to the owner of the Retail Apartment ("Retail Owner"), a perpetual nonexclusive easement to use the escalators for access between Lewers Street, or the sidewalk along Lewers Street, and the Retail Apartment.

2. Retail Owner grants to the Hotel Owner a perpetual nonexclusive easement to use the elevator for access between Lewers Street or the sidewalk along Lewers Street to the Hotel Apartment.

¹ A "Unit" is defined as each Parcel and each apartment in a condominium property regime within the properties covered by the Declaration. Declaration, Section 1.11.

² An "Owner" is a person(s) who, from time to time, holds fee simple title to any Unit, as shown on the tax records of the County, excluding any interests held merely for security purposes; provided, however, that a vendee under an agreement of sale or lessee under a lease for a term of 30 years or more will be considered an Owner.

In addition, the respective easements include access to the escalators and elevator by a reasonably direct route over the walkways, escalator platforms or elevator lobbies of the Hotel Apartment and Retail Apartment.

Each owner shall maintain the easement located on their own property and no contribution to the costs of upkeep and maintenance of these apartments shall be required from any benefited owner, except for the cost of repairing any damage, soiling or unreasonable wear and tear caused by the use of the easement by the benefited party.

The easements may be partly or wholly shut down for maintenance, repair and upkeep; provided that the customers, guests and other persons claiming through the benefited owner are treated substantially equally with the customers, guests and other persons claiming through the burdened owner. At least 15 days notice must be given prior to any shut down, except in an emergency.

The burdened owner may place reasonable restrictions on use, provided that restrictions shall comply with the provisions in Section 5.1, 5.2 and 5.3 of the Agreement.

If the burdened apartment is subdivided, then the benefited owner shall, at the request of the burdened owner, enter into a recordable amendment of the Agreement, releasing any apartment created by the subdivision that does not contain the elevators or escalators or the other portions of the burdened apartment subject to the Agreement.

C. Agreement for Joint Development and Restrictive covenant Regarding Lanai Enclosures (Waikiki Beach Walk; Planned Development – Resort), dated January 19, 2005, February 1, 2005, March 28, 2005, April 5, 2005 and April 6, 2005, filed as Land Court Document Nos. 3219661 and 3248392, and recorded as Document Nos. 2005-010991, 2005-026114, 2005-062997, 2005-068466 and 2005-068467.

This Agreement permits all of the properties subject to the Agreement (the entire Beach Walk project) to be treated as one lot for zoning purposes. The Agreement explains that pursuant to City Resolution No. 02-272, CD1, FDI and the Planned Development-Resort/Special District Permit approved by the City Department of Planning and Permitting ("DPP") on December 27, 2002 ("Permit"), that "lanais" will not be enclosed. "Lanai" is defined in accordance with the City LUO in effect at the time of the Agreement and as such is defined in the Agreement as "an area projecting from the face of a building" meeting the following conditions: (a) it is an accessory to an area to a dwelling unit or a lodging unit (as defined in the LUO);³ (b) at least 50% of the area's perimeter is permanently open to the exterior except for a safety railing not exceeding 4 feet in height and is without structural columns or walls; and (c) the area is solely accessible from the dwelling unit or lodging unit to which it is appurtenant. "Enclosed" is also defined pursuant to the LUO, which as of the date of the Agreement, "enclosed" is defined as "structural and nonstructural alterations or additions (including, without limitation, walls, windows, doors, panels, awnings, railing, жалousies or screens), which would further enclose any portion or portions of the lanais." Failure to comply with the Agreement constitutes grounds for the DPP to revoke or suspend any building permits and the Permit and the DPP Director's written permission is required to amend, terminate or cancel the Agreement.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE MASTER DOCUMENTS NOR DOES IT COVER ALL OF THE DECLARATIONS, COVENANTS AND CONDITIONS, EASEMENTS OR AGREEMENTS AFFECTING THE PROJECT. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE PURCHASER'S RIGHTS AND OBLIGATIONS UNDER THE MASTER DOCUMENTS, THE PURCHASER MUST REFER TO THE DOCUMENTS NOTED ON THE TITLE REPORT AND MASTER DOCUMENTS TO DETERMINE THE

³ The LUO defines a "dwelling unit" as "a room or rooms connected together, constituting an independent housekeeping unit for a family and containing a single kitchen. Two or more essentially separate structures, except for a token connection, such as a covered walkway or a trellis, do not constitute a single dwelling unit. Unless specifically permitted in use regulations, a dwelling unit shall not include a unit used for time sharing or a transient vacation unit as defined in this chapter." A "lodging unit" is "a room or rooms connected together, constituting an independent living unit for a family which does not contain a kitchen. Unless specifically permitted in use regulations, 'lodging unit' shall not include a unit used for time sharing or a transient vacation unit as defined in this chapter." These definitions remain the same in the current LUO (2008).

PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE MASTER DOCUMENTS, THE MASTER DOCUMENTS WILL CONTROL.