

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

CONDOMINIUM PROJECT NAME	ONE ALA MOANA*
Project Address	1555 Kapiolani Boulevard Honolulu, Hawaii 96814
Registration Number	7290 (Conversion)
Effective Date of Report	November 8, 2012
Developer(s)	Kapiolani Residential, LLC

***This registration covers only 206 Residential Units of the total 208 Units in the One Ala Moana condominium project. The 2 other Commercial Units in the Project are not covered under this Developer's Public Report.**

Preparation of this Report

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

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

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

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

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

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

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

SPECIAL ATTENTION

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

See Section 6 on pages 18 through 18c in this report for significant matters.

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General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	1555 Kapiolani Boulevard Honolulu, Hawaii 96814
Address of Project is expected to change because	
Tax Map Key (TMK)	(1) 2-3-040:022
Tax Map Key is expected to change because	
Land Area	95,725 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	1
Floors Per Building	23 floors
Number of New Building(s)	1 - Tower portion of building
Number of Converted Building(s)	1 - Portion of 23 floor building
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, wood, glass, steel

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Total Area
See Exhibit "A"						

206*	Total Number of Units
------	-----------------------

***There are 206 Residential Units and 2 Commercial Units in the Project. This registration only covers the 206 Residential Units in the One Ala Moana condominium project. See Section 6 page 18 for more information on the "Commercial Development."**

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

1.4 Parking Stalls

Total Parking Stalls in the Project:*	452 residential and 793 commercial (see Exhibit "B" for breakdown)
Number of Guest Stalls in the Project:	21
Number of Parking Stalls Assigned to Each Unit:	1-3 (see Exhibit "B")
Attach Exhibit "B" specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. The residential parking stalls described on Exhibit "E" as Individual Residential Limited Common Elements to Residential Unit 601 may eventually be redesignated to other Residential Units as Individual Residential Limited Common Elements by the Developer. The Developer also has the right to redesignate Individual Residential Limited Common Element parking stalls between Residential Units it owns.	

* Note: There are five loading stalls not included in this count that are described in Exhibit "B." Stalls noted with "N" in the Condominium Map are non-conforming stalls and stall no. 4147 is an oversized stall. See Exhibit "B" for more details.

1.5 Boundaries of the Units

Boundaries of the unit: See Exhibit "C"
--

1.6 Permitted Alterations to the Units

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

1.7 Common Interest

<u>Common Interest:</u> Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit "A".
As follows:

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

<input checked="" type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input checked="" type="checkbox"/>	Storage Area**
<input type="checkbox"/>	Tennis Court
<input checked="" type="checkbox"/>	Recreation Area
<input checked="" type="checkbox"/>	Trash Chute/Enclosure(s)
<input checked="" type="checkbox"/>	Exercise Room
<input checked="" type="checkbox"/>	Security Gate
<input checked="" type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): Guest Suites

* These are anticipated amenities as of the date of this Public Report and are subject to change.

** Storage Lockers and rooms are currently Individual Residential Limited Common Elements to Residential Unit 601 and may be open to Association use or "sold" to Owners and redesignated as Individual Residential Limited Common Elements to other Units.

1.9 Common Elements

<p>Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.</p>									
<p>Described in Exhibit "E"</p>									
<p>Described as follows:</p>									
<table border="1"> <thead> <tr> <th>Common Element</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Elevators</td> <td>2-Commercial portion of Retail/Parking Structure; 2-Residential Development (Levels 1-6); 4-Residential Development (Levels 6-23)</td> </tr> <tr> <td>Stairways</td> <td>4-Retail/Parking Structure; 4-Residential Development; 4-Within Penthouse Units</td> </tr> <tr> <td>Trash Chutes</td> <td>2</td> </tr> </tbody> </table>		Common Element	Number	Elevators	2-Commercial portion of Retail/Parking Structure; 2-Residential Development (Levels 1-6); 4-Residential Development (Levels 6-23)	Stairways	4-Retail/Parking Structure; 4-Residential Development; 4-Within Penthouse Units	Trash Chutes	2
Common Element	Number								
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Stairways	4-Retail/Parking Structure; 4-Residential Development; 4-Within Penthouse Units								
Trash Chutes	2								

1.10 Limited Common Elements

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

1.11 Special Use Restrictions

<p>The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.</p>	
<input checked="" type="checkbox"/>	Pets: dogs, cats or other typical household pets and service animals are permitted in Residential Units, pursuant to the limitations in the House Rules (see Exhibit "L")
<input checked="" type="checkbox"/>	Number of Occupants: See Declaration, Section VI.B.2
<input checked="" type="checkbox"/>	Other: See Exhibit "L"; House Rules
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

<p>An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).</p>
<p>Exhibit "G" describes the encumbrances against title contained in the title report described below.</p>
<p>Date of the title report: October 24, 2012</p>
<p>Company that issued the title report: Title Guaranty of Hawaii, Inc.</p>

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input checked="" type="checkbox"/>	Residential	206	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	BMX-3 Community – Business Mixed Use District
<input checked="" type="checkbox"/>	Commercial	2	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	BMX-3 Community – Business Mixed Use District
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Other (specify)		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Describe any variances that have been granted to zoning code.			See Exhibit "M"	

1.14 Other Zoning Compliance Matters

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

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

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

1.15 Conversions

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

<p>Verified Statement from a County Official</p>	
<p>Regarding any converted structures in the project, attached as Exhibit <u> "M" </u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p style="text-align: center;">or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>	
<p>Other disclosures and information: Project is subject to a Conditional Use Permit (File No. 2005/CUP-23) ("CUP"), which was approved with conditions for twelve (12) parcels including the Project lot. Pursuant to the CUP, all lots under the JDA are considered one zoning lot by the County. See Section 6, Haw. 7.</p>	

1.16 Project In Agricultural District

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

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer</p>	<p>Name: Kapiolani Residential, LLC</p> <p>Business Address: One Galleria Tower Attn: General Counsel 13355 Noel Road, 22nd Floor Dallas, Texas 75240</p> <p>Business Phone Number: 808-591-8411 E-mail Address: nick.vanderboom@howardhughes.com</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>Managers:</p> <p>Grant Herlitz David Weinreb</p> <p>HMK Development, LLC is the Developer's agent, as further described in Section 6 on page 18b in this Report.</p>
<p>2.2 Real Estate Broker</p>	<p>Name: Heyer & Associates Business Address: 1288 Ala Moana Blvd., Suite 206 Honolulu, Hawaii 96814</p> <p>Business Phone Number: 808-692-0060 E-mail Address:</p>
<p>2.3 Escrow Depository</p>	<p>Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street Honolulu, Hawaii 96813</p> <p>Business Phone Number: 808-521-0211</p>
<p>2.4 General Contractor</p>	<p>Name: Albert C. Kobayashi, Inc.* Business Address: Gentry Business Park 94-535 Ukee Street Waipahu, Hawaii 96797</p> <p>Business Phone Number: 808-671-6460</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Hawaiiana Management Company, Ltd. Business Address: 711 Kapiolani Blvd., Suite 700 Honolulu, Hawaii 96813</p> <p>Business Phone Number: 808-593-9100</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Imanaka Asato; Attn: Mitchell Imanaka/Nikki Senter Business Address: 745 Fort Street, 17th Floor Honolulu, Hawaii 96813</p> <p>Business Phone Number: 808-521-9500</p>

*The contractor is currently under a contract for preconstruction services and is intended to be the general contractor. The developer reserves the right to bid out the work or select another contractor if the Developer is unable to reach an agreement with the general contractor or the final budget.

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Declaration of Condominium Property Regime for "1555 Kapiolani Condominium" Condominium Project	November 1, 2010	4015523

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
See page 10a		

3.2 Bylaws of the Association of Unit Owners

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
By-laws of the Association of Unit Owners of "1555 Kapiolani Condominium"	November 1, 2010	4015524

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number
See page 10a		

3.3 Condominium Map

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

Land Court Map Number	2081
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map:	See page 10a

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Amended and Restated Declaration of Condominium Property Regime of One Ala Moana (fka 1555 Kapiolani Condominium) and Condominium Map	August 30, 2012	T-8337151

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Amended and Restated Bylaws of the Association of One Ala Moana (fka 1555 Kapiolani Condominium)	August 30, 2012	T-8337152

Dates of Recordation of Amendments to the Condominium Map: October 29, 2012
 Amended and Restated Declaration of Condominium Property Regime of One Ala Moana (fka 1555 Kapiolani Condominium) and Condominium Map

3.4 House Rules

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

The House Rules for this project:

Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input checked="" type="checkbox"/>	September 17, 2012
Developer does not plan to adopt House Rules	<input type="checkbox"/>	

3.5 Changes to the Condominium Documents

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

Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

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

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

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

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

4.2 Estimate of the Initial Maintenance Fees

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

4.3 Utility Charges to be Included in the Maintenance Fee

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

4.4 Utilities to be Separately Billed to Unit Owner

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

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u> "J" </u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: September 17, 2012 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u> "K" </u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other

5.2 Sales to Owner-Occupants

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

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

5.3 Blanket Liens

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

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

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	If there is a default and a foreclosure of the mortgage prior to conveyances, the Purchaser may lose the right to buy a Unit and Purchaser's deposits, less escrow cancellation fees, shall be refunded and the Purchaser shall have no further interest in the Project.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:

Building and Other Improvements: see page 13a

Appliances: see page 13a

Building and Other Improvements: The Developer will pass on the following warranty described in the construction contract as follows: "...[I]f within one (1) year after the date of Substantial Completion of the Work or designated portion thereof (or, with respect to the Owner's Punch List Work within one year after the date of Final Completion) or within such other warranty period as may be prescribed by law, or by the terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so."

The Developer will also pass on extended warranties it receives from the general contractor and its suppliers, if any.

Appliances: The Developer will pass on the manufacturer's warranties made to it, if any, on any appliances included as part of a unit being conveyed.

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

<p>Status of Construction: The Commercial Units and the entire Retail/Parking Structure are completed. The Developer intends to commence construction on the Residential tower (which includes all of the Residential Units) in May 2013. This is an estimated date, subject to change.</p>
<p>Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract:</p> <p>The Developer shall complete construction of the Residential Unit covered by a sales contract so as to provide normal occupancy of the Unit within six (6) years from the date the sales contract becomes binding.</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p>

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

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

5.6.1 Purchaser Deposits Will Not be Disbursed Before Closing or Conveyance

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

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

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

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

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

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.	
1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other:

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

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

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

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

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

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

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

(1) The purchaser has signed the sales contract.

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

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

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

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

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

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

5.8.2 Right to Cancel a Sales Contract if Completion Deadline is Missed

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

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

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

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

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

Capitalized terms used herein not otherwise defined shall have the definition set forth in the Declaration or the Bylaws.

1. Developer to Pay Actual Costs of Project. The Developer may initially assume the actual common expenses of the Project, pursuant to Section 514B-41(b) of the Hawaii Revised Statutes (“HRS”), from the date upon which the certificates of occupancy are issued for Units within the Project. Residential Unit owners shall not be obligated for the payment of their share of the common expenses until such time as the Developer sends to the owners written notice that, after a specified date, the unit owners shall be obligated to pay for the portion of the common expenses that are allocated to their respective units.
2. Real Property Tax Assessment. Developer shall be responsible for any real property taxes attributable to the Residential Units prior to closing. Any real property taxes paid in advance by Developer shall be prorated as a closing cost payable by purchaser pursuant to the Purchase Agreement for the purchase of a Unit.
3. The Commercial Developer; Operations of Commercial Units Nos. 1 and 2. Kapiolani Retail LLC (“Commercial Developer”), constructed a majority of the improvements in the Project, other than the Tower, and currently owns Commercial Units 1 and 2 in the Project. The Commercial Units in the Project may have retail activities that will be open to the public, who will access the Commercial Units through the Ground Floor (which is the same level as the residential Lobby, as depicted on the Condominium Map). It is not guaranteed that the Commercial Units will continue to be used as retail space and or be open for public access. The Commercial Units, their undivided interest in the Common Elements, the Commercial Limited Common Elements and the Individual Commercial Limited Common Elements as set forth in Exhibit “E” attached hereto shall comprise the “Commercial Development” portion of the Project. The Residential Units, their undivided interest in the Common Elements, the Commercial Limited Common Elements and the Individual Residential Limited Common Elements as set forth in Exhibit “E” attached hereto shall comprise the “Residential Development” portion of the Project. The Residential Development and Commercial Development shall have shared maintenance, control and use of the Retail/Parking Structure, as depicted on the Condominium Map, generally based on whether the areas are Commercial Limited Common Elements or Residential Limited Common Elements, as depicted on the Condominium Map and further explained in the Declaration. The Commercial Developer shall have no responsibility for the construction of the Residential Development and sale of the Residential Units.

Each purchaser, by acceptance of a Unit Deed to a Unit, acknowledges that the Residential Developer is the developer of certain improvements which includes the Residential Units and their appurtenant Residential Limited Common Elements within the Residential Development and that the Residential Developer is independent from and not affiliated with Commercial Developer. In addition, there are certain approval rights required by the Commercial Developer for certain alterations to the Residential Development and to the Residential Units. The Purchaser should review the Declaration carefully to be familiar with such consent and approval requirements.

The Commercial Developer shall not assume or be responsible for any liabilities, warranties or obligations which have accrued or may accrue to the Residential Developer, its successors and assigns, including, but not limited to, any liabilities, warranties or obligations concerning any Residential Units, buildings or other improvements constructed, or to be constructed, by or on behalf of the Residential Developer.

4. Reserved Rights of Residential Developer and Commercial Developer. Generally, the Residential Developer, as to the Residential Development, and the Commercial Developer, as to the Commercial Development may perform alterations that may affect the exterior appearance of the Project (among other things). Each has separate and independent reserved rights, as set forth in the Declaration, which are summarized on the attached Exhibit "H." **Purchaser should carefully review the Residential Developer's and Commercial Developer's reserved rights set forth in Exhibit "H" and in the Declaration.**
5. Special Cost and Alternative Allocation. According to HRS §514B-41, as amended, in a mixed-use project, common expenses may be allocated among the commercial units and the residential units in a fair and equitable manner. For instance, since the use, responsibility and cost of maintenance of the Retail/Parking Structure is shared between the Residential Development and the Commercial Development, the Declaration creates an "Alternative Allocation" method by which certain "Special Costs" are shared between the developments. The costs attributable to the Residential Development are then shared among the Residential Unit Owners based on the Residential Class Common Interest (set forth in the attached Exhibit "A"). As such, the Residential Class Common Interest is not an ownership interest, but rather an interest used to calculate each Residential Unit Owner's share of the Residential Unit Class Expense. Exhibit "D" of the Declaration sets forth the Special Costs and Alternative Allocations shared between the Residential Development and the Commercial Development. The Alternate Allocation may not be amended without the consent of the Commercial Developer and Residential Developer (until the end of the Development Periods, then the Association).
6. Residential Managing Agent. The Developer, acting as the Association, has retained Hawaiiana Management Company, Ltd. as the physical manager for the Residential Development and the administrative and fiscal manager of the Project ("Residential Managing Agent"). The Commercial Developer will retain a manager to perform physical management of the Commercial Development ("Commercial Managing Agent"), or self-manage the Commercial Development. The Commercial Managing Agent is responsible for providing the Residential Managing Agent any documents necessary for filings required for the Association in accordance with Chapter 514B of the HRS. The Residential Managing Agent, in addition to physical management of the Residential Development, shall have the authority, subject to the provisions of the Declaration and Bylaws, to assume control and responsibility for the administration and fiscal management of the Project
7. Joint Development; Variance. The Project is subject to a conditional use permit (File No. 2005/CUP-23) dated April 5, 2005 ("CUP"), which was approved by the County, with conditions, for twelve (12) parcels including the Project lot. The CUP is attached hereto as Exhibit "O" for your review. The CUP allows separate adjoining lots, including the lot underlying the Project, to be treated as one (1) contiguous "lot" strictly for zoning purposes to allow for more efficient use of each individual lot, for example, including, but not limited to (i) the ability to freely divide the total allowable floor area allocation for the one contiguous "lot" among the individual lots and (ii) to treat the perimeter around the one contiguous "lot" as the "building envelope" rather than considering the perimeter of each individual lot as separate "building envelopes". According to the CUP, any violation of the CUP and the zoning regulations constitutes grounds for the County to revoke or suspend any building permits issued on the individual lots involved, and failure to maintain the development in accordance with the CUP shall constitute grounds for the County to revoke or suspend the CUP. Purchaser is hereby notified that violation of the CUP may occur as a result of events beyond Developer's control. For instance, the owner of one of the lots adjoining the Project may exceed the density allocated to it in its development which may cause all owners to exceed the maximum density allowed to the one (1) contiguous "lot" under the Land Use Ordinance ("LUO"), and be in violation of the CUP. The Residential Developer and Commercial Developer have a development agreement with the developer of the joint

development lots, which generally sets forth design limitations and specifications to ensure the Project stays within the total joint lot allowances.

The Project is subject to File No. 2005/VAR-31 ("Variance") dated January 11, 2006, which permits the vehicular and pedestrian bridges connecting the Retail/Parking Structure to Ala Moana Shopping Center to encroach into required yards. The Developer makes no representation that if these bridges are destroyed, they will be able to be reconstructed as they currently exist. The Variance is attached hereto as Exhibit "P" for your review.

8. Easement for Encroachment. The Retail/Parking Structure currently encroaches onto the neighboring Lot 73. The owners of Lot 73 and Lot 74 entered into an Easement for Encroachment Agreement dated August 30, 2012 and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. T-8337153 to address such encroachment and allow the encroachment to remain on Lot 73.
9. Kona Street Easement. By way of an easement agreement (Document No. 1121201), as amended, the Project has an access and utility easement over "Kona Street Parcels." There is a cost sharing structure built into the agreement for maintenance and use of the easement; however, to date, there has not been any assessment of fees to the Project lot. Purchasers should be aware that the easement agreement provides that the Kona Street Parcels owner has the right to charge and collect such fees from the Association.
10. HHMK Development, LLC as Developer's Agent. Pursuant to that certain Amended and Restated Pre-Development Agreement effective as of September 7, 2012 and entered into between Kapiolani Residential, LLC and HHMK Development, LLC, a Delaware limited liability company ("HHMK"), and among other parties, HHMK has authority to 1) act on the Developer's behalf and take all actions necessary to obtain all building permits and other permits and approvals from all federal, state or local authority having jurisdiction over the Project, and any agency, department, commission, board, bureau or instrumentality of any of them required to commence construction of the Project in accordance with the construction plans and specifications approved by Developer and HHMK; 2) engage any qualified architects, engineers, consultants or other professionals that are required to complete the Project; provided that Developer has approved, in writing such architects, engineers, consultants or other professionals and the terms of the applicable engagement, in each case, prior to such engagement; 3) obtain, on behalf of Developer, all of the entitlements and all of the governmental permits and approvals required to commence the development and construction of the Project and 4) enter into an agreement or agreements to construct the Project with the licensed general contractor and obtain a payment and performance bond for the Project from the contractor in favor of Developer.
11. Lot 73 and Unit C-1 Lease. The Land and improvements submitted to the condominium property regime are subject to the unrecorded lease dated June 15, 2005 ("2005 Lease") by and between the Lot 73 Owner and Nordstrom, Inc. The Project shall be subject to the right, title and interests described in and created by the 2005 Lease including, without limitation, rights to use and occupy Unit C-1 and rights and obligations to insure or self insure the improvements that make up Unit C-1 and the requirements for reconstruction after damage or destruction and the rights and obligations in connection with any condemnation of Unit C-1 as set forth in the 2005 Lease, all of which shall take precedence over any conflicting provisions in the Project Declaration. During the term of the 2005 Lease, the lessee shall be considered the owner of the improvements that constitute Unit C-1. Notwithstanding the foregoing, the lessee shall not be considered an "Owner" for purposes of the Condominium Documents. Pursuant to the Project Declaration, plumbing, drainage lines or similar facilities shall be not be installed or placed over Unit C-1 (the "**Unit C-1 Air Rights Area**"), including within Unit C-1, and no construction or alteration of any improvements within the Unit C-1 Air Rights Area may be made without the express written approval of the Lot 73 owner (lessor under the 2005 Lease) and the lessee and are subject to the

approval of the Commercial Developer. Unit C-1 has appurtenant to it as Individual Commercial Limited Common Elements all of the Commercial parking stalls, except for stalls 2-A 01, as set forth in the Declaration. The Project Declaration further sets forth other instances in which the Lot 73 owner's and Lot 73 lessee's approvals are required and as such should be carefully reviewed.

12. Resident Manager Unit. The Residential Developer is the Owner of Residential Unit 601, which is initially intended to be used as the Resident Manager Unit. The Residential Developer may sell, pledge, lease, assign, convey, mortgage and/or transfer Unit 601 to a third party, including without limitation, the Association, in its sole discretion. Upon such conveyance, the Residential Developer does not guaranty, warranty or represent that Unit 601 will continue to be used as a Resident Manager Unit or be utilized to serve the Project or its Owners.
13. Sewer Easement. To provide a permanent connection to the County's wastewater treatment facility, the Project will connect to the County's wastewater treatment facility through one of the following alternatives: (1) The Project has an approved permanent connection on Ala Moana Boulevard. If this connection is utilized, the Developer will construct a private sewer line under Ala Moana Center ("Shopping Center") to the connection on Ala Moana Boulevard; (2) The County does not have uncommitted sewer capacity on Kapiolani Boulevard for the Project; however, there is a sewer line on Kapiolani Boulevard constructed by the County and funded by a group of private landowners to support future development on their properties. The County has approved a temporary connection to this sewer line on Kapiolani Boulevard conditional on the County's right to require the Project to redirect sewer flow for the Project to the permanent connection on Ala Moana Boulevard when the private landowners develop their properties and require use of the sewer capacity that they own. The private landowners have excess sewer capacity at the Kapiolani Boulevard sewer line that they wish to sell, which capacity is sufficient to satisfy the Project's requirements. If the Developer purchases the excess sewer capacity on Kapiolani Boulevard from the private landowners, the County has confirmed that the temporary connection on Kapiolani Boulevard will become a permanent connection, with no further requirement to redirect temporary sewer flow to the connection on Ala Moana Boulevard. If the Project utilizes the temporary connection to the sewer line on Kapiolani Boulevard, the Project can connect to the sewer line on Kapiolani Boulevard through a sewer line owned by the Shopping Center. Alternatively, the Project can connect to the Kapiolani Boulevard sewer line directly with a new connection.
14. Declaration of Easements and Covenants. Based on the Declaration of Easements and Covenants dated November 10, 2010 and recorded in said Office as Document No. 4015518, as amended by that certain Amendment dated August 30, 2012 and recorded in said Office as Document No. T-8337154 ("Declaration of Easements"), the prior owner of Lot 73 and Lot 74 (the Project lot) granted certain rights and easements to Lot 73 to benefit the Nordstrom property, lessee of Lot 73 (and burdening Lot 74), including, without limitation, the right, privilege and easement: (1) to use Commercial Parking Spaces and Common Area (as defined in the Declaration of Easements); and (2) to maintain, repair or reconstruct improvements upon Commercial Unit C-1. The easements and covenants set forth in the Declaration of Easements generally expire (a) when all easement(s) reserved in the Declaration of Easements are not used for a continuous period of three (3) years by the Declarant, or (b) when the Declarant determines such easement(s) and covenants are no longer useful, or the right to exercise the same will no longer be valuable to the Declarant.
15. Memorandum of Development Agreement. The Memorandum of Development Agreement dated November 1, 2010 ("Memorandum") summarizes certain provisions of the Development Agreement dated November 1, 2010 ("Development Agreement") entered into by and between Kapiolani Retail, LLC and Kapiolani Residential, LLC (the developer of the Project), which sets forth certain terms and conditions governing the Developer's development and construction of the

Project, including without limitation, conditions precedent to the construction thereof. The Memorandum generally sets forth that (1) no mechanics' or materialmen's liens are permitted against the Commercial Units or Lot 73; (2) the Developer will not create, incur, assume, or suffer to exist, any lien upon or with respect to the Commercial Units, Ala Moana Shopping Center or Lot 73 during the construction of the Project; (3) any developer successor of the Commercial Units or the Project shall assume the obligations under the Development Agreement (other than a mortgagee) and (4) the Developer shall be permitted to transfer its interest in the Project or the Development Agreement to a party approved by the Owner, subject to the Development Agreement. The Development Agreement shall terminate upon completion of the Residential Units and the Residential Project.

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

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

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

Kapiolani Residential, LLC

Printed Name of Developer

By:


Authorized Signatory*

9-18-12
Date

Grant Herlitz, President

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

*Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.

EXHIBIT "A"

**UNIT NUMBERS, UNIT TYPES, BEDROOMS/BATHS, APPROXIMATE NET LIVING AREAS, CLASS
COMMON INTEREST, COMMON INTEREST, PARKING STALLS AND STORAGE
ROOMS/STORAGE LOCKERS**

A. Residential Units

Residential Unit Number	Unit Type	No. of Bedrooms & Baths	Approx. Net Living Area (Sq. Ft.)	Residential Class Common Interest%	Common Interest (%)	Individual Residential LCE Parking Stall No(s).	
601	MGR	3/3	1,459	0.519851%	0.483917%	See Exh. C	
703	2C-1	2/2.5 Den	1,461	0.520572%	0.484580%	4051	4052
705	2B-R	2/2	1,278	0.455367%	0.423883%	4045	4046
707	2A-R	2/2	1,245	0.443608%	0.412938%	4039	4040
709	2D-1	2/2	1,152	0.410471%	0.382092%	4036	4037
711	1A-R	1/1	761	0.271153%	0.252406%	4181	
715	1B-R	1/1	877	0.312486%	0.290881%	5225	
800	3A	3/3	1,791	0.638155%	0.594034%	4067	4109
802	2C	2/2.5 Den	1,461	0.520572%	0.484580%	4152	4153
806	2B	2/2	1,278	0.455367%	0.423883%	4061	4062
808	2A	2/2	1,245	0.443608%	0.412938%	4162	4163
810	2D	2/2	1,159	0.412965%	0.384414%	5185	5186
812	1A	1/1	761	0.271153%	0.252406%	5195	
814	1B	1/1	877	0.312486%	0.290881%	5196	
801	3A-R	3/3	1,791	0.638155%	0.594034%	4112	4113
803	2C-R	2/2.5 Den	1,461	0.520572%	0.484580%	4154	4155
805	2B-R	2/2	1,278	0.455367%	0.423883%	4072	4073
807	2A-R	2/2	1,245	0.443608%	0.412938%	4118	4119
809	2D-R	2/2	1,159	0.412965%	0.384414%	4165	4166
811	1A-R	1/1	761	0.271153%	0.252406%	5194	
815	1B-R	1/1	877	0.312486%	0.290881%	4026	
900	3A	3/3	1,791	0.638155%	0.594034%	4141	4142
902	2C	2/2.5 Den	1,461	0.520572%	0.484580%	4136	4137
906	2B	2/2	1,278	0.455367%	0.423883%	4065	4066
908	2A	2/2	1,245	0.443608%	0.412938%	4053	4054
910	2D	2/2	1,159	0.412965%	0.384414%	5215	5216
912	1A	1/1	761	0.271153%	0.252406%	5193	
914	1B	1/1	877	0.312486%	0.290881%	4178	
901	3A-R	3/3	1,791	0.638155%	0.594034%	4128	4129
903	2C-R	2/2.5 Den	1,461	0.520572%	0.484580%	4148	4149
905	2B-R	2/2	1,278	0.455367%	0.423883%	4070	4071
907	2A-R	2/2	1,245	0.443608%	0.412938%	4116	4117

909	2D-R	2/2	1,159	0.412965%	0.384414%	4043	4044
911	1A-R	1/1	761	0.271153%	0.252406%	5226	
915	1B-R	1/1	877	0.312486%	0.290881%	4177	
1000	3A	3/3	1,791	0.638155%	0.594034%	5197	5198
1002	2C	2/2.5 Den	1,461	0.520572%	0.484580%	5375	5376
1006	2B	2/2	1,278	0.455367%	0.423883%	4156	4157
1008	2A	2/2	1,245	0.443608%	0.412938%	4059	4060
1010	2D	2/2	1,159	0.412965%	0.384414%	4169	4170
1012	1A	1/1	761	0.271153%	0.252406%	5224	
1014	1B	1/1	877	0.312486%	0.290881%	5188	
1001	3A-R	3/3	1,791	0.638155%	0.594034%	5229	5230
1003	2C-R	2/2.5 Den	1,461	0.520572%	0.484580%	5201	5202
1005	2B-R	2/2	1,278	0.455367%	0.423883%	4158	4159
1007	2A-R	2/2	1,245	0.443608%	0.412938%	4126	4127
1009	2D-R	2/2	1,159	0.412965%	0.384414%	4049	4050
1011	1A-R	1/1	761	0.271153%	0.252406%	5223	
1015	1B-R	1/1	877	0.312486%	0.290881%	5187	
1100	3A	3/3	1,791	0.638155%	0.594034%	5441	5442
1102	2C	2/2.5 Den	1,461	0.520572%	0.484580%	5367	5368
1106	2B	2/2	1,278	0.455367%	0.423883%	5231	5232
1108	2A	2/2	1,245	0.443608%	0.412938%	4100	4101
1110	2D	2/2	1,159	0.412965%	0.384414%	4167	4168
1112	1A	1/1	761	0.271153%	0.252406%	5192	
1114	1B	1/1	877	0.312486%	0.290881%	5218	
1101	3A-R	3/3	1,791	0.638155%	0.594034%	5435	5436
1103	2C-R	2/2.5 Den	1,461	0.520572%	0.484580%	5379	5380
1105	2B-R	2/2	1,278	0.455367%	0.423883%	5199	5200
1107	2A-R	2/2	1,245	0.443608%	0.412938%	4134	4135
1109	2D-R	2/2	1,159	0.412965%	0.384414%	4082	4083
1111	1A-R	1/1	761	0.271153%	0.252406%	5191	
1115	1B-R	1/1	877	0.312486%	0.290881%	5217	
1200	3A	3/3	1,791	0.638155%	0.594034%	5235	5236
1202	2C	2/2.5 Den	1,461	0.520572%	0.484580%	5203	5204
1206	2B	2/2	1,278	0.455367%	0.423883%	5439	5440
1208	2A	2/2	1,245	0.443608%	0.412938%	4143	4144
1210	2D	2/2	1,159	0.412965%	0.384414%	5183	5184
1212	1A	1/1	761	0.271153%	0.252406%	4022	
1214	1B	1/1	877	0.312486%	0.290881%	4174	
1201	3A-R	3/3	1,791	0.638155%	0.594034%	5385	5386
1203	2C-R	2/2.5 Den	1,461	0.520572%	0.484580%	5383	5384
1205	2B-R	2/2	1,278	0.455367%	0.423883%	5437	5438
1207	2A-R	2/2	1,245	0.443608%	0.412938%	5373	5374
1209	2D-R	2/2	1,159	0.412965%	0.384414%	4080	4081
1211	1A-R	1/1	761	0.271153%	0.252406%	4023	
1215	1B-R	1/1	877	0.312486%	0.290881%	4173	
1300	3A	3/3	1,791	0.638155%	0.594034%	5237	5238

1302	2C	2/2.5 Den	1,461	0.520572%	0.484580%	5239	5240
1306	2B	2/2	1,278	0.455367%	0.423883%	5363	5364
1308	2A	2/2	1,245	0.443608%	0.412938%	4150	4151
1310	2D	2/2	1,159	0.412965%	0.384414%	5213	5214
1312	1A	1/1	761	0.271153%	0.252406%	4024	
1314	1B	1/1	877	0.312486%	0.290881%	4029	
1301	3A-R	3/3	1,791	0.638155%	0.594034%	5423	5424
1303	2C-R	2/2.5 Den	1,461	0.520572%	0.484580%	5421	5422
1305	2B-R	2/2	1,278	0.455367%	0.423883%	5431	5432
1307	2A-R	2/2	1,245	0.443608%	0.412938%	5377	5378
1309	2D-R	2/2	1,159	0.412965%	0.384414%	4078	4079
1311	1A-R	1/1	761	0.271153%	0.252406%	4025	
1315	1B-R	1/1	877	0.312486%	0.290881%	4030	
1400	3A	3/3	1,791	0.638155%	0.594034%	5360	5361
1402	2C	2/2.5 Den	1,461	0.520572%	0.484580%	5241	5242
1406	2B	2/2	1,278	0.455367%	0.423883%	5445	5446
1408	2A	2/2	1,245	0.443608%	0.412938%	5227	5228
1410	2D	2/2	1,159	0.412965%	0.384414%	4088	4089
1412	1A	1/1	761	0.271153%	0.252406%	4027	
1414	1B	1/1	877	0.312486%	0.290881%	4032	
1401	3A-R	3/3	1,791	0.638155%	0.594034%	5393	5394
1403	2C-R	2/2.5 Den	1,461	0.520572%	0.484580%	5417	5418
1405	2B-R	2/2	1,278	0.455367%	0.423883%	5429	5430
1407	2A-R	2/2	1,245	0.443608%	0.412938%	5433	5434
1409	2D-R	2/2	1,159	0.412965%	0.384414%	4076	4077
1411	1A-R	1/1	761	0.271153%	0.252406%	4028	
1415	1B-R	1/1	877	0.312486%	0.290881%	4033	
1500	3A	3/3	1,791	0.638155%	0.594034%	5292	5293
1502	2C	2/2.5 Den	1,461	0.520572%	0.484580%	5356	5357
1506	2B	2/2	1,278	0.455367%	0.423883%	5205	5206
1508	2A	2/2	1,245	0.443608%	0.412938%	5233	5234
1510	2D	2/2	1,159	0.412965%	0.384414%	4086	4087
1512	1A	1/1	761	0.271153%	0.252406%	4180	
1514	1B	1/1	877	0.312486%	0.290881%	4035	
1501	3A-R	3/3	1,791	0.638155%	0.594034%	C5327	5328
1503	2C-R	2/2.5 Den	1,461	0.520572%	0.484580%	5294	5295
1505	2B-R	2/2	1,278	0.455367%	0.423883%	5427	5428
1507	2A-R	2/2	1,245	0.443608%	0.412938%	5381	5382
1509	2D-R	2/2	1,159	0.412965%	0.384414%	4074	4075
1511	1A-R	1/1	761	0.271153%	0.252406%	4179	
1515	1B-R	1/1	877	0.312486%	0.290881%	4038	
1600	3A	3/3	1,791	0.638155%	0.594034%	5286	5287
1602	2C	2/2.5 Den	1,461	0.520572%	0.484580%	5288	5289
1606	2B	2/2	1,278	0.455367%	0.423883%	5207	5208
1608	2A	2/2	1,245	0.443608%	0.412938%	5371	5372
1610	2D	2/2	1,159	0.412965%	0.384414%	4094	4095
1612	1A	1/1	761	0.271153%	0.252406%	4176	
1614	1B	1/1	877	0.312486%	0.290881%	4124	

1601	3A-R	3/3	1,791	0.638155%	0.594034%	C5318	5319
1603	2C-R	2/2.5 Den	1,461	0.520572%	0.484580%	C5317	5316
1605	2B-R	2/2	1,278	0.455367%	0.423883%	5389	5390
1607	2A-R	2/2	1,245	0.443608%	0.412938%	5387	5388
1609	2D-R	2/2	1,159	0.412965%	0.384414%	4120	4121
1611	1A-R	1/1	761	0.271153%	0.252406%	4175	
1615	1B-R	1/1	877	0.312486%	0.290881%	4085	
1700	3A	3/3	1,791	0.638155%	0.594034%	C5337	5338
1702	2C	2/2.5 Den	1,461	0.520572%	0.484580%	5284	5285
1706	2B	2/2	1,278	0.455367%	0.423883%	5209	5210
1708	2A	2/2	1,245	0.443608%	0.412938%	5369	5370
1710	2D	2/2	1,159	0.412965%	0.384414%	4090	4091
1712	1A	1/1	761	0.271153%	0.252406%	5222	
1714	1B	1/1	877	0.312486%	0.290881%	4096	
1701	3A-R	3/3	1,791	0.638155%	0.594034%	5308	5309
1703	2C-R	2/2.5 Den	1,461	0.520572%	0.484580%	5306	5307
1705	2B-R	2/2	1,278	0.455367%	0.423883%	5391	5392
1707	2A-R	2/2	1,245	0.443608%	0.412938%	5425	5426
1709	2D-R	2/2	1,159	0.412965%	0.384414%	4063	4064
1711	1A-R	1/1	761	0.271153%	0.252406%	5221	
1715	1B-R	1/1	877	0.312486%	0.290881%	4122	
1800	3A	3/3	1,791	0.638155%	0.594034%	5352	5353
1802	2C	2/2.5 Den	1,461	0.520572%	0.484580%	5354	5355
1806	2B	2/2	1,278	0.455367%	0.423883%	5358	5359
1808	2A	2/2	1,245	0.443608%	0.412938%	5365	5366
1810	2D	2/2	1,159	0.412965%	0.384414%	4092	4093
1812	1A	1/1	761	0.271153%	0.252406%	5190	
1814	1B	1/1	877	0.312486%	0.290881%	4138	
1801	3A-R	3/3	1,791	0.638155%	0.594034%	5405	5406
1803	2C-R	2/2.5 Den	1,461	0.520572%	0.484580%	5403	5404
1805	2B-R	2/2	1,278	0.455367%	0.423883%	5399	5400
1807	2A-R	2/2	1,245	0.443608%	0.412938%	5419	5420
1809	2D-R	2/2	1,159	0.412965%	0.384414%	4102	4103
1811	1A-R	1/1	761	0.271153%	0.252406%	5189	
1815	1B-R	1/1	877	0.312486%	0.290881%	4160	
1900	3A	3/3	1,791	0.638155%	0.594034%	5342	5343
1902	2C	2/2.5 Den	1,461	0.520572%	0.484580%	5350	5351
1906	2B	2/2	1,278	0.455367%	0.423883%	5290	5291
1908	2A	2/2	1,245	0.443608%	0.412938%	5443	5444
1910	2D	2/2	1,159	0.412965%	0.384414%	4041	4042
1912	1A	1/1	761	0.271153%	0.252406%	5220	
1914	1B	1/1	877	0.312486%	0.290881%	4099	
1901	3A-R	3/3	1,791	0.638155%	0.594034%	5413	5414
1903	2C-R	2/2.5 Den	1,461	0.520572%	0.484580%	5415	5416
1905	2B-R	2/2	1,278	0.455367%	0.423883%	5401	5402
1907	2A-R	2/2	1,245	0.443608%	0.412938%	5395	5396
1909	2D-R	2/2	1,159	0.412965%	0.384414%	4145	4146
1911	1A-R	1/1	761	0.271153%	0.252406%	5219	

1915	1B-R	1/1	877	0.312486%	0.290881%	4161		
2000	4B	3/3	2,651	0.944583%	0.879276%	5344	5345	
2002	3B	3/3	1,879	0.669510%	0.623221%	5244	5245	
2006	4A	3/3	2,108	0.751105%	0.699175%	5346	5347	
2008	2D	2/2	1,159	0.412965%	0.384414%	4047	4048	
2010	1A	1/1	761	0.271153%	0.252406%	4172		
2001	4B-R	3/3	2,651	0.944583%	0.879276%	5411	5412	
2003	3B-R	3/3	1,879	0.669510%	0.623221%	5310	5311	
2005	4A-R	3/3	2,108	0.751105%	0.699175%	5266	5267	
2007	3C	3/3	1,952	0.695521%	0.647434%	5329	C5330	
2100	4B	3/3	2,651	0.944583%	0.879276%	5348	5349	
2102	3B	3/3	1,879	0.669510%	0.623221%	5248	5249	
2106	4A	3/3	2,108	0.751105%	0.699175%	5339	5340	
2108	2D	2/2	1,159	0.412965%	0.384414%	4055	4056	
2110	1A	1/1	761	0.271153%	0.252406%	4031		
2101	4B-R	3/3	2,651	0.944583%	0.879276%	5409	5410	
2103	3B-R	3/3	1,879	0.669510%	0.623221%	5276	5277	
2105	4A-R	3/3	2,108	0.751105%	0.699175%	5272	5273	
2107	3C	3/3	1,952	0.695521%	0.647434%	5304	5305	
2200	4B1	3/3	2,594	0.924273%	0.860371%	5282	5283	
2202	3B	3/3	1,879	0.669510%	0.623221%	5278	5279	
2206	4A	3/3	2,108	0.751105%	0.699175%	5246	5247	
2208	2D	2/2	1,159	0.412965%	0.384414%	4057	4058	
2210	1A-1	1/1	704	0.250844%	0.233501%	4034		
2201	4B1	3/3	2,594	0.924273%	0.860371%	5312	5313	
2203	3B-R	3/3	1,879	0.669510%	0.623221%	5269	5270	
2205	4A-R	3/3	2,108	0.751105%	0.699175%	5263	5264	
2207	3C-1	3/3	1,895	0.675211%	0.628528%	5407	5408	
2300	GPH B	3/3	3,669	1.307308%	1.216923%	5253	5254	5255
2302	GPH A	3/3	4,069	1.449833%	1.349594%	5250	5251	5252
2301	GPH B-R	3/3	3,669	1.307308%	1.216923%	5257	5258	5259
2303	GPH A-R	3/3	4,069	1.449833%	1.349594%	5260	5261	5262
Residential Total								
206			280,653	100.000000%	93.086168%			

B. Commercial Units

Commercial Unit Number	Unit Type	Approx. Net Living Area	Commercial Class Common Int%	Common Interest (%)	Individual Commercial LCE Parking Stall No(s).
C-1	Loading Dock	4,215	20.220676%	1.398019%	See Exh C
C-2	Retail	16,630	79.779324%	5.515813%	2-A 01
Commercial Total					
2		20,845	100.000000%	6.913832%	

A. **LAYOUT AND FLOOR PLANS OF UNITS.** There are thirty-one (31) different Residential Unit types (including "reverse" types) and one Resident Manager Unit (Residential Unit 601). Of the thirty-one (31) Residential Unit types, four (4) types are Penthouse Units. Each type has the number of bedrooms and baths and the layouts depicted on the Condominium Map and described above. There are two (2) types of Commercial Units, including the retail Commercial Unit and the loading dock Commercial Unit. The Commercial Units do not have bedrooms or baths and the layouts of the Commercial Units are depicted on the Condominium Map.

B. **APPROXIMATE NET LIVING AREAS.** The approximate net living areas of the Commercial Units and the Residential Units are 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.

C. **COMMON INTEREST.** The Common Interest for each of the two hundred and eight (208) Units (including both Commercial Units and Residential Units) in the Project is calculated based on dividing the approximate net living area of the Unit by the total net living area of all Units in the Project. In order to permit the Common Interest for all Units in the Project to equal exactly one hundred percent (100%), the Common Interest attributable to Commercial Unit C-2 was increased by .000022%.

D. **COMMERCIAL CLASS COMMON INTEREST AND RESIDENTIAL CLASS COMMON INTEREST.** The Commercial Class Common Interest is calculated by the Commercial Developer in a fair and equitable manner. The Residential Class Common Interest is calculated based on dividing the approximate net living area of the Residential Unit by the total net living area of all Residential Units in the Project. In order to permit the Residential Class Common Interest to equal exactly one hundred percent (100%), the Residential Class Common Interest attributable to Residential Unit 601 was decreased by 0.000008%.

E. **PARKING STALLS, STORAGE ROOMS AND STORAGE LOCKERS.** Each Residential Unit has appurtenant as an Individual Residential Limited Common Element, the parking stall(s) identified above. Other numbered parking stalls (including guest parking stalls) not otherwise identified as Individual Residential Limited Common Elements above in the Residential Development are described in Exhibit E as being appurtenant to Residential unit 601 and all storage rooms and storage lockers identified on the Condominium Map are Individual Residential Limited Common Elements appurtenant to Residential Unit 601. The Residential Developer has the reserved right to redesignate such parking stalls, storage rooms and storage lockers currently designated as Individual Residential Limited Common Elements appurtenant to Residential Unit 601 to other Residential Units in the Project as Individual Residential Limited Common Elements appurtenant to such Residential Units through amendments to the Declaration.

F. **PENTHOUSE UNITS; LANAIS AND ROOF TERRACES.** Residential Unit types GPH A, GPH A-R and GPH B and GPH B-R each have Individual Residential Limited Common Element Lanais and Roof Terraces as depicted on the Condominium Map and as set forth below. The approximate areas of such Lanais and Roof Terraces in square feet are further described as follows:

GPH A/GPH A-R
GPH B/GPH B-R

Lanai Area
Approx. 426
Approx. 173

Roof Terrace Area
Approx. 1,458
Approx. 1,935

END OF EXHIBIT A

EXHIBIT "B"

PARKING STALL SUMMARY

A. RESIDENTIAL PARKING STALL SUMMARY

LEVEL	Vehicle			Handicapped		Loading	
	standard	compact	Non-Conforming	vehicle	van	large	small
1	0	0	0	0	2	1	0
4	170	9	1	4	0	0	0
5	246	13	3	4	0	0	0
TOTAL	416	22	4	8	2	1	0

B. COMMERCIAL PARKING STALL SUMMARY

LEVEL	Zone	Vehicle		Handicapped		Loading	
		standard	compact	vehicle	van	large	small
1		0	0	0	0	2	2
2	2A	33	0	0	0	0	0
	2B	25	0	0	0	0	0
	2C	24	0	0	0	0	0
	2D	24	0	0	0	0	0
	2E	22	0	1	0	0	0
	2F	14	3	1	0	0	0
	2G	25	4	1	0	0	0
	2H	29	0	2	0	0	0
	2J	6	0	0	0	0	0
	2K	12	0	0	0	0	0
2B	2B-A	32	0	0	0	0	0
	2B-B	28	3	0	0	0	0
	2B-C	29	2	0	0	0	0
	2B-D	27	4	0	0	0	0
	2B-E	22	3	1	0	0	0
	2B-F	15	6	1	0	0	0
	2B-G	23	6	1	0	0	0
	2B-H	30	0	0	0	0	0
	2B-J	14	0	2	0	0	0
	2B-K	21	0	0	0	0	0

3	3A	31	0	0	0	0	0
	3B	28	3	0	0	0	0
	3C	29	2	0	0	0	0
	3D	27	4	0	0	0	0
	3E	22	3	1	0	0	0
	3F	15	6	1	0	0	0
	3G	23	6	1	0	0	0
	3H	30	0	0	0	0	0
	3J	13	0	2	0	0	0
	3K	21	0	0	0	0	0
4	4A	7	0	0	0	0	0
	4B	2	1	0	0	0	0
	4C	3	1	0	0	0	0
	4D	3	3	0	0	0	0
	4K	9	0	0	0	0	0
	4B	2	1	0	0	0	0
	4C	3	1	0	0	0	0
	4D	3	3	0	0	0	0
4K	9	0	0	0	0	0	

1		0	0	0	0	2	2
2		214	7	5	0	0	0
2B		242	24	5	0	0	0
3		240	24	5	0	0	0
4		24	5	0	0	0	0
TOTAL		718	60	15	0	2	2

* See Condominium Map for depiction and location of parking stalls.

Non-conforming stalls noted with "N" on the Condominium Map are not considered parking stalls that meet County parking stall requirements.

Stall No. 4147, as depicted on the Condominium Map, is a legal sized parallel stall. It meets the County requirements for parking stalls.

Although stalls 4448, 4449 and 4450 are included in the parking stall counts, they are currently intended for use as surfboard storage. The Developer has the right to change the use and use them as parking stalls.

EXHIBIT "C"

BOUNDARIES OF EACH UNIT

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

A. RESIDENTIAL UNIT BOUNDARIES. The Residential Units shall be deemed to include: (i) all interior walls, doors, windows, window frames and partitions that are not load-bearing and that are located within the space bounded by the Unit's perimeter walls but not the perimeter walls themselves, (ii) the interior decorated or finished surfaces of all walls, doors, door frames, columns, and window frames of perimeter and party walls, (iii) the interior decorated or finished surfaces of all floors and ceilings, (iv) all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the decorated or finished surfaces of such walls, columns, doors, door and window frames, floors and ceilings, (v) the air space surrounded by such walls, doors, door and window frames, floors and ceilings, and (vi) all fixtures (if any) originally installed in the Unit. Each Residential Unit shall not be deemed to include the following: (a) the undecorated and unfinished surfaces of perimeter and party walls and doors, door frames, windows and window frames, (b) the interior load-bearing walls and columns and their undecorated or unfinished surfaces, (c) any load-bearing door or window frame located in the interior load-bearing walls and their undecorated or unfinished surfaces, and (d) any pipes, shafts, wires, conduits or other utility or service lines running through such Unit that are utilized for or service more than one Unit; and (e) any Common Elements or Limited Common Elements described in the Declaration.

B. COMMERCIAL UNIT BOUNDARIES. Each Commercial Unit shall be deemed to include the following:

a) **Commercial Unit C-1.** Commercial Unit C-1 shall be deemed to include: (i) all perimeter and interior walls, if any, whether load-bearing or not; (ii) all doors, windows, window frames and partitions, floors and ceilings, and all improvements and materials constituting any part of such walls, columns, doors, door and window frames, floors and ceilings; (iii) the air space surrounded by such walls, doors, door and window frames, floors and ceilings, all fixtures (if any) installed in Unit C-1; and (iv) any pipes, shafts, wires, conduits, service lines and equipment located within Unit C-1 which exclusively serve Unit C-1. Commercial Unit C-1 shall not be deemed to include the following: (a) any pipes, shafts, wires, conduits, service lines and equipment located within C-1 that do not exclusively serve C-1; and (b) any Common Elements or Limited Common Elements described in the Declaration.

b) **Commercial Units C-2.** Commercial Unit C-2 shall be deemed to include: (i) all interior walls, doors, windows, window frames and partitions that are not load-bearing and that are located within the space bounded by the Unit's perimeter walls but not the perimeter walls themselves, (ii) the interior and exterior decorated or finished surfaces of all walls, doors, door frames, columns and window frames of perimeter and party walls, (iii) the interior decorated or finished surfaces of all floors and ceilings, (iv) all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the decorated or finished surfaces of such walls, columns, doors, door and window frames, floors and ceilings, (v) the air space surrounded by such walls, doors, door and window frames, floors and ceilings, and (vii) all fixtures (if any) originally installed in the Unit. Commercial Unit C-2 shall not be deemed to include the following: (a) the undecorated and unfinished surfaces of perimeter and party walls and doors, door frames, windows and window frames, (b) the interior load-bearing walls and columns and their undecorated or unfinished surfaces, (c) any load-bearing door or window frame located in the interior load-bearing walls and their undecorated or unfinished surfaces, and (d) any pipes, shafts, wires, conduits or other utility or service lines running through such Unit that are utilized for or service more than one Unit; and (e) any Common Elements or Limited Common Elements described in the Declaration.

EXHIBIT "D"

PERMITTED ALTERATIONS TO RESIDENTIAL UNITS

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

A. **IN GENERAL.** The provisions of the Declaration apply, except as otherwise provided by the federal Fair Housing Act (42 U.S.C. Sec. 3601 et seq.), as amended by the Fair Housing Amendments Act of 1988, and the rules and regulations adopted under it, as either of them may be amended from time to time and except as otherwise provided in the Declaration. The provisions herein do not apply to changes made by the Commercial Developer when exercising the Commercial Developer's Reserved Rights or to changes made by the Residential Developer when exercising the Residential Developer's Reserved Rights. Neither the Association nor any Owner may make any structural change or addition to the General Common Elements, Units, or the Limited Common Elements that is different in any material respect from the Condominium Map, except pursuant to any requisite vote by the Association and amendment of the Declaration, or as otherwise set forth herein or in the Bylaws. Any such restoration, replacement, construction, alteration or addition must be made in accordance with complete plans and specifications that are first approved by the Board in writing. Promptly after the work is completed, the Association, the Commercial Developer, the Residential Developer or the Unit Owner must record the amendment along with any necessary changes to the Condominium Map. This Section does not apply to "nonmaterial structural additions to the Common Elements" as that term is used in Section 514B-140 of the Act. Nothing in this Section 1) authorizes any work or change that would jeopardize the soundness, safety or structural integrity of any part of the Project or Lot 73; 2) authorizes any work or change by a Residential Unit Owner that would materially change the uniform external appearance of the Project without the approval of the Board; 3) authorizes any work or change by the Board or the Residential Developer that would materially change the exterior skin of the Residential Development without the approval of the Commercial Developer; 4) prohibits the Board from making or requiring that an Owner make changes within any Unit or Limited Common Element as needed to comply with the fire code and all other laws that apply to the Project.

B. **BY RESIDENTIAL UNIT OWNERS OR RESIDENTIAL DEVELOPER.** Owners of Residential Units are not allowed to change or cause a change to the exterior skin of the Residential Units, or the Residential Class Limited Common Elements, or Individual Residential Limited Common Elements without the prior written approval of the Board pursuant to Section X.H of the Declaration. During the Development Period (as set forth in the Declaration), however, the Association's and the Board's approval to any such change to the exterior skin of any Residential Unit, Residential Limited Common Element or Individual Limited Common Element shall be subject to Commercial Developer's approval. The Residential Developer, in its exercise of its Residential Developer Reserved Rights, shall not require the approval of the Board.

Each Residential Unit Owner has the right, subject to the terms and provisions in the Condominium Documents and Board approval, which shall not be unreasonably withheld or delayed, to make any of the following changes, additions and improvements solely within the Owner's Residential Unit or within Individual Residential Limited Common Elements that are appurtenant to such Residential Units at the Owner's sole cost and expense:

1. To install, maintain, remove and rearrange non load-bearing partitions and walls from time to time within the perimeter walls of the Residential Unit; provided that the Residential Unit Owner shall not have the right to enclose all or any portions of any exterior lanai;

2. To finish, change or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors or walls, as appropriate, for the use of the Residential Unit or Individual Residential Limited Common Element, (subject to applicable approvals required by Section XXXV of the Declaration to the extent such changes are located within the Unit C-1 Air Rights Area and constitute a Plumbing Installation);

3. To make such changes, additions and improvements to the Residential Unit or appurtenant Individual Residential Limited Common Element to facilitate handicapped accessibility within the Residential Unit or Individual Residential Limited Common Element;

4. To consolidate two (2) Residential Units owned by the same Owner, provided that any intervening walls removed are not load-bearing or structural walls, and to install doors and other improvements in the intervening wall and/or make other reasonable additions. The Residential Unit Owner must ensure that the structural integrity of the Residential Unit, Limited Common Elements and the building will not be adversely affected; the finish of the remaining Common Element improvements are restored to substantially the same condition as prior to removal; and all construction activity is completed within a reasonable time.

The Residential Unit Owner's right to alter the Unit is subject to the approval of the Board, as set forth in Section X.H of the Declaration.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL RESTRICTIONS ON ALTERATIONS TO UNITS CONTAINED IN THE DECLARATION, BYLAWS AND HOUSE RULES ("COLLECTIVELY, CONDOMINIUM DOCUMENTS"). WHILE THIS SUMMARY IS A GENERAL SUMMARY OF THE RIGHTS AND OBLIGATIONS UNDER THE CONDOMINIUM 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 CONDOMINIUM DOCUMENTS WILL CONTROL.

EXHIBIT "E"

COMMON ELEMENTS; GENERAL AND LIMITED COMMON ELEMENTS; RESIDENTIAL LIMITED COMMON ELEMENTS; COMMERCIAL LIMITED COMMON ELEMENTS; INDIVIDUAL LIMITED COMMON ELEMENTS

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

One freehold estate is hereby designated in all portions of the Project not described as a Unit, herein called the "Common Elements," including, but not limited to the following areas.

A. GENERAL COMMON ELEMENTS. The General Common Elements include specifically, but are not limited to the following:

1. The Land in fee simple and any other appurtenances thereto described in Exhibit "A"; subject, however, to the rights of the Residential Developer and Commercial Developer herein affecting the Land.
2. The parking up and down ramp from Kapiolani Boulevard into the Retail/Parking Structure and the common ramp and drive through areas up and down to Level 2, 2B and Level 3 and to a portion of Level 4 as depicted and noted as General Common Element on the Condominium Map.
3. Structure, foundations, floor slabs, columns, girders, beams, supports, perimeter, party and load-bearing walls and partitions (excluding the finishes thereon) within the Retail/Parking Structure.
4. All vents, shafts, sewer lines, water lines, pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations on, above, over, under and across the Project to the point of their respective connections to improvements comprising a part of the Units or the Limited Common Elements appurtenant thereto, which serve both the Residential Development and Commercial Development, including, without limitation, those providing electricity, light, gas (if any), water; air conditioning, sewer, refuse, drainage, irrigation, telephone, and radio and television signal distribution (if any).
5. Any and all areas, equipment, apparatus and installations existing for common use by or for the common benefit of both the Residential Development and the Commercial Development, and not designated as a Unit or a Limited Common Element.
6. Those areas specifically designated as "GC: General Common" on the Condominium Map, including, without limitation, the Electrical Room, HECO Vault, Generator Room, Fire Riser, Stair S-20, S-21 and S-23 (up to Level 5 only).
7. Sewer Upgrade Easement set forth in Section IV.C in the Declaration.

B. LIMITED COMMON ELEMENTS. The Limited Common Elements, include specifically, but are not limited to the following:

1. RESIDENTIAL LIMITED COMMON ELEMENTS.

a. The common ramp and drive through areas in the Retail/Parking Structure ramp up from the Residential Gate on Level 4 to Level 5 and Stair S-20, S-21 and S-23 on Level 5, the Residential Gate, as depicted on the Condominium Map.

b. The Elevator Vestibules, Elevators 1 and 2, and Storage Areas, Elevator Lobbies, New Electric Transformers, Electrical Room, Mechanical/Electrical Room, Trash Room, , Elevator Pit, Elevator Lobby, board storage areas (if any) in the Retail/Parking Structure, all as depicted as Residential Limited Common Element on the Condominium Map.

c. The two parking stalls designated SL-B 01 and SL-B 02 (residential accessible parking) and SL-E 01 parking stall, the Bike Storage, Residential Auto Lobby, Residential Lobby and appurtenant support areas on the Ground Floor Level 1, all as depicted as Residential Limited Common Elements on the Condominium Map.

d. The interior and exterior surfaces of the walls, ceilings and floors in the Retail/Parking Structure on Level 4 (except that portion described as Commercial Limited Common Element below) and Level 5, including any louvers, screening, paneling, signage, decorative facades or improvements attached to the interior or exterior surfaces of Level 4 and Level 5.

e. The entirety of the structure of the residential Tower (other than the Residential Units and the Individual Limited Common Element Lanais and Roof Terrace), including, without limitation, the foundations, floor slabs, columns, girders, beams, supports, perimeter, party and load-bearing walls and partitions and the finishes thereon, not otherwise described as part of a Residential Unit.

f. All portions of the Residential Development not designated as a part of a Residential Unit or Individual Residential Limited Common Elements or General Common Element, as may be designated as such in the Condominium Map, including without limitation the following:

(i) Those portions of the Tower not part of a Unit or Individual Limited Common Element;

(ii) All walkways, sidewalks, retaining walls, fences, gates, yard areas, and all other common ways, pool enclosure areas, all landscaping, fences, gates, walls enclosing Residential Limited Common Element, yards and grounds in the Residential Development;

(iii) Those portions of any pipes, cables, conduits, chutes, flues, ducts, wires, vents, shafts, other utility or service lines, sewage treatment equipment and facilities (if any), supporting apparatus, electrical equipment, electrical closets, storage rooms, communications rooms, pump rooms, pool support pumps and equipment, systems and apparatus, HVAC, air conditioning and/or heating equipment and any appurtenant pipes or ducts, or other central and appurtenant transmission facilities and installations over, under and across the Residential Development, or any other fixtures, whether located partially within and partially outside the designated boundaries of a Residential Development, which serve more than one Residential Unit or the Residential Limited Common Elements;

(iv) All utility and maintenance rooms, closets and facilities, storage rooms, closets, and facilities, electrical and mechanical rooms, accessory equipment areas, storage areas, trash rooms and other support areas that service the Residential Development;

(v) The Recreation Deck and the Recreational Amenities located on the Recreation Deck, including, but not limited to a swimming pool, and any lounge areas, fitness areas, park area and all other amenities located on the Recreation Deck;

(vi) Any and all decorative elements added by or on behalf of the Residential Developer to the Residential Development, including without limitation, any louvers, metal panels, signs, glass curtain wall, glass and fixtures;

g. Any other areas on the Condominium Map designated as Residential Limited Common Element.

2. **INDIVIDUAL RESIDENTIAL LIMITED COMMON ELEMENTS.**

- a. The parking stall(s) assigned to each Residential Unit as set forth in Exhibit B hereto.
- b. Each of the parking stalls not specifically noted on Exhibit B identified on the Condominium Map on Level 4 and Level 5 (except for stalls 4-A 26-32, 4-B 24-26, 4-C 25-28, 4-D 25-30 and 4-K 11-19, collectively "Level 4 Commercial Stalls") and excluding the parking stalls located on the Level 1 Ground Floor, but including the Guest Parking Stalls G4001-G4021 on Level 4, are Individual Residential Limited Common Elements to Residential Unit 601.
- c. Each of the storage lockers (designated by "L" and a number) and storage rooms (designated by "S" and a number) identified and depicted on the Condominium Map shall be Individual Residential Limited Common Elements to Residential Unit 601.
- d. The Lanais and Roof Terrace shall be Individual Residential Limited Common Elements to the Penthouse Residential Units set forth in Exhibit B hereto and as depicted on the Condominium Map.
- e. Any chute, flue, duct, wire, conduit, or any other fixture lies totally or partially within and partially outside the designated boundaries of a Residential Unit, any portion thereof serving only that Residential Unit.
- f. Any other areas on the Condominium Map designated as Individual Residential Limited Common Element.

3. **COMMERCIAL LIMITED COMMON ELEMENTS.**

- a. The street level sidewalks and walkways and landscaped areas;
- b. The Level 1 Ground Floor drive through areas, SL-D 01 and SL-D 02 and SL-E 02, and SL-E 03 parking stalls, the Janitor, Commercial Trash, Service Loading Area and Service Dock, Commercial Storage, Nordstrom Fire Pump Room, Elevator Machine Room located on the Ground Floor and depicted on the Condominium Map.
- c. Elevators 26 and 27 and Stair S-22 in the Retail/Parking Structure as depicted on the Condominium Map.
- d. The interior and exterior surfaces of the walls, ceilings and floors in the Retail/Parking Structure on the Ground Level (not otherwise a Residential Limited Common Element) and Levels 2, 2B and 3 not otherwise designated as General Common Elements or as Residential Limited Common Element.
- e. The drive through areas between parking rows 2-E and 2-F and between parking rows 2-G and 2-H and between parking rows 2-J and 2-K on Level 2 of the Retail/Parking Structure; and between parking rows 2B-E and 2B-F and between 2B-G and 2B-H and the parking rows in front of 2B-J 01 to 08 and 2B-K 01 to 13 on Level 2B of the Retail/Parking Structure; and between parking rows 3-E and 3-F and between parking rows 3-G and 3-H and the parking rows in front of 3-J 01 to 07 and 3-K 01 to 13 on the Level 3 of the Retail/Parking Structure.
- f. Any signage or other items attached to such Commercial Limited Common Elements, including, but not limited to, the "Nordstrom" blade sign attached to the Retail/Parking Structure.
- g. Those portions of any pipes, cables, conduits, chutes, flues, ducts, wires, vents, shafts, other utility or service lines, sewage treatment equipment and facilities (if any), electrical equipment, electrical closets, storage rooms, communications rooms, or other central and appurtenant transmission facilities and installations over, under and across the Commercial Development, or any other fixtures, whether located partially

within and partially outside the designated boundaries of a Commercial Unit, which serve more than one Commercial Unit.

h. Any other areas on the Condominium Map designated as Commercial Limited Common Element.

4. **THE INDIVIDUAL COMMERCIAL LIMITED COMMON ELEMENTS.**

a. Any doorsteps, stoops, patios, and all exterior doors and windows or other fixtures designed to serve a single Commercial Unit located outside the boundaries of, but are adjoining the Commercial Unit.

b. All parking stalls identified on Levels 2, 2B and 3 on Condominium Map and the Level 4 Commercial Stalls, except for parking Stall 2-A 01 shall be Individual Commercial Limited Common Elements to Commercial Unit C-1.

c. Parking stall 2-A 01 shall be an Individual Commercial Limited Common Element to Commercial Unit C-2 as set forth in Exhibit B hereto.

d. Any chute, flue, duct, wire, conduit, or any other fixture that lies totally or partially within and partially outside the designated boundaries of a Commercial Unit, any portion thereof serving only that Commercial Unit.

EXHIBIT "F"

SPECIAL USE RESTRICTIONS

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

A. IN GENERAL.

1. **STANDARD OF OPERATION.** The Project shall be occupied and used only for the purposes that are consistent with, and appropriate to, a luxury residential/commercial development operating pursuant to a First Class Standard and other uses permitted by law, the Declaration, the Bylaws and the House Rules.

2. **RIGHT TO SELL, LEASE OR RENT.** The Unit Owners have the absolute right to sell, lease, rent or otherwise transfer their own Units, subject to the restrictions in the Declaration and also subject to all other provisions of the Act, the Declaration, Bylaws and House Rules. Subject to those certain prohibitions on uses set forth herein, the Owners of the respective Units shall have the absolute right to lease such Units subject to all provisions of the Declaration, the Bylaws and the House Rules; provided, however, that as it pertains to the Residential Units, (i) all leases shall be in writing, signed by the Owner or Owner's representative and the tenant, (ii) all leases shall have a term of not less than thirty (30) days, (iii) without prior written approval of the Board, no leasing of less than an entire Unit shall be allowed, (iv) Owner gives notice in writing to the Association that such Owner's Unit is being leased out, (v) such Owner's right to lease is subject to any owner-occupant requirements under Part V.B of the Act and (vi) no Residential Unit be utilized for hotel purposes. In no event shall the Association have the authority to evict a tenant of a Commercial Unit or enforce any rights against the tenant of a Commercial Unit for any violation which is also a violation under a lease. In such instance, the Commercial Unit Owner, as landlord, may have priority to first lawfully exercise its rights under the lease against such tenant. The Association may lawfully exercise against the Owner of such Commercial Unit and pursue any action against the Commercial Unit Owner for noncompliance with the Condominium Documents, or applicable law.

3. **SEPARATE MORTGAGES.** Each Owner shall have the right to mortgage or to otherwise encumber all, but not less than all, of such Owner's Unit. Any mortgage shall be subordinate to all of the provisions of the Condominium Documents and, in the event of foreclosure, the provisions of the Condominium Documents shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure or otherwise. Notwithstanding any other provision of the Condominium Documents, no breach of the provisions herein contained, nor the enforcement of any lien created pursuant to the provisions hereof, shall impair, defeat or render invalid the priority of the lien of any mortgage encumbering a Unit or encumbering Residential Developer's interest in the Project.

4. **MAINTENANCE OF THE UNITS AND THEIR LIMITED COMMON ELEMENTS.** The Owner of a Unit shall keep the interior of his or her Unit and all appliances, plumbing, electrical and other fixtures and appurtenances constituting a part of the Unit and the Individual Limited Common Elements appurtenant thereto in a clean and sanitary condition and in good order and repair in accordance with the First Class Standard and in compliance with law, and shall be responsible for any damage or loss caused by his or her failure to do so. Decisions on repairs or modifications to the Individual Limited Common Elements shall be made by the Owners of Units to which such Individual Limited Common Elements are appurtenant and subject to any additional provisions stated in the Bylaws. Unit Owners shall be responsible for any damage or loss caused by such Owner's tenants, guests or invitees to any of the Common Elements.

5. **PROHIBITION ON ACTIVITIES THAT MAY JEOPARDIZE THE PROJECT.** No Unit Owner shall do or suffer or permit anything to be done or kept on or in any Unit or appurtenant Individual Limited Common Element or elsewhere on the Project that will: (1) injure the reputation of the Project; (2) jeopardize the safety, soundness or structural integrity of the Improvements in the Project; (3) create a nuisance or interfere with or unreasonably disturb the rights of other Owners and occupants; (4) reduce the value of the Project; (5) increase the rate of insurance applicable to the Units or the contents thereof, or to the Project; (6) violate any applicable law, ordinance, statute, rule or regulation of any local, county, state or federal government or agency thereof; or (7) cause the violation of any agreement(s) entered into for the benefit of the Project and/or (8) result in

the cancellation of insurance applicable to the Project or adversely affect the right of recovery thereunder or result in reputable companies refusing to provide insurance as required or permitted by the Bylaws. Any insurance increase caused by a Residential Unit shall become a Residential Unit Class Expense and any increase caused by a Commercial Unit shall be paid by the Owner of such Commercial Unit.

B. RESIDENTIAL UNITS.

1. **RESIDENTIAL USE.** Except as provided herein, Residential Units and their appurtenant Limited Common Elements shall be used by the Residential Developer for construction of the Residential Development and thereafter for residential purposes exclusively, except that a home-based business may be maintained within a Residential Unit, provided that (i) such maintenance and use is limited to the person actually residing in the Residential Unit; (ii) no employees or staff other than a person actually residing in the Residential Unit are utilized; (iii) no clients or customers of such business visit the Residential Unit; (iv) the number of persons, other than clients or customers, that shall visit such business and the frequency of such visits shall be kept to a reasonable minimum, as determined in the sole discretion of the Board; (v) such maintenance and use is in strict conformity with the provisions of any applicable law (including zoning law), ordinance or regulation; (vi) the person utilizing such office maintains a principal place of business other than the Residential Unit; (vii) such business uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors and does not cause an increase of General Common Expenses that can be solely and directly attributable to the business; (viii) such business does not involve the use, storage or disposal of any materials that the State of Hawaii or any governing body with jurisdiction over the Property designates as hazardous material; and (ix) the Residential Unit Owner has provided the Board thirty (30) days prior written notice of their intent to operate such home-based business. Notwithstanding the foregoing, the Board shall have the authority, but not the obligation, to permit a home-based business to be maintained within a Residential Unit which does not meet one or more of the requirements set forth above, which permission may be withdrawn at any time in the sole discretion of the Board. Nothing contained in this shall be construed to prohibit the Residential Developer from the use of any Residential Unit for promotional or display purposes, such as for a model home, a sales and/or construction office, or for any other lawful purpose for development, construction and/or marketing and sales of the Residential Units in the Project.

2. **MAXIMUM OCCUPANCY.** No Residential Unit shall be occupied by more than nine (9) persons and provided that in no event shall occupancy of a Residential Unit exceed three (3) persons per bedroom; provided however, that this occupancy limitation shall not apply to or restrict the owner of a Residential Unit from hosting a larger group of invited guests or visitors in such Residential Unit for a one-day function with prior written notice to the Residential Managing Agent and subject to the limitations set forth in the House Rules.

3. **UNSIGHTLY ARTICLES.** Portions of a Residential Unit and its appurtenant Individual Limited Common Elements that are visible from the exterior of the Residential Unit must be kept in an orderly condition so as not to detract from the neat appearance of the Project. No items may be stored upon any lanai appurtenant to a Residential Unit without the prior approval of the Board. To maintain a uniform and attractive exterior appearance for the Project, Residential Unit Owner-installed window coverings must include a backing of an off-white color and must be of a type and general appearance approved by the Board. Residential Unit Owners may not, without the prior written approval of the Board, apply any substance, material or process to the exterior or interior surfaces of the Residential Unit's windows that may alter the exterior color, appearance or reflectivity of the windows. The Board, in its sole discretion, may determine whether the portions of a Residential Unit visible from the exterior of the Residential Unit are orderly. The Board may have any objectionable items removed from the portions of a Residential Unit that are visible from the exterior of the Unit so as to restore their orderly appearance, without liability therefore, and charge the Residential Unit Owner for any costs incurred in connection with such removal.

4. **PROHIBITION AGAINST INCREASING ENCLOSED LIVING AREA.** The initial enclosed living area of any Residential Unit (as such net living area is depicted on the Condominium Map filed herewith) may not be increased. This prohibition includes any partial or full enclosure of any lanai.

5. **PROHIBITION AGAINST TIME SHARE PROGRAMS.** No Residential Unit or Residential Limited Common Element or any portion of either shall be used for the promotion or sale of, or use as,

time share interests or interests in any other interval ownership, fractional use or joint ownership plan or program, directly or indirectly or for the operation of a tour or activity desk or any other business that directly or indirectly promotes the sale of time share interests, or interests in any other interval ownership, fractional use or joint ownership plan or program, including without limitation any so called "vacation license," "residence club membership," "travel club membership" or "time interval ownership" arrangement. The term "time-share" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess a Unit or Units in the Project is available to, or rotates among, various persons (whether or not identified) on a periodically recurring or nonrecurring basis, whether according to a fixed or floating interval or period of time or otherwise, and whether by way of deed, lease, association or club membership, license, rental or use agreement, cotenancy agreement, partnership or otherwise, and whether or not the program or arrangement is registered or required to be registered under Chapter 514E, Hawaii Revised Statutes, as amended, or under any successor law.

C. **USE OF RECREATIONAL AMENITIES.** The Recreational Amenities for the Residential Units will be located on the sixth (6th) floor of the Retail/Parking Structure ("**Recreation Deck**"). Except as otherwise provided herein, the Recreational Amenities in the Project shall only be used by the Residential Unit Owners and their occupants and guests and for recreation and leisure activities and any other purposes permissible by the Declaration, the Bylaws and House Rules; provided that, at no time shall there be any commercial use of the Recreation Deck to service any person other than an Owner (or Owner's invitees) nor shall the Recreation Deck contain any third-party independent commercial operation, whose business is not to provide services only to Owners and their invitees. The Residential Developer intends, but does not represent, warrant or guarantee, that the following amenities and services may be offered as Recreational Amenities to Residential Unit Owners: swimming pools, jacuzzi, movie theater, club room, outdoor and indoor children play areas, fitness center and locker rooms, indoor and outdoor lounge areas. The Association may enter into such agreements as it deems appropriate to provide the Recreational Amenities and services to Residential Unit Owners. The Residential Developer shall have the option, at its sole discretion, to add to, reconfigure, resize, relocate and/or remove any or all of the Recreational Amenities described in the Declaration, which may in turn increase or decrease the General Common Expenses and, consequently, affect maintenance fees. This Section shall not be considered a representation and/or warranty of the Residential Developer that any or all of the Recreational Amenities will be built, located on the Recreational Deck, and/or offered to Owners, or that Recreational Amenities will be built at all. This Section shall not be terminated or amended without the prior written approval of the Residential Developer, to the extent permitted by applicable law.

The Residential Developer and its Representatives, as guests, (as approved by the Residential Developer) shall have the reserved right to utilize the Recreational Amenities in the Project in the same manner as an "**Owner**" in the Project, subject to the Declaration and the House Rules for a period of ten (10) years from the execution of the Declaration; provided that 1) no more than twenty (20) persons, as periodically designated by the Residential Developer, at its discretion, shall be allowed to exercise this use right at any one time and 2) the Residential Developer shall pay the Association an equitable fee of three hundred dollars (\$300.00) per year per person designated that year, with the right of substitution, up to the maximum of twenty (20) designee spots at any one time, for use of the Recreational Amenities. This annual use fee shall not be waived once the Residential Developer appoints its designees for that year. In order to exercise this right, the Residential Developer need not own any Unit in the Project. This right shall not be altered or amended without the prior written approval of the Residential Developer, who shall be considered the "**Owner**" for enforcement purposes.

D. **USE OF RETAIL/PARKING STRUCTURE.** The Retail/Parking Structure shall be used for access, parking and any other purposes permitted by the Declaration, the Bylaws and House Rules. The Association shall be prohibited from reducing the total number of parking stalls, handicap parking stalls, guest stalls and/or loading stalls or areas located at the Project, without the prior written approval of the Commercial Developer and the prior written consent of the Residential Developer. Any Residential Limited Common Element parking stalls may only be used by the Residential Unit Owners and occupants of Residential Units, and their respective guests. The Retail/Parking Structure contains General Common Elements, Residential Limited Common Elements, Commercial Limited Common Elements, and Individual Limited Common Elements, as well as Commercial Units on its ground floor. All Unit Owners shall be provided access to the Retail/Parking Structure to access and utilize their designated parking stall (if any), guest stalls (designated as Residential Limited Common Elements or Commercial Limited Common Elements, as applicable) and their Unit and their Individual Limited Common Elements and Commercial Limited Common Elements or Residential Limited Common Elements.

E. **USE OF GENERAL COMMON ELEMENTS.** Subject to the reserved rights of Commercial Developer and Residential Developer contained in the Declaration, and the express limitations on use set forth in the Declaration, each Unit Owner may use the General Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Unit Owners, subject always to the following limitations:

1. **ASSOCIATION'S USE.** Except for any rights to use expressly reserved to the Commercial Developer, Residential Developer, Residential Unit Owner, or Commercial Unit Owner under the Declaration, nothing in the Declaration is intended to limit or restrict the Association's right to use the General Common Elements, or any Unit owned or leased by the Association for the benefit of the members of the Association or any Limited Common Element appurtenant thereto to the full extent permitted by the applicable zoning ordinance and by law. No such lease, use or change in use may be made before the Development Period ends without the written consent of the Commercial Developer.

2. **NO RIGHT TO OBSTRUCT THE GENERAL COMMON ELEMENTS; RESIDENTIAL LIMITED COMMON ELEMENTS OR COMMERCIAL LIMITED COMMON ELEMENTS.** Subject to the Commercial Developer's and Residential Developer's Reserved Rights and subject to the Residential Developer's ability obstruct such areas during the Development Period, no Residential Unit Owner or occupant may place, store, or maintain on walkways, roadways, grounds, or other General Common Elements, Residential Limited Common Elements or Commercial Limited Common Elements any furniture, packages, or objects of any kind or otherwise obstruct transit through the General Common Elements, Residential Limited Common Elements or Commercial Limited Common Elements. This does not prohibit the Owners of Units from placing goods and other materials on the General Common Elements, Residential Limited Common Elements or Commercial Limited Common Elements when loading or unloading them, or transporting them to the Unit or to a storage area that is a Limited Common Element; provided that any such loading, unloading, and transportation must be completed promptly, or prohibit the Commercial Unit Owners' use of the Commercial Limited Common Elements for commercial activity; provided that the Project roadways and driveways, including the Ground Floor, are not obstructed by commercial activity and Owners have continued pedestrian and vehicular access to the Residential Development.

F. **USE OF INDIVIDUAL LIMITED COMMON ELEMENTS; RESIDENTIAL LIMITED COMMON ELEMENTS AND COMMERCIAL LIMITED COMMON ELEMENTS.** Subject to the Commercial Developer Reserved Rights or the Residential Developer Reserved Rights, Unit Owners shall have the right to use the Individual Limited Common Elements appurtenant to their Units for any purpose permitted by the Declaration and the House Rules. Notwithstanding anything provided to the contrary, or from which a contrary intent may be inferred, neither the Board nor the Association shall have any right to change the use of or lease or otherwise use any Individual Limited Common Element without the prior written approval of the Owners of the Unit to which such Individual Limited Common Element is appurtenant. The Residential Unit Owners of at least sixty-seven percent (67%) of the Residential Class Common Interests shall have the right to change the use of the Residential Limited Common Element. Likewise, the Commercial Unit Owners of at least sixty-seven percent (67%) of the Commercial Class Common Interest shall have the right to change the use of the Commercial Limited Common Elements. Subject to the Residential Developer Reserved Rights and Commercial Developer Reserved Rights set forth in the Declaration, no lease, license, easement or the similar right may be granted over the Residential Limited Common Elements or the Commercial Limited Common Elements without the approval of the Residential Unit Class or the Commercial Unit Class, respectively.

G. **LAND USE ENTITLEMENTS.** The Project is subject to certain restrictions and conditions set forth in the Land Use Entitlements, issued by the County, as the same may be amended. The Commercial Developer shall have the right to amend such Land Use Entitlements and such permits without the approval or joinder of the Owner of any other Unit or any other person or entity in accordance with the Commercial Developer's Reserved Right set forth in Article XXX herein.

H. **SEPARATION, COMBINATION OF UNITS; TRANSFER OF INTEREST.** Subject to the Commercial Developer Reserved Rights and the Residential Developer Reserved Rights set forth in the Declaration, no Owner may partition or separate portions of a Unit or the legal rights comprising ownership of a Unit from any other part thereof, nor shall an Owner combine a Unit with any portion of another Unit; provided that the an Owner

may subdivide and consolidate Units pursuant to Section X.B.4 of the Declaration. No Owner shall sell, assign, convey, transfer, gift, devise, bequeath, hypothecate or encumber anything other than a single, complete Unit; provided, however, that nothing herein contained shall (1) limit the right of Commercial Developer and Residential Developer and their successors and assigns to sell Units as contemplated herein, or (2) restrict the manner in which title to Unit may lawfully be held under Hawaii law (e.g., joint tenants, tenants in common, or the like). Except as provided in clause (1) above, every sale, assignment, conveyance, transfer, gift, devise, bequest, hypothecation, encumbrance or other disposition of a Unit or any part thereof shall be presumed to be a disposition of the entire Unit, together with all appurtenant rights and interests created by law or by the Declaration or any other Condominium Document. The transfer of any Unit shall operate to transfer to the new owner of the Unit the interest of the prior owner in all funds held by the Association even though not expressly mentioned or described in the instrument of transfer, and without any further instrument or transfer.

I. **ADA COMPLIANCE.** To the extent required, the Project will be constructed in compliance with Americans With Disabilities Act (42 U.S.C. §§ 12101 et seq.) (“ADA”). All such areas required to be ADA compliant, as well as all improvements therein, must at all times comply with ADA, as well as all other laws, ordinances, building codes, rules, regulations, orders and directives of any governmental authority having jurisdiction now or in the future applicable to such ADA areas.

J. **NUISANCES** No nuisances shall be allowed which is a source of annoyance to the occupants of Units or which interferes with the peaceful possession or proper use of the Units by its residents or occupants.

K. **WEIGHT RESTRICTION.** Hard and/or heavy surface floor coverings, including, but not limited to, tile, marble, wood or the like, may not be installed in any part of a Unit without the prior approval of the Board. Furthermore, the Unit Owner must ensure that a sound control underlayment system which meets a Sound Transmission Coefficient (STC) acoustic standard of 55 or better and an Impact Insulation Criteria (IIC) acoustic standard of 95 or better is used, which system must be approved by the Association. The installation of the foregoing insulation materials shall be performed in a manner that provides proper mechanical isolation of the flooring materials from any rigid part of the building structure, whether of the concrete subfloor (vertical transmission) or adjacent walls and fittings (horizontal transmission) and must be installed prior to the Unit being occupied. The Association may require a structural engineer to review certain proposed improvements, with such review to be at the Owner’s sole expense. Owners will be held strictly liable for violations of these restrictions and for all damages resulting therefrom and the Association has the right to require immediate removal of the violations.

L. **ADVERTISEMENTS; SIGNS.** Subject to the Residential Developer Reserved Rights or other Residential Developer rights set forth herein or Residential Developer easement rights set forth in Section IV.C.3 of the Declaration, Residential Unit Owners shall not place advertisement, poster or sign of any kind shall on the exterior of any Residential Unit, in the windows of a Residential Unit or in the exterior portions of the Individual Unit Limited Common Elements or on any part of the Residential Limited Common Element, including, without limitation, any “For Sale” or “For Rent” signs. Notwithstanding the foregoing, this Section shall not apply to a Commercial Unit. The Commercial Units shall have the right to affix signs to any portion of the Commercial Unit or Commercial Limited Common Elements provided the same are consistent with first class regional shopping center standards and the First Class Standard. Notwithstanding the foregoing, Residential Unit Owners may not place signs on the Ground Floor without the approval of the Commercial Developer.

M. **ANTENNAS, SATELLITE DISHES.** To the extent permitted by applicable law and the House Rules, antenna, satellite dish or other transmitting or receiving apparatus shall be permitted within those portions of a Residential Unit under the exclusive control of a Residential Unit Owner and that are not visible from the exterior of the Unit.

N. **PETS.** Residential Owners are permitted to keep pets in their Residential Unit subject to the limitations set forth in the House Rules; provided, however, that notwithstanding this provision, visually impaired persons, hearing impaired persons and physically and mentally impaired persons shall be allowed to use the services of a “guide dog,” “signal dog,” or “service animal,” as such terms are defined in Chapter 515 of the Hawaii Revised Statutes.

O. **HOUSE RULES.** Additional use restrictions that are consistent with the Declaration and Bylaws may be set forth in the House Rules; provided that in no event shall House Rules regulate use of or behavior within any Commercial Unit or within their Individual Limited Common Elements, and may only regulate use or behavior of Owners in Residential Units and Individual Limited Common Elements appurtenant thereto, the General Common Elements, the Residential Limited Common Elements and the Commercial Limited Common Elements to the extent such areas are utilized by Residential Owners (i.e., portion of the Retail/Parking Structure). Any such rules and regulations affecting the Commercial Limited Common Elements shall be subject to the approval of the Commercial Director.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL RESTRICTIONS ON ALTERATIONS TO UNITS CONTAINED IN THE CONDOMINIUM DOCUMENTS. WHILE THIS SUMMARY IS A GENERAL SUMMARY OF SOME OF THE RIGHTS AND OBLIGATIONS UNDER THE CONDOMINIUM 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 CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

EXHIBIT "G"

ENCUMBRANCES AGAINST TITLE

SUBJECT, HOWEVER, to the following:

1. Any and all real property taxes that may be due and owing.
2. Mineral and water rights of any nature in favor of the State of Hawaii.
3. Designation of Easement "C" (10 feet wide) for storm drain purposes, as shown on Map 2, as set forth by Land Court Order No. 5647, filed December 20, 1943.
4. The terms and provisions contained in the following:

INSTRUMENT : EASEMENT AGREEMENT

DATED : June --, 1982

FILED : Land Court Document No. 1121201

PARTIES : ALA MOANA HAWAII PROPERTIES, a Hawaii limited partnership, D/E HAWAII JOINT VENTURE, a Hawaii general partnership, EQUI-NIFCO HAWAII JOINT VENTURE, a Hawaii general partnership, and NIFCO, INC., a Hawaii corporation

AMENDMENT TO EASEMENT AGREEMENT dated December 15, 1982, filed as Land Court Document No. 1160791.

5. The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT REGARDING CONSTRUCTION OF OVERHEAD STRUCTURES

DATED : December --, 2001

FILED : Land Court Document No. 2759413

RECORDED : Document No. 2001-192440

PARTIES : GGP ALA MOANA L.L.C., a Delaware limited liability company authorized to do business in Hawaii, and GGP KAPIOLANI DEVELOPMENT L.L.C., a Delaware limited liability company authorized to do business in Hawaii

6. The terms and provisions contained in the following:

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

DATED : April 14, 2005

FILED : Land Court Document No. 3257597

PARTIES : GGP ALA MOANA L.L.C., a Delaware limited liability company, and GGP KAPIOLANI DEVELOPMENT L.L.C., a Delaware limited liability company

7. MEMORANDUM OF LEASE AGREEMENT dated June 15, 2005, filed as Land Court Document No. 3289517, by and among GGP KAPIOLANI DEVELOPMENT L.L.C., a Delaware limited liability company ("Owner"), NORDSTROM, INC., a Washington corporation ("Nordstrom"), and GGP ALA MOANA L.L.C., a Delaware limited liability company ("Shopping Center Owner"); re. unrecorded Lease dated June 15, 2005 (the "Lease"), for a term from and after the Effective Date of the Lease (as defined in the Lease) and thereafter for a Basic Term beginning on the Opening Date (as defined in the Lease) and terminating on the last day of February immediately following the fifteenth (15th) anniversary of the

Opening Date, together with the right, privilege and option to extend the term of the Lease thereafter for five (5) successive terms of ten (10) years each.

8. Designation of Easement "H" for waterline purposes, as shown on Map 23, as set forth by Land Court Order No. 177839, filed February 12, 2009.
9. GRANT OF WATER PIPELINE EASEMENT in favor of the CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii, and the BOARD OF WATER SUPPLY, CITY AND COUNTY OF HONOLULU (the "Board"), dated July 16, 2009, filed as Land Court Document No. 3885435, granting an easement for waterline purposes through said Easement "H".
10. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF EASEMENTS AND COVENANTS

DATED : November 1, 2010
FILED : Land Court Document No. 4015518

Said Declaration of Easements and Covenants was amended by instrument dated August 30, 2012, filed as Land Court Document No. T-8337154.

11. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME OF ONE ALA MOANA (FKA 1555 KAPIOLANI CONDOMINIUM)

DATED : August 30, 2012
FILED : Land Court Document No. T-8337151
MAP : 2081 and any amendments thereto

Said Amended and Restated Declaration restates the original Declaration dated November 1, 2010, filed as Land Court Document No. 4015523.

12. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF ONE ALA MOANA (FKA 1555 KAPIOLANI CONDOMINIUM)

DATED : August 30, 2012
FILED : Land Court Document No. T-8337152

The foregoing Amended and Restated By-Laws restate the original By-Laws dated November 1, 2010, filed as Land Court Document No. 4015524.

13. The terms and provisions contained in the following:

INSTRUMENT : LIMITED WARRANTY CONDOMINIUM UNIT DEED WITH RESERVATIONS AND CONDITIONS

DATED : November 1, 2010
FILED : Land Court Document No. 4015525

14. The terms and provisions contained in the following:

INSTRUMENT : MEMORANDUM OF DEVELOPMENT AGREEMENT

DATED : November 1, 2010

FILED : Land Court Document No. 4015526

PARTIES : KAPIOLANI RETAIL, LLC, a Delaware limited liability company, "Owner",
and KAPIOLANI RESIDENTIAL, LLC, a Delaware limited liability company,
"Developer"

15. Terms and provisions contained in SANITARY SEWER EASEMENT AND TEMPORARY CONSTRUCTION EASEMENT dated November 1, 2010, filed as Land Court Document No. 4015527, by and among GGP ALA MOANA L.L.C., a Delaware limited liability company ("Grantor"), KAPIOLANI RETAIL, LLC, a Delaware limited liability company ("Kapiolani Retail"), and KAPIOLANI RESIDENTIAL, LLC, a Delaware limited liability company ("Kapiolani Residential"), including but not limited to the construction and installation of the Facilities on the Easement Area ("Temporary Construction Work") as more particularly defined therein.

16. Any claim or boundary dispute which may exist or arise by reason of the failure of the SANITARY SEWER EASEMENT AND TEMPORARY CONSTRUCTION EASEMENT filed as Land Court Document No. 4015527, referred to in Schedule C, to locate with certainty the boundaries of the sanitary sewerlines described therein as the "Easement Area".

END OF EXHIBIT "A"

EXHIBIT "H"

RESERVED RIGHTS OF DEVELOPER

Among other rights, the Developer will have the following reserved rights with respect to the Project, which are more particularly set forth in the Declaration, Bylaws, House Rules and Purchase Agreement.

DECLARATION

- A. **RESERVED RIGHT TO GRANT AND RECEIVE EASEMENTS.** Pursuant to Section XX of the Declaration, the Commercial Developer and the Residential Developer will have, among other things, the right to delete, cancel, relocate, realign, reserve, designate, grant and receive any and all easements and rights of way over, under, through, across and upon the General Common Elements and Commercial Development and the Residential Development, respectively.
- B. **RESERVED RIGHT TO DESIGN, DEVELOP, BUILD, ADD TO AND COMPLETE NEW IMPROVEMENTS ON THE LAND.** Pursuant to Section XXI of the Declaration, the Commercial Developer and the Residential Developer will have, among other things, the right to design, develop, build, add, reconfigure, and complete New Improvements within the Commercial Development and, subject to Section XXIV of the Declaration and any applicable approvals required by Section XXXV of the Declaration, and the Residential Development, respectively.
- C. **RESERVED RIGHT NOT TO DEVELOP AND/OR CONSTRUCT ALL OF THE RECREATIONAL AMENITIES.** All of the Recreational Amenities in the Project, as depicted on the Condominium Map, may not all be constructed or may not all be constructed at the same time. Nothing in the Declaration shall be construed as a representation or warranty by the Residential Developer that the Recreational Amenities or any portion thereof, will be developed or built or that the Recreational Amenities and/or the other portions of the Residential Limited Common Elements will be built or completed prior to, concurrently with or soon after any or all of the Residential Units are conveyed to third parties.
- D. **RESERVED RIGHT TO ALTER, SUBDIVIDE AND CONSOLIDATE UNITS.** Pursuant to Section XXIII of the Declaration, the Commercial Developer and Residential Developer will have the reserved right, without obtaining the approval of any party with an interest in the Project, including any other Owner and/or mortgagee, to: (1) alter the floor plan of any Unit which it owns at any time, and in any manner the Commercial Developer and Residential Developer deem appropriate, in their absolute discretion, provided that the Common Interest appurtenant to the Unit shall not change; (2) cause the subdivision of any Unit which it owns at any time to create two or more Units provided that the total Common Interest appurtenant to the subdivided Units shall equal the Common Interest appurtenant to the original Unit; (3) convert certain portions of any existing Unit to Limited Common Element status to facilitate any subdivision; (4) consolidate any two adjacent Units owned by the Commercial Developer or Residential Developer; provided that the Common Interest appurtenant to the new consolidated Unit equal the total of the two previously separate Units; and (5) recalculate the Common Interest appurtenant to each Unit upon such subdivision and/or consolidation; provided that the total Common Interest appurtenant to the newly-created Units shall equal the Common Interest appurtenant to the original Unit.
- E. **RESERVED RIGHT TO INSTALL RESIDENTIAL DEVELOPER SIGNAGE.** Pursuant to Section XXIV of the Declaration, Developer will have the reserved right to install, maintain, repair and replace (from time to time) directional signage within the street level of the Project, identity signage on Kapiolani Boulevard and canopy signage, all of which shall be in a size and location as permitted, subject to the approval of the Commercial Developer, and other signage within the Residential Limited Common Element of the Retail/Parking Structure; subject to any zoning laws or other governmental requirements.
- F. **RESERVED RIGHT TO MODIFY PROJECT AND TO AMEND CONDOMINIUM DOCUMENTS AND/OR THE CONDOMINIUM MAP.** Pursuant to Section XXV of the Declaration, the Commercial Developer, as it pertains to the Commercial Development, and the Residential Developer, as it pertains to the Residential Development, will have the reserved right to effect such modifications to Units and Common

Elements in the Project and/or to execute, file and deliver any amendments to the Declaration, the Condominium Map, the Bylaws and House Rules promulgated thereunder, as may be necessary or allowed to effect compliance by the Project, the Association or by the Commercial Developer and Residential Developer, with laws which apply to the Project.

G. RESERVED RIGHT TO CONVERT LIMITED COMMON ELEMENTS TO UNITS.

Pursuant to Section XXVI of the Declaration, the Commercial Developer, as it pertains to the Commercial Development, and the Residential Developer, as it pertains to the Residential Development, will have the right, without obtaining the approval of any party with an interest in the Project, including any other Owner and/or mortgagee, to convert a Limited Common Element appurtenant to such Commercial Unit(s) owned by the Commercial Developer or the Residential Unit(s) owned by the Residential Developer, or any portion thereof, into a separate Commercial or Residential Unit of the Project.

H. RESERVED RIGHT TO RECHARACTERIZE AND REDESIGNATE LIMITED COMMON ELEMENTS.

Pursuant to Section XXVII of the Declaration, the Commercial Developer, as it pertains to the Commercial Development, and Residential Developer, as it pertains to the Residential Development, shall have the reserved right, to amend the Declaration to (a) recharacterize all or a portion of certain Individual Commercial Limited Common Elements or Residential Individual Limited Common Elements, as may be appurtenant to a Commercial Unit owned by Commercial Developer, or a Residential Unit owned by the Residential Developer, respectively, as being General Common Elements of the Project, thus giving up or waiving the exclusive use of such area or areas; or (b) redesignate all or a portion of certain Individual Commercial Limited Common Elements or Residential Individual Limited Common Elements, as may be appurtenant to any Commercial Unit owned by the Commercial Developer, or Residential Unit owned by the Residential Developer, to another Commercial Unit or Residential Unit, respectively; or (c) to convert those certain Residential Limited Common Elements set forth in the Condominium Map as "Potential Individual LCE" to Individual Residential Common Elements should the Owner of the Residential Units adjoining such "Potential Individual LCE" areas consolidate the Residential Units pursuant to Section X.B.4 in the Declaration.

I. RESERVED RIGHT OF THE RESIDENTIAL DEVELOPER TO COMPLETE THE RESIDENTIAL DEVELOPMENT IMPROVEMENTS. Developer will have the reserved right to and until the end of the Development Period in accordance with Section XXIX of the Declaration, to complete the improvements in the Residential Development.

J. RESERVED RIGHT TO CONDUCT SALES ACTIVITIES. Pursuant to Section XXXI of the Declaration, Developer will have, among other things, the right to conduct extensive sales activities at the Project, including the use of any Unit owned by Developer and its appurtenant Limited Common Elements.

K. RESERVED RIGHT REGARDING LAND USE ENTITLEMENTS AND OTHER PERMITS. The Commercial Developer shall have the reserved right, without the consent of any other Unit Owner, to do all things necessary and convenient to satisfy the requirements of any land use or other permits pertaining to the Project, including but not limited to, the Land Use Entitlements issued by the County, as the same may be amended or modified, and to execute, record and deliver any and all documents necessary to effect the same, including, but not limited to, any amendments to the Declaration and to the Condominium Map; provided that the approval of the Residential Developer, which approval shall not be unreasonably withheld or delayed, shall be required in the event the exercise of this right negatively impacts the cost or ownership interest of the Residential Development.

L. RESERVED RIGHT FOR COMMERCIAL DEVELOPER TO EXERCISE DEVELOPMENT RIGHTS IN THE COMMERCIAL DEVELOPMENT. Notwithstanding anything herein provided to the contrary, the Commercial Developer hereby reserves the right unto itself, its successors and assigns, for the benefit of the Commercial Development to perform those development rights defined in Section 514B-3 of the Act; provided that the Commercial Developer shall not have the reserved right to annex additional land, merge the Project with another project or withdraw any portion of the Land from the Project.

M. ASSIGNMENT OF RESERVED RIGHTS. Pursuant to Section XXXII of the Declaration, the rights reserved to Commercial Developer and Residential Developer in the Declaration shall be fully and freely

assignable by the Commercial Developer and Residential Developer, respectively, in whole or in part, as set forth in Section XXXII of the Declaration.

N. APPROVAL OF AND CONSENT TO COMMERCIAL DEVELOPER'S AND RESIDENTIAL DEVELOPER'S RESERVED RIGHTS; APPOINTMENT OF COMMERCIAL DEVELOPER OR RESIDENTIAL DEVELOPER AS ATTORNEY-IN-FACT. Pursuant to Section XXXIII of the Declaration, every party acquiring an interest in the Project consents to Developer's exercise of its reserved rights and to the execution, delivery, and recording of any documents to effect these rights. Every party agrees to execute, deliver and record documents and do what may be necessary or convenient to effect the same; and appoints Commercial Developer and/or the Residential Developer, as applicable, and their assigns as his or her attorney-in-fact with full power of substitution to execute, deliver and file such documents and instruments and to do such things on his or her behalf.

BYLAWS

A. RESERVED RIGHT TO AMEND BYLAWS. This right is set forth in Article IX, Section 3.D of the Bylaws. The Commercial Developer (pursuant to the Commercial Developer Reserved Rights) and Residential Developers (pursuant to the Residential Developer Reserved Rights) shall have the reserved right to unilaterally amend the Bylaws to the extent set forth in the Declaration.

HOUSE RULES

A. RESERVED RIGHT TO AMEND HOUSE RULES. Any amendments to the House Rules governing the Common Elements may only be adopted with the approval of the Commercial Developer pursuant to the approval rights of the Commercial Developer.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL OF THE RIGHTS RESERVED BY THE DEVELOPER UNDER THE CONDOMINIUM DOCUMENTS. WHILE THIS SUMMARY IS A GENERAL SUMMARY OF SOME OF SUCH RESERVED RIGHTS, PURCHASER SHOULD REFER TO THE CONDOMINIUM DOCUMENTS TO DETERMINE THE ACTUAL RIGHTS RESERVED BY THE DEVELOPER. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

EXHIBIT "I"

ESTIMATED BUDGET AND INITIAL MAINTENANCE FEES

THE AMOUNTS SET FORTH IN THE ATTACHED 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 PURCHASER'S MAINTENANCE FEE, MAY INCREASE SUBSTANTIALLY DUE TO INCREASING COSTS, INCLUDING COSTS ATTRIBUTED TO THE INSURANCE COVERAGE, LABOR AND ENERGY.

PURCHASER RECOGNIZES AND ACKNOWLEDGES THAT SUCH COMMON INTERESTS AND MAINTENANCE FEES ARE SUBJECT TO CHANGE AS THE PROJECT EVOLVES. SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY THE DEVELOPER OR CONDOMINIUM MANAGER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.

Maintenance fees shall commence for the Residential Unit Owners as set forth in Section 6, item 1 of the public report.

CERTIFICATE

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

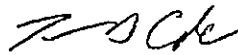
1. I am the Senior Vice President for Hawaiiana Management Company, Ltd., a Hawaii corporation, designated by the Developer of the One Ala Moana condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each unit in the Project, as set forth in Exhibit "1" attached hereto and hereby incorporated herein by reference, were determined in accordance with Section 514B-148 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, and are reasonable estimates for the one-year period commencing September, based on generally accepted accounting principles.

3. As permitted pursuant to Section 514B-148(b), new associations need not collect estimated reserves until the fiscal year which begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount for Reserves is an estimate only.

4. The Budget has been prepared on a cash basis.

DATED: Honolulu, Hawaii, this 20th day of September, 2012.



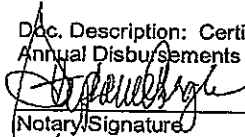
Name: KEVIN D. COLE
Title: SENIOR VICE PRESIDENT

Subscribed and sworn to before me
this 20th day of September, 2012.

State of Hawaii
City & County of Honolulu

Date: September 20, 2012 # of Pages: 13

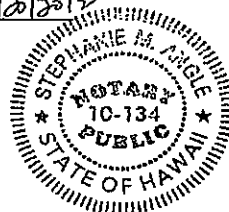
Doc. Description: Certificate of Managing Agent & Estimated
Annual Disbursements for: One Ala Moana



9/20/2012

Notary Signature
Name: Stephanie M. Angle

No. & Expiration: 10-124
My commission expires: 8/13/2014
First Circuit, State of Hawaii



NOTARY CERTIFICATION

1474789.1
22594/8/745978.2

One Ala Moana
Monthly Operating Budget

Description	January	February	March	April	May	June	July	August	September	October	November	December	Annual
REVENUE													
Maintenance Fees	\$302,572	\$302,572	\$302,572	\$302,572	\$302,572	\$302,572	\$302,572	\$302,572	\$302,572	\$302,572	\$302,572	\$302,572	\$3,630,864
Storage Room Maintenance	\$2,393	\$2,393	\$2,393	\$2,393	\$2,393	\$2,393	\$2,393	\$2,393	\$2,393	\$2,393	\$2,393	\$2,393	\$28,710
Guest Suites	\$10,602	\$9,576	\$10,602	\$10,260	\$10,602	\$10,260	\$10,602	\$10,260	\$10,602	\$10,260	\$10,602	\$10,260	\$124,830
Investment Interest													\$0
Vending Machines													\$0
Late Charges													\$0
Interest Charges													\$0
Other Income													\$0
Total Revenue	\$315,566	\$314,540	\$315,566	\$315,224	\$315,566	\$315,224	\$315,566	\$315,566	\$315,224	\$315,566	\$315,224	\$315,566	\$3,784,404
UTILITIES													
Electricity	\$137,254	\$137,254	\$137,254	\$137,254	\$137,254	\$137,254	\$137,254	\$137,254	\$137,254	\$137,254	\$137,254	\$137,254	\$1,647,051
Electrical Reimbursement	\$56,238	\$56,238	\$56,238	\$56,238	\$56,238	\$56,238	\$56,238	\$56,238	\$56,238	\$56,238	\$56,238	\$56,238	\$674,856
Television/Cable	\$7,219	\$7,219	\$7,219	\$7,219	\$7,219	\$7,219	\$7,219	\$7,219	\$7,219	\$7,219	\$7,219	\$7,219	\$86,625
Internet	\$2,925	\$2,925	\$2,925	\$2,925	\$2,925	\$2,925	\$2,925	\$2,925	\$2,925	\$2,925	\$2,925	\$2,925	\$35,102
Water	\$4,791	\$4,791	\$4,791	\$4,791	\$4,791	\$4,791	\$4,791	\$4,791	\$4,791	\$4,791	\$4,791	\$4,791	\$57,488
Sewer	\$13,119	\$13,119	\$13,119	\$13,119	\$13,119	\$13,119	\$13,119	\$13,119	\$13,119	\$13,119	\$13,119	\$13,119	\$157,431
Gas	\$2,563	\$2,563	\$2,563	\$2,563	\$2,563	\$2,563	\$2,563	\$2,563	\$2,563	\$2,563	\$2,563	\$2,563	\$30,755
Telephone	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$5,400
Subtotal:	\$112,083	\$112,083	\$112,083	\$112,083	\$112,083	\$112,083	\$112,083	\$112,083	\$112,083	\$112,083	\$112,083	\$112,083	\$1,344,996
CONTRACT SERVICES													
Window Washing	\$8,000					\$8,000							\$8,000
Elevator Residential	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$45,000
Refuse	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$11,994
Fire/Alarm Systems	\$2,379	\$2,379	\$2,379	\$2,379	\$2,379	\$2,379	\$2,379	\$2,379	\$2,379	\$2,379	\$2,379	\$2,379	\$28,560
Mechanical/Plumbing Maintenance	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$28,800
Submetering	\$1,030	\$1,030	\$1,030	\$1,030	\$1,030	\$1,030	\$1,030	\$1,030	\$1,030	\$1,030	\$1,030	\$1,030	\$12,360
Purchasing Hq	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Subtotal	\$10,809	\$10,809	\$10,809	\$10,809	\$10,809	\$10,809	\$10,809	\$10,809	\$10,809	\$10,809	\$10,809	\$10,809	\$161,705
MAINTENANCE													
Common Area Expense w/ GGP	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$39,996
Carpet Cleaning	\$1,463					\$1,463							\$5,850
Cleaning Supp/Equip	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Grounds/Landscaping Supplies	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400
Electrical/Lighting Supplies	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$1,750	\$21,000
Mechanical/Plumbing Repairs/Supplies	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$4,800
Pool/Spa	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Pest Control	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Security Equipment Repairs	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Health Club Maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Maintenance Equipment	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$60,000
Miss Rep & Mat/Supl	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$28,800

One Ala Moana
Monthly Operating Budget

Description	January	February	March	April	May	June	July	August	September	October	November	December	Annual
Guest Suites	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Amnnt/Decor/Flowers	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$7,250
Subtotal	\$20,846	\$19,383	\$19,383	\$20,846	\$19,383	\$19,383	\$20,846	\$19,383	\$19,383	\$20,846	\$19,633	\$20,383	\$239,696
PROFESSIONAL SERVICES													
Admin Supplies & Svcs	\$1,927	\$1,927	\$1,927	\$1,927	\$1,927	\$1,927	\$1,927	\$1,927	\$1,927	\$1,927	\$1,927	\$1,927	\$23,122
AOAO Admin Supplies	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
Gym Equipment & Copier Lease	\$3,080	\$3,080	\$3,080	\$3,080	\$3,080	\$3,080	\$3,080	\$3,080	\$3,080	\$3,080	\$3,080	\$3,080	\$36,960
Education	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$7,200
Management SRVS	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$2,060	\$24,720
Audit	\$1,450	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$1,450
Legal	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Misc. Consulting Fees	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Building Lic CRW License	\$300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$300
Subtotal	\$12,417	\$10,667	\$10,667	\$10,667	\$10,667	\$10,667	\$10,667	\$10,667	\$10,667	\$10,667	\$10,667	\$10,667	\$129,762
Payroll and Benefits													
Management (GM & OM)	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$144,000
Maintenance Mgr & Staff x 4	\$8,927	\$8,927	\$8,927	\$8,927	\$8,927	\$8,927	\$8,927	\$8,927	\$8,927	\$8,927	\$8,927	\$8,927	\$107,120
Custodial x 5	\$8,233	\$8,233	\$8,233	\$8,233	\$8,233	\$8,233	\$8,233	\$8,233	\$8,233	\$8,233	\$8,233	\$8,233	\$98,800
Residential Specialists (10 FT & 9PT)	\$38,177	\$38,177	\$38,177	\$38,177	\$38,177	\$38,177	\$38,177	\$38,177	\$38,177	\$38,177	\$38,177	\$38,177	\$456,120
Office Admin x 1 FT & 1 PT	\$4,666	\$4,666	\$4,666	\$4,666	\$4,666	\$4,666	\$4,666	\$4,666	\$4,666	\$4,666	\$4,666	\$4,666	\$55,994
Workers Comp.	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$2,880	\$34,560
Temp. Dis. Inc.	\$1,300	\$0	\$0	\$1,300	\$0	\$0	\$1,300	\$0	\$0	\$0	\$0	\$0	\$5,200
Health Care	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$162,000
Payroll Taxes	\$9,400	\$9,400	\$9,400	\$9,400	\$9,400	\$9,400	\$9,400	\$9,400	\$9,400	\$9,400	\$9,400	\$9,400	\$112,800
Payroll Preparation	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$4,200
Uniforms	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Managers Apt	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$72,000
Payroll Other	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Subtotal	\$105,883	\$104,583	\$104,583	\$104,583	\$104,583	\$104,583	\$104,583	\$104,583	\$104,583	\$104,583	\$104,583	\$104,583	\$1,260,194
OTHER EXPENSES													
Insurance: Master Policy	\$22,417	\$22,417	\$22,417	\$22,417	\$22,417	\$22,417	\$22,417	\$22,417	\$22,417	\$22,417	\$22,417	\$22,417	\$269,000
Uninsured Expenses	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$5,036
Miscellaneous Expense	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Taxes: GET	\$150	\$0	\$0	\$150	\$0	\$0	\$150	\$0	\$0	\$0	\$0	\$0	\$600
Subtotal	\$23,486	\$23,336	\$23,336	\$23,336	\$23,336	\$23,336	\$23,336	\$23,336	\$23,336	\$23,336	\$23,336	\$23,336	\$280,636
Total Operating Expenses	\$285,523	\$280,861	\$280,861	\$283,773	\$280,861	\$280,861	\$283,773	\$280,861	\$283,773	\$281,111	\$289,861	\$3,416,979	\$0.29%
Operating Surplus (Deficit)	\$30,043	\$33,679	\$36,705	\$31,461	\$34,705	\$26,363	\$31,793	\$34,705	\$26,363	\$31,793	\$34,113	\$26,705	\$367,421
													\$387,421
													10.12%

Estimate of Initial Maintenance Fees

One Ala Moana
(206 units)

Residential Unit Number	Unit Type	Residential Class Comon Interest *	Monthly Fee	Yearly Total
601	MGR	0.519851%	\$1,572.92	\$18,875.08
703	2C-1	0.520572%	\$1,575.11	\$18,901.26
705	2B-R	0.455367%	\$1,377.81	\$16,533.76
707	2A-R	0.443608%	\$1,342.23	\$16,106.80
709	2D-1	0.410471%	\$1,241.97	\$14,903.64
711	1A-R	0.271153%	\$820.43	\$9,845.20
715	1B-R	0.312486%	\$945.50	\$11,345.94
800	3A	0.638155%	\$1,930.88	\$23,170.54
802	2C	0.520572%	\$1,575.11	\$18,901.26
806	2B	0.455367%	\$1,377.81	\$16,533.76
808	2A	0.443608%	\$1,342.23	\$16,106.80
810	2D	0.412965%	\$1,249.52	\$14,994.20
812	1A	0.271153%	\$820.43	\$9,845.20
814	1B	0.312486%	\$945.50	\$11,345.94
801	3A-R	0.638155%	\$1,930.88	\$23,170.54
803	2C-R	0.520572%	\$1,575.11	\$18,901.26
805	2B-R	0.455367%	\$1,377.81	\$16,533.76
807	2A-R	0.443608%	\$1,342.23	\$16,106.80
809	2D-R	0.412965%	\$1,249.52	\$14,994.20
811	1A-R	0.271153%	\$820.43	\$9,845.20
815	1B-R	0.312486%	\$945.50	\$11,345.94
900	3A	0.638155%	\$1,930.88	\$23,170.54
902	2C	0.520572%	\$1,575.11	\$18,901.26
906	2B	0.455367%	\$1,377.81	\$16,533.76
908	2A	0.443608%	\$1,342.23	\$16,106.80
910	2D	0.412965%	\$1,249.52	\$14,994.20
912	1A	0.271153%	\$820.43	\$9,845.20
914	1B	0.312486%	\$945.50	\$11,345.94
901	3A-R	0.638155%	\$1,930.88	\$23,170.54
903	2C-R	0.520572%	\$1,575.11	\$18,901.26
905	2B-R	0.455367%	\$1,377.81	\$16,533.76
907	2A-R	0.443608%	\$1,342.23	\$16,106.80
909	2D-R	0.412965%	\$1,249.52	\$14,994.20
911	1A-R	0.271153%	\$820.43	\$9,845.20
915	1B-R	0.312486%	\$945.50	\$11,345.94
1000	3A	0.638155%	\$1,930.88	\$23,170.54
1002	2C	0.520572%	\$1,575.11	\$18,901.26
1006	2B	0.455367%	\$1,377.81	\$16,533.76
1008	2A	0.443608%	\$1,342.23	\$16,106.80
1010	2D	0.412965%	\$1,249.52	\$14,994.20
1012	1A	0.271153%	\$820.43	\$9,845.20

Estimate of Initial Maintenance Fees

One Ala Moana
(206 units)

Residential Unit Number	Unit Type	Residential Class Comon Interest *	Monthly Fee	Yearly Total
1014	1B	0.312486%	\$945.50	\$11,345.94
1001	3A-R	0.638155%	\$1,930.88	\$23,170.54
1003	2C-R	0.520572%	\$1,575.11	\$18,901.26
1005	2B-R	0.455367%	\$1,377.81	\$16,533.76
1007	2A-R	0.443608%	\$1,342.23	\$16,106.80
1009	2D-R	0.412965%	\$1,249.52	\$14,994.20
1011	1A-R	0.271153%	\$820.43	\$9,845.20
1015	1B-R	0.312486%	\$945.50	\$11,345.94
1100	3A	0.638155%	\$1,930.88	\$23,170.54
1102	2C	0.520572%	\$1,575.11	\$18,901.26
1106	2B	0.455367%	\$1,377.81	\$16,533.76
1108	2A	0.443608%	\$1,342.23	\$16,106.80
1110	2D	0.412965%	\$1,249.52	\$14,994.20
1112	1A	0.271153%	\$820.43	\$9,845.20
1114	1B	0.312486%	\$945.50	\$11,345.94
1101	3A-R	0.638155%	\$1,930.88	\$23,170.54
1103	2C-R	0.520572%	\$1,575.11	\$18,901.26
1105	2B-R	0.455367%	\$1,377.81	\$16,533.76
1107	2A-R	0.443608%	\$1,342.23	\$16,106.80
1109	2D-R	0.412965%	\$1,249.52	\$14,994.20
1111	1A-R	0.271153%	\$820.43	\$9,845.20
1115	1B-R	0.312486%	\$945.50	\$11,345.94
1200	3A	0.638155%	\$1,930.88	\$23,170.54
1202	2C	0.520572%	\$1,575.11	\$18,901.26
1206	2B	0.455367%	\$1,377.81	\$16,533.76
1208	2A	0.443608%	\$1,342.23	\$16,106.80
1210	2D	0.412965%	\$1,249.52	\$14,994.20
1212	1A	0.271153%	\$820.43	\$9,845.20
1214	1B	0.312486%	\$945.50	\$11,345.94
1201	3A-R	0.638155%	\$1,930.88	\$23,170.54
1203	2C-R	0.520572%	\$1,575.11	\$18,901.26
1205	2B-R	0.455367%	\$1,377.81	\$16,533.76
1207	2A-R	0.443608%	\$1,342.23	\$16,106.80
1209	2D-R	0.412965%	\$1,249.52	\$14,994.20
1211	1A-R	0.271153%	\$820.43	\$9,845.20
1215	1B-R	0.312486%	\$945.50	\$11,345.94
1300	3A	0.638155%	\$1,930.88	\$23,170.54
1302	2C	0.520572%	\$1,575.11	\$18,901.26
1306	2B	0.455367%	\$1,377.81	\$16,533.76
1308	2A	0.443608%	\$1,342.23	\$16,106.80
1310	2D	0.412965%	\$1,249.52	\$14,994.20

Estimate of Initial Maintenance Fees

One Ala Moana
(206 units)

Residential Unit Number	Unit Type	Residential Class Comon Interest *	Monthly Fee	Yearly Total
1312	1A	0.271153%	\$820.43	\$9,845.20
1314	1B	0.312486%	\$945.50	\$11,345.94
1301	3A-R	0.638155%	\$1,930.88	\$23,170.54
1303	2C-R	0.520572%	\$1,575.11	\$18,901.26
1305	2B-R	0.455367%	\$1,377.81	\$16,533.76
1307	2A-R	0.443608%	\$1,342.23	\$16,106.80
1309	2D-R	0.412965%	\$1,249.52	\$14,994.20
1311	1A-R	0.271153%	\$820.43	\$9,845.20
1315	1B-R	0.312486%	\$945.50	\$11,345.94
1400	3A	0.638155%	\$1,930.88	\$23,170.54
1402	2C	0.520572%	\$1,575.11	\$18,901.26
1406	2B	0.455367%	\$1,377.81	\$16,533.76
1408	2A	0.443608%	\$1,342.23	\$16,106.80
1410	2D	0.412965%	\$1,249.52	\$14,994.20
1412	1A	0.271153%	\$820.43	\$9,845.20
1414	1B	0.312486%	\$945.50	\$11,345.94
1401	3A-R	0.638155%	\$1,930.88	\$23,170.54
1403	2C-R	0.520572%	\$1,575.11	\$18,901.26
1405	2B-R	0.455367%	\$1,377.81	\$16,533.76
1407	2A-R	0.443608%	\$1,342.23	\$16,106.80
1409	2D-R	0.412965%	\$1,249.52	\$14,994.20
1411	1A-R	0.271153%	\$820.43	\$9,845.20
1415	1B-R	0.312486%	\$945.50	\$11,345.94
1500	3A	0.638155%	\$1,930.88	\$23,170.54
1502	2C	0.520572%	\$1,575.11	\$18,901.26
1506	2B	0.455367%	\$1,377.81	\$16,533.76
1508	2A	0.443608%	\$1,342.23	\$16,106.80
1510	2D	0.412965%	\$1,249.52	\$14,994.20
1512	1A	0.271153%	\$820.43	\$9,845.20
1514	1B	0.312486%	\$945.50	\$11,345.94
1501	3A-R	0.638155%	\$1,930.88	\$23,170.54
1503	2C-R	0.520572%	\$1,575.11	\$18,901.26
1505	2B-R	0.455367%	\$1,377.81	\$16,533.76
1507	2A-R	0.443608%	\$1,342.23	\$16,106.80
1509	2D-R	0.412965%	\$1,249.52	\$14,994.20
1511	1A-R	0.271153%	\$820.43	\$9,845.20
1515	1B-R	0.312486%	\$945.50	\$11,345.94
1600	3A	0.638155%	\$1,930.88	\$23,170.54
1602	2C	0.520572%	\$1,575.11	\$18,901.26
1606	2B	0.455367%	\$1,377.81	\$16,533.76
1608	2A	0.443608%	\$1,342.23	\$16,106.80

Estimate of Initial Maintenance Fees

One Ala Moana
(206 units)

Residential Unit Number	Unit Type	Residential Class Comon Interest *	Monthly Fee	Yearly Total
1610	2D	0.412965%	\$1,249.52	\$14,994.20
1612	1A	0.271153%	\$820.43	\$9,845.20
1614	1B	0.312486%	\$945.50	\$11,345.94
1601	3A-R	0.638155%	\$1,930.88	\$23,170.54
1603	2C-R	0.520572%	\$1,575.11	\$18,901.26
1605	2B-R	0.455367%	\$1,377.81	\$16,533.76
1607	2A-R	0.443608%	\$1,342.23	\$16,106.80
1609	2D-R	0.412965%	\$1,249.52	\$14,994.20
1611	1A-R	0.271153%	\$820.43	\$9,845.20
1615	1B-R	0.312486%	\$945.50	\$11,345.94
1700	3A	0.638155%	\$1,930.88	\$23,170.54
1702	2C	0.520572%	\$1,575.11	\$18,901.26
1706	2B	0.455367%	\$1,377.81	\$16,533.76
1708	2A	0.443608%	\$1,342.23	\$16,106.80
1710	2D	0.412965%	\$1,249.52	\$14,994.20
1712	1A	0.271153%	\$820.43	\$9,845.20
1714	1B	0.312486%	\$945.50	\$11,345.94
1701	3A-R	0.638155%	\$1,930.88	\$23,170.54
1703	2C-R	0.520572%	\$1,575.11	\$18,901.26
1705	2B-R	0.455367%	\$1,377.81	\$16,533.76
1707	2A-R	0.443608%	\$1,342.23	\$16,106.80
1709	2D-R	0.412965%	\$1,249.52	\$14,994.20
1711	1A-R	0.271153%	\$820.43	\$9,845.20
1715	1B-R	0.312486%	\$945.50	\$11,345.94
1800	3A	0.638155%	\$1,930.88	\$23,170.54
1802	2C	0.520572%	\$1,575.11	\$18,901.26
1806	2B	0.455367%	\$1,377.81	\$16,533.76
1808	2A	0.443608%	\$1,342.23	\$16,106.80
1810	2D	0.412965%	\$1,249.52	\$14,994.20
1812	1A	0.271153%	\$820.43	\$9,845.20
1814	1B	0.312486%	\$945.50	\$11,345.94
1801	3A-R	0.638155%	\$1,930.88	\$23,170.54
1803	2C-R	0.520572%	\$1,575.11	\$18,901.26
1805	2B-R	0.455367%	\$1,377.81	\$16,533.76
1807	2A-R	0.443608%	\$1,342.23	\$16,106.80
1809	2D-R	0.412965%	\$1,249.52	\$14,994.20
1811	1A-R	0.271153%	\$820.43	\$9,845.20
1815	1B-R	0.312486%	\$945.50	\$11,345.94
1900	3A	0.638155%	\$1,930.88	\$23,170.54
1902	2C	0.520572%	\$1,575.11	\$18,901.26
1906	2B	0.455367%	\$1,377.81	\$16,533.76

Estimate of Initial Maintenance Fees

One Ala Moana
(206 units)

Residential Unit Number	Unit Type	Residential Class Comon Interest *	Monthly Fee	Yearly Total
1908	2A	0.443608%	\$1,342.23	\$16,106.80
1910	2D	0.412965%	\$1,249.52	\$14,994.20
1912	1A	0.271153%	\$820.43	\$9,845.20
1914	1B	0.312486%	\$945.50	\$11,345.94
1901	3A-R	0.638155%	\$1,930.88	\$23,170.54
1903	2C-R	0.520572%	\$1,575.11	\$18,901.26
1905	2B-R	0.455367%	\$1,377.81	\$16,533.76
1907	2A-R	0.443608%	\$1,342.23	\$16,106.80
1909	2D-R	0.412965%	\$1,249.52	\$14,994.20
1911	1A-R	0.271153%	\$820.43	\$9,845.20
1915	1B-R	0.312486%	\$945.50	\$11,345.94
2000	4B	0.944583%	\$2,858.04	\$34,296.52
2002	3B	0.669510%	\$2,025.75	\$24,309.00
2006	4A	0.751105%	\$2,272.63	\$27,271.60
2008	2D	0.412965%	\$1,249.52	\$14,994.20
2010	1A	0.271153%	\$820.43	\$9,845.20
2001	4B-R	0.944583%	\$2,858.04	\$34,296.52
2003	3B-R	0.669510%	\$2,025.75	\$24,309.00
2005	4A-R	0.751105%	\$2,272.63	\$27,271.60
2007	3C	0.695521%	\$2,104.45	\$25,253.42
2100	4B	0.944583%	\$2,858.04	\$34,296.52
2102	3B	0.669510%	\$2,025.75	\$24,309.00
2106	4A	0.751105%	\$2,272.63	\$27,271.60
2108	2D	0.412965%	\$1,249.52	\$14,994.20
2110	1A	0.271153%	\$820.43	\$9,845.20
2101	4B-R	0.944583%	\$2,858.04	\$34,296.52
2103	3B-R	0.669510%	\$2,025.75	\$24,309.00
2105	4A-R	0.751105%	\$2,272.63	\$27,271.60
2107	3C	0.695521%	\$2,104.45	\$25,253.42
2200	4B1	0.924273%	\$2,796.59	\$33,559.10
2202	3B	0.669510%	\$2,025.75	\$24,309.00
2206	4A	0.751105%	\$2,272.63	\$27,271.60
2208	2D	0.412965%	\$1,249.52	\$14,994.20
2210	1A-1	0.250844%	\$758.98	\$9,107.80
2201	4B1	0.924273%	\$2,796.59	\$33,559.10
2203	3B-R	0.669510%	\$2,025.75	\$24,309.00
2205	4A-R	0.751105%	\$2,272.63	\$27,271.60
2207	3C-1	0.675211%	\$2,043.00	\$24,515.99
2300	GPH B	1.307308%	\$3,955.55	\$47,466.58
2302	GPH A	1.449833%	\$4,386.79	\$52,641.46
2301	GPH B-R	1.307308%	\$3,955.55	\$47,466.58

9-20-2012

Estimate of Initial Maintenance Fees

One Ala Moana
(206 units)

Residential Unit Number	Unit Type	Residential Class Comon Interest *	Monthly Fee	Yearly Total
2303	GPH A-R	1.449833%	\$4,386.79	\$52,641.46
	TOTAL	100.000000%	\$302,572.00	\$3,630,864.00
* Note: Common Area Expense attributed to the Residential Unit Class is carried as an expense line item in the Residential Operating Budget.				

9-20-2012

Estimated Fee Disbursement

One Ala Moana
Parking

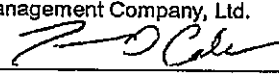
	Monthly Amount	Residential Allocation	Commercial Allocation
Utilities			
Electricity	\$ 25,040.00	\$ -	\$ 15,775.20
Water	\$ 2,000.00	\$ -	\$ 2,000.00
Internet Service	\$ 50.00	\$ -	\$ 50.00
Elevator Emergency Phones	\$ 150.00	\$ -	\$ 150.00
Service Contracts			
Elevators	\$ 758.00	\$ -	\$ 758.00
Security	\$ 18,000.00	\$ -	\$ 18,000.00
Landscape and Irrigation	\$ 3,000.00	\$ -	\$ 3,000.00
Annual Tree Trimming	\$ 1,000.00	\$ -	\$ 1,000.00
Sidewalk Repairs	\$ 100.00	\$ -	\$ 100.00
Security Equipment Repairs	\$ 1,500.00	\$ -	\$ 1,500.00
Fire Alarm & Smoke Detector Annual Inspection	\$ 56.83	\$ 56.83	\$ -
Fire Extinguisher Inspection and service	\$ 25.00	\$ 25.00	\$ -
Annual sprinkler inspection, fire hose pump svc.	\$ 150.00	\$ 150.00	\$ -
Annual wet/dry standpipe inspection	\$ 62.50	\$ 62.50	\$ -
Pest Control	\$ 300.00	\$ -	\$ 300.00
Sub metering	\$ 100.00	\$ -	\$ 100.00
Oil Water Separator	\$ 108.33	\$ -	\$ 108.33
General Maintenance			
General Janitorial cleaning	\$ 4,000.00	\$ -	\$ 4,000.00
Semi-annual Power washing	\$ 4,802.83	\$ 480.28	\$ 4,322.55
Maintenance and Repairs	\$ 1,000.00	\$ -	\$ 1,000.00
Signage repairs	\$ 200.00	\$ -	\$ 200.00
Light Fixtures & Bulb Replacement	\$ 500.00	\$ -	\$ 500.00
MISC Supplies and Equipment	\$ 1,000.00	\$ -	\$ 1,000.00
Professional Services			
Legal and Accounting	\$ 300.00		\$ 300.00
Other Professional Services	\$ 200.00		\$ 200.00
Managing Agent (Hawaiiana)			
Other Expenses			
Private Sewer Line Maintenance	\$ 400.00	\$ 400.00	\$ -
Insurance	\$ 5,013.33	\$ 1,854.93	\$ 3,158.40
Property Taxes	\$ 30,371.17	\$ -	\$ 30,371.17
Reserves	\$ 10,018.80	\$ 302.96	\$ 8,789.37
Total Monthly Expense	\$ 110,206.80	\$ 3,332.51	\$ 96,683.02
Total Annual Expense	\$ 1,322,481.60	\$ 39,990.06	\$ 1,160,196.18
<p>The foregoing budgeted line items and amounts are estimates based on assumptions provided by the developer and through industry standard information. Said amounts and assumptions are subject to change from time-to-time. Hawaiiana Management Company, Ltd. hereby certifies that this document was prepared in accordance with generally accepted accounting principles.</p> <p>Hawaiiana Management Company, Ltd.</p> <p>By:  Kevin Cole Senior Vice President</p>			

EXHIBIT "J"

SUMMARY OF PURCHASE AGREEMENT AND DEPOSIT RECEIPT

Capitalized terms have the same meaning as ascribed to such terms in the Purchase Agreement & Deposit Receipt ("Purchase Agreement").

The specimen Purchase Agreement, filed with the State of Hawaii Real Estate Commission, provides for, among other things, a description of the Unit to be sold, the purchase price, the closing costs, the time, manner and place of payment, the Purchaser's obligations regarding financing, the Seller's warranties and disclaimers regarding the Condominium Map and the Project, and the remedies of the Seller and of the Purchaser in the event of a default under the Purchase Agreement.

Among other provisions the specimen Purchase Agreement provides:

1. Prior to execution of the Purchase Agreement, Purchaser shall receive: (i) a true copy of the Public Report for the Project, either personally or by registered or certified mail with return receipt requested, and the Notice of Right to Cancel advising Purchaser of Purchaser's right to cancel the Purchase Agreement, the delivery of which is required by Hawaii Revised Statutes, Section 514B-86, and (ii) a copy of the Federal Property Report. Purchaser shall also have been given an opportunity to read said report(s).
2. Purchaser may cancel the Purchase Agreement within thirty (30) days of Purchaser's receipt of the Public Report. It is understood that Purchaser may, at any time after Purchaser's receipt of the Notice of Right to Cancel, waive Purchaser's right to cancel the Purchase Agreement. If Purchaser shall fail to execute the Notice of Right to Cancel within thirty (30) days of Purchaser's receipt of the Public Report, Purchaser shall be deemed to have waived Purchaser's right to cancel the Purchase Agreement (by Purchaser's failure to give said written notice of cancellation). The conveyance of the Unit to the Purchaser within the thirty (30)-day period referenced above shall also be treated as a waiver by Purchaser of Purchaser's right to cancel the Purchase Agreement.
3. Notwithstanding the foregoing, pursuant to the federal Interstate Land Sales Full Disclosure Act, Purchaser shall have the option to cancel the Purchase Agreement by notice to the Seller until midnight of the seventh (7th) day following the signing of the Purchase Agreement by Purchaser. If Purchaser does not receive a federal Property Report prepared pursuant to the rules and regulations of the federal Consumer Financial Protection Bureau, in advance of Purchaser signing the Purchase Agreement, the Purchase Agreement may be cancelled by Purchaser for two-years from the date of signing by Purchaser. The foregoing seven (7) day rescission period provided pursuant to the federal Interstate Land Sales Full Disclosure Act shall commence upon Purchaser's execution of this Purchase Agreement and may run concurrent with the thirty (30)-day rescission period provided pursuant to Hawaii law, as discussed above.
4. If the Purchase Agreement shall become binding prior to the completion of construction, the Purchase Agreement shall provide a Completion Deadline for Seller's completion of the Project. If the Project is not completed by the Completion Deadline, Purchaser may cancel his or her Purchase Agreement at any time thereafter.
5. The Seller has entered into an Escrow Agreement, summarized in Exhibit "K" herein, with Title Guaranty Escrow Services, Inc. ("Escrow"), covering the deposit with Escrow of all funds paid by the Purchaser under the Purchase Agreement and the disbursement of the funds by Escrow. Escrow may charge a cancellation fee on account of escrow services performed not to exceed \$250.00.
6. The Purchase Agreement requires the Purchaser to pay the Total Purchase Price by a series of payments prior to Closing, including an initial payment when Purchaser signs the Purchase Agreement, a second deposit and a third deposit. Purchaser shall then deposit the remaining balance due on the Date of Pre-Closing or four (4) business days prior to the Scheduled Closing Date, subject to loan requirements set forth in the Purchase Agreement.

7. Before expiration of Purchaser's Rescission Period, Purchaser must submit to Seller a Qualification Letter, in form and content acceptable to Seller (in Seller's sole discretion), issued by Qualification Agent. Purchaser understands and accepts that only a Qualification Letter issued by a Qualified Agent approved and designated by Seller shall comply with the requirements set forth in this Agreement.

8. If purchaser is obtaining mortgage financing, Purchaser represents and understands that Purchaser is solely responsible for taking all necessary and appropriate steps as requested from time to time by (A) Qualification Agent or (B) a lender arranged for, by or through Qualification Agent or (C) selected by Purchaser to obtain financing. The lender selected for mortgage financing shall be the "Buyer's Permanent Lender." The Buyer's Permanent Lender shall complete the process of applying for and obtaining the required mortgage loan to pay for the designated portion of the Purchase Price to be paid by mortgage loan proceeds ("Buyer's Permanent Loan"), as set forth in the Purchase Agreement.

9. PURCHASER'S OBLIGATIONS UNDER THE PURCHASE AGREEMENT ARE NOT CONTINGENT OR CONDITIONED ON PURCHASER'S ABILITY TO SECURE FINANCING FROM A MORTGAGE LENDER OR ON PURCHASER'S ABILITY TO SELL PURCHASER'S CURRENT RESIDENCE OR ANY OTHER PROPERTY OR ASSETS OR ON OBTAINING A DESIRED INTEREST RATE. The sale and purchase of the Unit is not contingent upon Purchaser's ability to retain the interest rate quoted at the time of approval of the Qualification Letter or Purchaser's Permanent Loan, and Purchaser will be required to pay the interest charged by Purchaser's Permanent Lender at the Close of Escrow (as defined in Paragraph 9(a) of the Purchase Agreement). No financing by Seller of any portion of the Purchase Price is available.

10. The Purchase Agreement provides that Purchaser may earn interest on Purchaser's deposits, pursuant to the requirements and limitations as set forth in the Purchase Agreement.

11. Purchaser's obligations under the Purchase Agreement are not contingent or conditional on Purchaser's ability to secure financing from a mortgage lender or on Purchaser's ability to sell Purchaser's current residence or any other property. Financing by Seller of any portion of the Total Purchase Price is not available.

12. The Purchase Agreement provides that Purchaser will pay a non-refundable, non-transferable "start-up" fee for the Association of Unit Owners in an amount of two (2) month's estimated maintenance fees for the Unit; plus one (1) month's estimated maintenance fees for the Unit as an advance payment for the initial month's maintenance fees payable by a Unit Owner. These start-up fees are one-time assessments at Closing and are not advance payments of common expenses or assessments, and shall be in addition to the normal monthly assessments. In addition, Purchaser is responsible for all closing costs in connection with this sale, including, without limitation, any mortgages and other financing documents and all costs related to obtaining and preparing the same, the cost of drafting the conveyance document, all acknowledgment fees, all recording fees, the title insurance premium, one-half (½) of the escrow fee, and the applicable conveyance taxes and all other applicable taxes. Seller will pay for one-half (½) of the escrow fee.

13. Regardless of the status of construction of the Project and in order to accommodate a bulk closing or series of bulk closings of the Units by Seller, Seller intends to pre-close a bulk number of units from time to time, upon not less than ten (10) calendar days' prior written notice to Purchaser (the "Seller's Pre-Closing Notice") which will establish a date on or about sixty (60) calendar days prior to the then Scheduled Closing Date (the "Date of Pre-Closing") by which all documents necessary for closing shall be executed and deposited with Escrow. Seller's Pre-Closing Notice may establish a schedule with differing dates for certain requirements for the pre-closing to be met by Purchaser. Purchaser shall execute all necessary documents for such pre-closing, including irrevocable escrow instructions, and deposit the same with Escrow no later than the date specified in Seller's Pre-Closing Notice, and Purchaser further agrees to pay into Escrow all sums due from Purchaser at closing, excluding only Buyer's Permanent Loan proceeds, if applicable, upon the date specified in Seller's Pre-Closing Notice.

14. Purchaser or Purchaser's agent shall inspect the Unit on a date and at a time specified by Seller in a written notice to Buyer. Upon completion of such inspection, Buyer agrees to sign or to cause its agent to sign an inspection sheet to be furnished by Seller or the contractor which shall list all defects or damages to the Unit, if any. If Buyer or its agent does not inspect the Unit, Buyer hereby appoints the Architect, or Seller or any agent of Seller, to so inspect the Unit and to execute said inspection sheet on behalf of Buyer. Buyer agrees to accept possession of

the Unit despite the existence of defects or damages to the Unit, including appliances, which do not render the Unit uninhabitable, so long as Seller agrees to correct or repair legitimate defects or damages based on Seller's evaluation within a reasonable time thereafter.

15. The Purchase Agreement provides that it shall not be construed as a present transfer of any rights or of any interest in the Unit, but rather states that it is an agreement to transfer in the future. By execution of the Purchase Agreement, the Purchaser agrees to waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest arising under the Purchase Agreement in favor of the lien or charge on the Project of the security interests of the Lender, including but not limited to any lien, mortgage or charge securing a loan made to finance the acquisition of the land and the costs of construction (if applicable) and any and all advances therefore until the filing of the Unit Deed.

16. The Purchase Agreement generally provides that it may not be assigned by Purchaser. See Purchase Agreement for definition of what constitutes an "assignment." Any assignment of the Purchase Agreement is void and of no legal effect. Notwithstanding the foregoing, Purchaser may assign its rights under the Purchase Agreement to affiliated entities for estate planning purposes without the consent of Seller, provided that any such assignment shall not release Purchaser from its obligations under the Purchase Agreement. In the event that Purchaser decides to make such an assignment for estate planning purposes, Purchaser shall provide written notice thereof to Seller at least fifteen (15) days prior to the Closing Date, as defined in the Purchase Agreement, and shall provide to Seller copies of such documents as Seller, in its sole and absolute discretion, deems necessary to complete Closing.

17. The Purchase Agreement provides that any dispute by or between Seller and Purchaser arising out of or incident to the Purchase Agreement, or the development or management of the Project, the sale of the Unit or the use or occupancy thereof, or any other aspect of the relationship between Seller and Purchaser regarding the Project which is raised or otherwise asserted after Closing shall be submitted to mediation and, if necessary, to arbitration in accordance with the terms, conditions and procedures set forth in the Purchase Agreement. The Purchase Agreement also provides that any dispute by or between Seller and Purchaser arising out of or incident to the Purchase Agreement that is raised or otherwise asserted before Closing need not be submitted to arbitration, and Seller and Purchaser shall be free to pursue such dispute, as otherwise provided herein, in proceedings in a court of competent jurisdiction, provided that any judicial proceedings initiated shall be conducted in Honolulu, Hawaii.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS OR DISCLOSURES CONTAINED IN THE PURCHASE AGREEMENT. THE PURCHASE AGREEMENT CONTAINS OTHER DISCLOSURES ABOUT THE CHANGES THAT MAY BE MADE BY DEVELOPER IN THE PROJECT AND ABOUT OTHER ITEMS AFFECTING ENJOYMENT AND USE OF THE PROJECT. AS SUCH, THIS SUMMARY IS A GENERAL SUMMARY OF SOME OF THE PURCHASER'S RIGHTS AND OBLIGATIONS UNDER THE PURCHASE AGREEMENT, PURCHASER MUST REFER TO THE PURCHASE AGREEMENT TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PURCHASE AGREEMENT, THE PURCHASE AGREEMENT WILL CONTROL.

EXHIBIT "K"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement for the Project dated September 17, 2012 ("Agreement"), as amended, contains the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. As and when Seller shall enter into a Purchase Agreement & Deposit Receipt ("Purchase Agreement") for the conveyance of a Unit or other interest in the Project, it shall require the payments of deposits due thereunder to be promptly made to Escrow. Seller shall deliver an executed copy of the Purchase Agreement to Escrow together with the name(s) and address(es) of the purchaser as noted on the Reservation Agreement or Purchase Agreement or otherwise as updated by the purchaser with Seller as being purchaser's last known address.

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

C. Any interest earned on funds deposited in escrow under this Agreement shall accrue as specified in the Purchase Agreement. If the Purchase Agreement does not specify to whom interest is to accrue, any interest earned on funds deposited in escrow under this Agreement shall accrue to the credit of the purchaser. Escrow shall not be liable to either Seller or any purchaser for loss or diminution in funds invested in accordance with instructions given to Escrow. If the Purchaser requests that a separate account be established for the purchaser, the purchaser shall furnish to Escrow the purchaser's social security number or federal identification number and the purchaser shall pay Escrow a fee of \$25.00 for such separate account.

D. Notwithstanding anything contained in the Agreement to the contrary, Escrow shall make no disbursements of purchasers' funds or proceeds from the sale of such units (including any payments made on loan commitments from lending institutions), except by way of refunds thereof, until the Commission has issued an effective date for the Public Report for the Project under Chapter 514B, Seller has provided a letter to Escrow stating (a) that the Purchase Agreements have become binding under the provisions of Section 514B-86 of the Act, (b) that there have been no material changes to the Project that would give purchasers a right to rescind under Section 514B-87 of the Act, and (c) that Seller waives any option reserved in any Purchase Agreement in favor of Seller to cancel the Purchase Agreement.

E. Purchasers' funds may be used for construction and other allowable expenses as identified below prior to closing pursuant to Section 514B-92 of the Act, provided that binding contracts exist under which such funds have been deposited into escrow, and said expenses are approved for payment by Seller and the project lender or an otherwise qualified, financially disinterested person. If such funds are to be used for construction prior to closing, the funds shall be taken from all purchasers under binding Purchase Agreement for the building in which said purchaser's unit is located and shall be disbursed by Escrow upon the submission of bills therefor, and upon direction to do so from Seller from time to time to pay for:

(a) Construction costs of the buildings and improvements in proportion to the valuation of the work completed by the contractor in accordance with the contract documents, as certified by a registered architect or engineer;

(b) Architectural, engineering, and interior design service fees in proportion to the services performed within each phase of services;

(c) The costs of purchasing furnishings and fixtures for the units; and

(d) Finance and legal fees, and other incidental expenses of constructing the units or developing the Project.

Any funds remaining shall not be disbursed until construction of the Project has been completed (or until construction of the particular unit being conveyed has been completed, to the extent that Chapter 514B permits such disbursement) and Escrow receives satisfactory evidence that all mechanics' and materialmen's liens have been cleared (or, to the extent permitted by Chapter 514B, have been dealt with in such a fashion as to avoid non-compliance with Section 514B-45 of the Act), unless sufficient funds have been set aside for any bona-fide dispute.

F. Each purchaser shall be entitled to a return of his or her funds, without interest, except as provided below, and Escrow shall pay such funds to such purchaser, promptly after request for return by the purchaser, if one of the following has occurred:

(a) Seller and purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Seller shall have notified Escrow of purchaser's exercise of a purchaser's right to cancel the Purchase Agreement pursuant to HRS §514B-86 (thirty-day right to cancel); or

(c) Seller shall have notified Escrow of Seller's exercise of the option to cancel or rescind the Purchase Agreement pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller; or

(d) Purchaser or Seller shall have notified Escrow of purchaser's exercise of purchaser's right to cancel the Purchase Agreement to HRS §514B-89 (failure to complete construction before specified completion deadline); provided that Escrow shall first verify with Seller that Seller has not extended the completion deadline by reason of *force majeure*; or

(e) Purchaser or Seller shall have notified Escrow of purchaser's exercise of purchaser's right to rescind the Purchase Agreement pursuant to HRS §514B-87, by a valid rescission signed by all purchasers of the affected unit and postmarked no later than midnight of the thirtieth calendar day after the date that the purchasers received the notice of rescission from Seller, in which case the purchasers shall be entitled to a prompt and full refund of any moneys paid.

Upon the cancellation or rescission of any Purchase Agreement, as specified above, Escrow shall be entitled to a cancellation fee commensurate with the services rendered by Escrow prior to such cancellation, plus all costs incurred, up to a maximum of \$250.00. Notwithstanding anything in the Agreement or in any Purchase Agreement provided to the contrary, said cancellation fee shall be the sole expense of the purchaser and shall not in any way be the obligation of Seller, unless the purchaser rescinds the Purchase Agreement pursuant to HRS §514B-87, whereupon Seller shall pay such fee. Seller further understands and acknowledges that in the event of a rescission by the purchaser under HRS §514B-87, if Seller required the purchaser to secure a financing commitment, the purchaser shall be entitled to reimbursement from Seller (and not from Escrow) of any fees incurred by the purchaser in securing that financing commitment required by Seller. No refund shall be made to a purchaser at the purchaser's request prior to receipt by Seller of written notice from Escrow of Escrow's intent to make such refund. Escrow receives a written request from Seller to return to the purchaser the funds of the purchaser then being held hereunder by Escrow;

G. Except as otherwise provided by law, Escrow shall give each purchaser entitled to a return of his or her funds notice thereof by registered, certified, or regular mail, postage prepaid, addressed to such purchaser at his or her address shown on the Purchase Agreement or any address later made known to Escrow by such purchaser.

If such purchaser shall not have claimed such refund, Escrow shall escheat such unclaimed funds pursuant to HRS §523A-3.5. Escrow shall thereupon be released from further liability hereunder with respect to such funds and such purchaser.

H. Seller shall give notice in writing to Escrow of the occurrence of each event that initiates an obligation of a purchaser to make a payment to Escrow pursuant to the Purchase Agreement as well as notice of the amount and due date of such payment. If the purchaser fails to make such payment to Escrow on or before the due date thereof or if the purchaser fails to perform in any matter that is being handled by Escrow, Escrow shall promptly notify Seller of any such failure on the part of the purchaser. If Seller subsequently certifies in writing to Escrow that Seller has terminated the Purchase Agreement contract in accordance with the terms thereof and provides to Escrow copies of all such notices of termination and proof of receipt sent to the purchaser, Escrow shall thereafter treat all funds of the purchaser paid on account of such purchaser's Purchase Agreement as funds of Seller and not as funds of the purchaser. Thereafter, such funds shall be free of the escrow established by this Agreement and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such funds to Seller, less any escrow cancellation fee. Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. THIS SUMMARY IS A GENERAL SUMMARY OF SOME OF THE PROVISIONS IN THE ESCROW AGREEMENT AND 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 "L"

SUMMARY OF HOUSE RULES

Capitalized terms used herein not otherwise defined shall have the meaning set forth in the House Rules or the Declaration.

1. Owners are ultimately and legally responsible for the conduct of all Occupants of their Unit(s), whether owner, resident, or guests, and at all times shall ensure that their behavior is neither offensive to any other occupant of the building nor damaging to any portion of the common elements. All Occupants and/or guests shall adhere to the House Rules. Should any Occupant be conducting illegal activity, the owner will be strongly encouraged to remove the any Occupant.
2. Each Occupant shall at all times keep his/her Unit in good order and condition and observe and perform to all laws, ordinances, rules, and regulations applicable to the use of the Project and his/her Unit now or hereafter made by any governmental authority or the Board.
3. No Occupant shall make or suffer any strip or waste or unlawful, improper, or offensive use of his/her Unit.
4. Nothing shall be allowed, done, or kept in any Unit or common area that would overload or impair the floors, walls, or roof of the Project, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.
5. No Occupant shall place, store, or maintain on walkways, roadways, grounds, or other common areas any furniture, packages, or objects of any kind or otherwise obstruct transit through the common areas.
6. Except as otherwise specifically provided in the House Rules, eating, drinking, or smoking is not permitted in any common area of the Project including, without limitation, lobbies, hallways, elevators, corridors, stairwells, waiting areas, and the parking garage, but excluding the limited common elements appurtenant to a specific Unit.
7. No recreational activities shall be permitted in any portion of the Project except in those areas expressly designated for such activities.
8. No Occupant shall make or suffer any strip or waste or unlawful, improper, or offensive use of the Project or alter or remove any furniture, furnishings, or equipment from the common areas.
9. Keyless access device are required to enter the building from the parking garage elevators on Levels 3 and 5. Residents shall not allow strangers to enter the elevator behind them.
10. Subject to applicable law, no livestock, poultry, or other animals whatsoever shall be allowed or kept in any part of the Project, except that dogs, cats, or other typical household pets ("pet"), such as a guinea pig, a rabbit, fishes, or birds may be kept by Occupants in their respective Units subject to the conditions and restrictions contained herein, but shall not be kept, bred, or used therein for any commercial purpose.
 - (A) Except for fish, no more than two (2) pets shall be allowed per Unit.
 - (B) No pet may exceed sixty (60) lbs. in weight. No infant or juvenile pet of a type or breed which, when fully grown, is likely to exceed sixty (60) lbs. in weight, may be kept in the Project.
 - (C) No animal described as pests under H.R.S. §150A-2 or prohibited from importation under H.R.S. §141-2, §150A-5, or §150A-6, may be kept in the Project.
 - (D) Every Occupant keeping a pet or pets shall register each pet with the Resident Manager, who shall maintain a register of all pets kept in the Project.

11. Notwithstanding any provision to the contrary contained herein, certified guide dogs and signal dogs (as identified below) and other such animals specially trained to assist handicapped individuals and service animals (hereinafter collectively referred to as "specially trained animals") shall be permitted at the Project, subject to the following restrictions:
 - (A) Such specially trained animals shall not be kept, bred, or used at the Project for any commercial purpose;
 - (B) Such specially trained animals shall be permitted on the common elements (including but not limited to the recreation areas), provided the specially trained animal is on a leash.
12. Any pet or specially trained animal causing a nuisance or unreasonable disturbance to any Occupant, or that is involved in contact with any Occupant or other pet in which injury occurs, shall be permanently removed from the Project promptly upon notice given by the Board or the Resident Manager; provided, however, that any such notice given with respect to a specially trained animal shall provide that before such animal must be removed, its owner shall have a reasonable time to acquire a replacement specially trained animal unless the Board determines that such animal poses an imminent serious threat of physical harm to other Occupants. A tenant of a Unit owner must obtain the written consent of the Unit owner to keep a pet or pets in the Unit. Notwithstanding such consent, a tenant may keep only those types of pets which may be kept by a Unit owner. Any Occupant who keeps a pet or pets pursuant to the House Rules may, upon the death of the animal, replace the animal with another and continue to do so for as long as the Occupant continues to reside in the Unit or another Unit in the Project subject to the same House Rules. The Board may from time to time promulgate such rules and regulations regarding the continued keeping of pets and specially trained animals as the circumstances may require or the Board may deem advisable.
13. Each owner of a pet and the owner of the Unit in which such pet is kept shall indemnify and hold the Association and the Board harmless from and against any and all claims, liabilities, or damages arising out of the presence of such pet in the Unit and the Project.
14. Except when in transit, pets (other than specially trained animals) shall not be allowed on any common area other than the "dog park" on the Recreation Deck designated on the Condominium Map. Any pet (other than a specially trained animal) in transit through the common areas must be carried whenever practicable or on a leash which keeps the pet within three feet (3') of its handler's feet. Pets shall not be allowed to come into contact with persons other than the handlers thereof, except as permitted by such other persons.
15. Any damage to the Project caused by a pet shall be the full responsibility of the owner of the pet and the owner of the Unit in which the pet is kept and the costs of repair or replacement shall be specially assessed to such person(s).
16. Owners of dogs shall be assessed a special annual fee of \$50.00 per dog to defray the additional costs incurred by the Association in properly cleaning and maintaining the common elements of the Project, including, without limitation, the dog park.
17. No structural changes of any type by an Occupant shall be permitted within the common areas except as permitted by, and in accordance with, the provisions of the Declaration and Bylaws.
18. Except as otherwise provided in the Declaration, Bylaws or these House Rules, no signs, posters, signals, or lettering shall be inscribed or exposed on any part of the residential Units or common elements appurtenant thereto nor shall anything be projected out of any window or door or off any lanai of any residential Unit, without the prior approval of the Board. Open houses are not permitted in the Unit or on the Project.
19. No alterations, modification or changes to a Unit shall be made or permitted by an Occupant except as permitted by, and in accordance with, the provisions of the Declaration and Bylaws. In particular any alterations are required to meet the acoustical requirements for flooring in the event the owner chooses to

replace wood flooring with carpet, stone, tile, or other material. Minimum ICC and STC transference of sound through the slab to unit below needs to be documented.

20. Damage to the buildings or common areas by any Occupant of a Unit shall be the responsibility of the Occupant and owner of such Unit and such damage shall be repaired at the expense of the Occupant and owner responsible.
21. Every Occupant shall pay to the Association promptly on demand all costs and expenses including reasonable attorney's fees incurred by or on behalf of the Association in enforcing any provisions of the Declaration, Bylaws, or the House Rules against such person.
22. The violation of the Declaration, the Bylaws, or any of the House Rules by an Occupant shall give the Association, through the Board, the Managing Agent or the Resident Manager, the right, in addition to any other remedies, to levy a fine against the owner of the Unit of the responsible Occupant. Fines duly imposed but unpaid shall constitute a lien on the owner's Unit that may be foreclosed upon in like manner as a lien for unpaid assessments to collect the unpaid amount. The Association also has the right to pursue any action to recover a money judgment for any unpaid fines without foreclosing or waiving the lien.
23. The person penalized (herein called the "offender") may appeal from the fine or penalty imposed by the Board, the Managing Agent, or the Resident Manager as follows:
 - (A) Notice and Right to Appeal. The Board shall follow all other requirements in Section V.1.G in giving the offender notice of violation and right to appeal. The offender may appeal such penalty within fifteen (15) days after receiving notice thereof in the case of a fine or penalty or sixty (60) days in case of termination of access, services and supplies, by filing with the Secretary a written notice of appeal and the reasons therefor. The filing of a notice of appeal shall not halt the accrual of any ongoing fines or penalties which are the subject of the appeal. However, the Board may waive or rescind all or part of the aforesaid fines or penalties at the time of the hearing of such appeal.
 - (B) Time for Hearing Appeal. All appeals shall be heard at a meeting of the Board within ninety (90) days after the notice of appeal has been filed with the Secretary.
 - (C) Procedure. The causes of the fine or penalty shall be reported in writing by the Board, the Managing Agent or the resident manager at such meeting, with a statement of the facts on which the fine or penalty was based, a copy of which shall be furnished to the appellant at least (10) days before the meeting, at which time a copy thereof shall also be filed with the Secretary. The offender shall then present his or her defense orally or in writing (as determined by the Board), to which the Board or its designee may reply orally. The offender or anyone owner or other person on his or her behalf may then respond, and the Board or its designee may again speak in support of the fine or penalty imposed. Thereafter, no further discussions, except among the Board itself, shall be allowed.
 - (D) Disposition of Appeal. The Board shall vote as to whether the fine or penalty shall be affirmed. If a majority of those present vote in the affirmative, the fine or penalty shall stand and shall be remitted by the offender in full within seven (7) days of the date of such meeting. If less than a majority of those present vote in the affirmative, then the fine or penalty shall thereby be rescinded. The Board, however, cannot act unless a quorum is present and the meeting is held as provided in the Bylaws.

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

EXHIBIT "M"

COUNTY LETTER AND VARIANCES

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU
650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-8041
DEPT. WEB SITE: www.honolulu.gov • CITY WEB SITE: www.honolulu.gov

PETER B. CARLISLE
MAYOR



DAVID K. TANOUÉ
DIRECTOR

JIRO A. SUMADA
DEPUTY DIRECTOR

2011/ELOG-1330(LT)

June 4, 2012

Mr. David Striph
Senior Vice President – Hawaii
Agent of Kapiolani Residential, LLC
Victoria Ward, Limited
1240 Ala Moana Boulevard, Suite 601
Honolulu, Hawaii 96814

Dear Mr. Striph:

Subject: Condominium Conversion Project
1555 Kapiolani Boulevard
Tax Map Key: 2-3-040: 022

This is in response to your letter dated June 15, 2011, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the six-story retail/parking structure with 1,273 parking spaces and two loading stalls met all applicable code requirements when it was constructed in 2007 on this 95,725-square-foot BMX-3 Community-Business-Mixed-Use-District-zoned lot.

Investigation also revealed the following:

1. On April 5, 2005, a joint development (File No. 2005/CUP-23) was approved with conditions for twelve parcels: TMKs 2-3-038: 001, 003, 006, and 007; 2-3-039: 001; and 2-3-040: 005, 007, 009, 011, 014, 016 and 018. All lots identified in the joint development shall be considered to be one zoning lot.
2. On January 11, 2006, a variance (File No. 2005/VAR-31) was approved with conditions to allow various structures, including a parking garage and vehicular and pedestrian bridges, to encroach into required yards and increase nonconformity.
3. On July 27, 2007, a subdivision (File No. 2007/SUB-73) was granted approval for designation of Easement W-1 (for waterline purposes in favor of the Board of Water Supply) affecting Lots D-1 and D-2 of Ala Moana Center as shown on DPP File No. 1998/SUB-539.

Mr. David Striph
Agent of Kapiolani Residential, LLC
June 4, 2012
Page 2

4. On June 29, 2007, a subdivision (File No. 2007/SUB-74) was granted approval for designation of Easement W-2 (for waterline purposes in favor of the Board of Water Supply) affecting Lot 39 as shown on Map 2 of Land Court Consolidation 20.

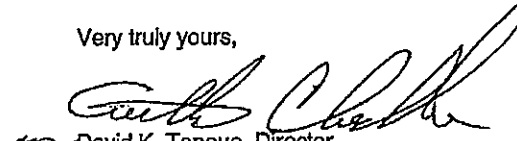
For your information, the Department of Planning and Permitting cannot determine all legal nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

No 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 Sugal of our Commercial and Multi-Family Code Enforcement Branch at 768-8152.

Very truly yours,



David K. Tanoue, Director
Department of Planning and Permitting

DKT:ft
[941507]

EXHIBIT "N"

**SUMMARY OF LIMITED WARRANTY UNIT DEED, ENCUMBRANCES AND
RESERVATIONS OF RIGHTS WITH POWER OF ATTORNEY
ONE ALA MOANA**

Capitalized terms have the same meaning ascribed to such terms in the Unit Deed.

The specimen Limited Warranty Unit Deed, Encumbrances and Reservations of Rights with Power of Attorney One Ala Moana ("Deed" or "Unit Deed") contains among others, the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. The premises conveyed comprises a portion of One Ala Moana condominium property regime situate at the City and Honolulu of Honolulu, State of Hawaii.

B. The Seller is the lawful owner of the fee simple interest in the Residential Unit and the rights to be transferred to the Purchaser; the same are free and clear of and from all encumbrances except as identified in the Deed and except for the lien of real property taxes not yet by law required to be paid; the Seller has good right and title to sell and convey said real property in the manner set forth in the Deed; and the Seller will WARRANT AND DEFEND the same unto the Purchaser forever against the lawful claims and demands of all persons, except as mentioned in the Deed.

C. Purchaser agrees, for the benefit of all other owners of the other Units in the Project, to at all times observe, perform, comply with and abide by all of the covenants, agreements, obligations, conditions and other provisions set forth in the Declaration, the Bylaws and the House Rules, as any of the same exist or may hereafter be amended in accordance with law, and accepts and approves of the Declaration, Bylaws and House Rules.

D. Purchaser agrees and consents to the exercise by Seller of any of its reserved rights set forth in the Deed and in the Declaration, and Purchaser agrees to sign such documents and do such things as may be required to permit Seller to exercise those reserved rights, including the signing, delivery and filing of all documents which may be necessary. Purchaser appoints Seller as Purchaser's "attorney-in-fact" which means that Seller can act for Purchaser or on Purchaser's behalf, with "full power of substitution," which means that someone else may take Seller's place to sign, deliver and file all documents and to do all things on Purchaser's behalf, which grant of authority, being coupled with an interest, means that the Seller has an interest beyond just in the power Purchaser is giving, cannot be revoked by Purchaser for the term of the reserved rights, and will not be affected by Purchaser's disability.

* * * * *

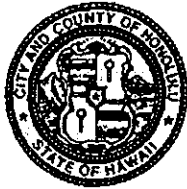
THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE UNIT DEED. THIS SUMMARY IS A GENERAL SUMMARY OF SOME OF THE PROVISIONS IN THE UNIT DEED AND PURCHASER MUST REFER TO THE UNIT DEED TO DETERMINE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS.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

EXHIBIT "O"

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
 PHONE: (808) 523-4432 • FAX: (808) 527-6743
 DEPT. WEB SITE: www.honolulu.gov • CITY WEB SITE: www.honolulu.gov

MUFI HANNEMANN
 MAYOR



HENRY ENG, FAICP
 DIRECTOR

DAVID K. TANOUÉ
 DEPUTY DIRECTOR

2005/CUP-23 (JM)

PERMIT	:	Conditional Use Permit (Minor)
File Number	:	2005/CUP-23
Applicant/ Landowner	:	GGP Ala Moana LLC
Agent	:	Kusao & Kurahashi, Inc.
Location	:	1450 Ala Moana - Kalia
Tax Map Keys	:	2-3-38: 1, 3, 6 and 7; 2-3-39: 1; and 2-3-40: 5, 7, 9, 11, 14, 16 and 18
Zoning	:	BMX-3 Community Business Mixed Use District
Date Received:		March 11, 2005
Date Accepted:		March 17, 2005

The Conditional Use Permit (Minor) application for joint development is **APPROVED**, subject to the following conditions:

1. **Prior to issuance of a building permit, the applicant shall:**
 - a. **Submit an executed joint development agreement for review and approval by the Director of Planning and Permitting.** The submitted agreement shall include exhibits describing the lots to be jointly developed as they are recorded with the Land Court of the State of Hawaii; and
 - b. **File the approved agreement with the Assistant Registrar of the Land Court of the State of Hawaii.** Proof of such filing shall be in the form of a copy certified by the appropriate agency and shall be submitted to the Department of Planning and Permitting (Zoning Regulations and Permits Branch).

(NOTE: DO NOT RECORD THE JOINT DEVELOPMENT AGREEMENT PRIOR TO REVIEW AND APPROVAL BY THE DIRECTOR OF PLANNING AND PERMITTING.)

2. All lots or parcels identified in the exhibits of the approved joint development agreement shall be considered to be one zoning lot.
3. This application has only been reviewed and approved pursuant to the provisions of Section 21-5.380, and development shall comply with all other provisions of the Land Use Ordinance.
4. Approval of this Conditional Use Permit shall not be construed as approval of any building/sign permit application; such applications are reviewed separately and shall comply with applicable codes and regulations.
5. This approval may be revoked by the Director of Planning and Permitting when there is a breach of any of the conditions stated above; provided that, for good cause, the Director may amend the above conditions.

Any party 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 Procedure for Appeals, 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. The filing fee for appeals to the ZBA is \$200 (payable to the City and County of Honolulu).


Failure to comply with ZBA Rules Chapter 22, Procedure 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

If you have any questions or need additional information concerning this conditional use permit, please contact James Morisato of our staff at 523-4861.

Doc. No. 360713

THIS COPY, WHEN SIGNED BELOW, IS NOTIFICATION OF THE ACTION TAKEN.

 for Director April 5, 2005

SIGNATURE TITLE DATE

This approval does not constitute approval of any other required permits, such as building or sign permits.

TMK	Lot Nos.	Lot Area	Address	Owner	Remarks
2-3-38: 1	13-A	757,046 sq. ft.	1450 Ala Moana	GGP Ala Moana LLC	
	13-B	129,900 sq. ft.			
	13-C	295,224 sq. ft.			
	13-D	733,243 sq. ft.			
	14-A-1	119,999 sq. ft.			
	14-B-1	118,862 sq. ft.			
2-3-38: 3	12	39,563 sq. ft.	451 Piikoi Street	GGP Ala Moana LLC	80/SP-107 (OSP): Expired (2-3-7: 92 & 2-3-38: 3)
2-3-38: 6	1	12,844 sq. ft.	"Kona Street" and "Mahukona Street"	GGP Ala Moana LLC	Right-Of-Way
	3	12,844 sq. ft.			
	4	44,791 sq. ft.			
	5	207,449 sq. ft.			
	6	3,782 sq. ft.			
2-3-38: 7	1	9,068 sq. ft.	"Keeaumoku Street"	GGP Ala Moana LLC	Right-Of-Way
	2	13,250 sq. ft.			
	3	12,500 sq. ft.			
2-3-39: 1	65	25,000 sq. ft.	1441 Kapiolani Blvd.	GGP Ala Moana LLC	
2-3-40: 5	38-A	1,000 sq. ft.	1551 Kapiolani Blvd.	GGP Kapiolani Development LLC	
	38-B	11,500 sq. ft.			
	39	12,500 sq. ft.			
2-3-40: 7	69	25,000 sq. ft.	1539 Kapiolani Blvd.	GGP Kapiolani Development LLC	
2-3-40: 9	34	12,500 sq. ft.	1529 Kapiolani Blvd.	GGP Kapiolani Development LLC	
	35	12,500 sq. ft.			
2-3-40: 11	32	12,500 sq. ft.	1515 Kapiolani Blvd.	GGP Kapiolani Development LLC	
	33	12,500 sq. ft.			

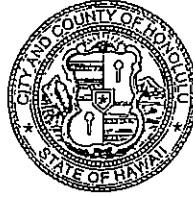
TMK	Lot Nos.	Lot Area	Address	Owner	Remarks
2-3-40: 14	29-B 30 31	6,250 sq. ft. 12,500 sq. ft. 6,250 sq. ft.	1485 Kapiolani Blvd.	GGP Kapiolani Development LLC	
2-3-40: 16	27-B 28 29-A	6,250 sq. ft. 12,500 sq. ft. 6,250 sq. ft.	1469 Kapiolani Blvd.	GGP Kapiolani Development LLC	
2-3-40: 18	26-B 27-A	12,552 sq. ft. 6,250 sq. ft.	1461 Kapiolani Blvd.	GGP Kapiolani Development LLC	

EXHIBIT "P"

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4432 • FAX: (808) 527-6743
DEPT. INTERNET: www.honoluluapp.org • INTERNET: www.honolulu.gov

MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUÉ
DEPUTY DIRECTOR

(JP)

January 11, 2006

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

Dear Mr. Kurahashi:

Request: Zoning Variance No. 2005/VAR-31
Applicant/
Landowner: GGP Ala Moana LLC and GGP Kapiolani Development LLC
Agent: Kusao & Kurahashi, Inc.
Location: 1441-1555 Kapiolani Boulevard, 1512-1558 Kona Street,
451 Piikoi Street, and 1450 Ala Moana Boulevard - Kalia
Tax Map Key: 2-3-38: 1, 3, 6 and 7; 2-3-39: 1;
and 2-3-40: 5, 7, 9, 11, 14, 16 and 18

The Director of Planning and Permitting has APPROVED the above variance, subject to certain conditions. A copy of the Director's Findings of Fact, Conclusions of Law, and Decision and Order, including the conditions of approval, is attached.

NOTE: If the variance conditions contain time limits, the applicant is responsible for complying within those time limits or the variance will lapse. If the variance is "after-the-fact," and it lapses because of failure to comply with the conditions, the applicant will be in violation of the zoning code and subject to enforcement proceedings. A new application for the same variance will not be accepted within 12 months of the lapse date.

This variance is limited to those sections of the Land Use Ordinance stated in the Findings of Fact and/or Decision and Order; and shall not be construed as approval of any other permit or review by the Department of Planning and Permitting or by any other agency.

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 Procedure for Appeals, 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

Mr. Keith Kurahashi
January 11, 2006
Page 2

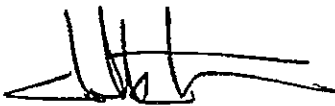
erroneous finding of a material fact, and/or that the Director acted in an arbitrary or capricious manner, or manifestly abused his discretion. Generally, the ZBA can only consider the evidence previously presented to the Director of Planning and Permitting. The filing fee for appeals to the ZBA is \$200 (payable to the City and County of Honolulu).

Failure to comply with ZBA Rules Chapter 22, Procedure 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

If you have any questions or need additional information concerning this variance, please contact Jamie Peirson of our staff at 527-5754.

Very truly yours,


for Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:nt

Enclosure

cc: GGP Ala Moana LLC (Attn. Jeff Dinsmore)

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

STATE OF HAWAII

I certify that this is a full, true and correct copy of the original document on file with the Department of Planning and Permitting, City and County of Honolulu.

Robert M. Bennett
13 JAN. 2006
DATE

IN THE MATTER OF THE APPLICATION)
OF)
GGP ALA MOANA LLC)
AND)
GGP KAPIOLANI DEVELOPMENT LLC)
FOR A VARIANCE)

FILE NO. 2005/VAR-31

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

I. APPLICATION

A. Basic Information:

APPLICANT/
LANDOWNER: GGP Ala Moana LLC and GGP Kapiolani Development LLC

AGENT: Kusao & Kurahashi, Inc.

LOCATION: 1441-1555 Kapiolani Boulevard, 1512-1558 Kona Street,
451 Piikoi Street, and 1450 Ala Moana Boulevard - Kalia

TAX MAP KEYS: 2-3-38: 1, 3, 6 and 7; 2-3-39: 1; and 2-3-40: 5, 7, 9, 11, 14, 16 and 18

LAND AREA: 62.28 Acres

ZONING: BMX-3 Community Business Mixed Use District

On December 1, 2005, the Department of Planning and Permitting (DPP) held a public hearing to consider the application. The applicant and all other interested persons present were given an opportunity to be heard. The record of the hearing is on file with the Department.

Mailed JAN 13 2006
Date

- B. Proposal: To allow various structures, including a parking garage, and vehicular and pedestrian bridges, to encroach into required yards and increase nonconformity.

The applicant proposes to expand the existing *Ala Moana Shopping Center* by adding a new retail store (*Nordstrom's*) and other related improvements. See Exhibit A-3. Portions of the new development have frontage along Kona Street, which is a private roadway that is considered a "street" for zoning purposes, because it serves more than two (2) zoning lots. See Exhibit A-1.

A minimum five (5)-foot front yard is required along both sides of Kona Street, which is an internal roadway that is part of the same zoning lot as the shopping center and the property where the new store will be built. See Exhibit A-2. The structures will encroach a maximum of five (5) feet into the five (5)-foot mauka front yard at ground level for a span of about 390 feet. The structures will also encroach a maximum of five (5) feet into both the mauka and makai five (5)-foot front yards at the Mall-level (Level 2), and Upper-levels 3 ("retail level") and 4 ("restaurant level"). On the mauka side, the building span is about 175 feet; on the makai side, it is about 210 feet. See Exhibits A-5 through A-8, and B-1 through B-6.

The encroachments, between Keeaumoku Street and the west-side of the *Ala Moana Pacific Center* building, include a new parking structure for the *Nordstrom's* building, a pedestrian promenade at the 20- and 36-foot levels; and, vehicular bridges at the 20- and 40-foot levels above Kona Street connecting the two (2) parking structures (existing and new). See Exhibit B-7. The request will also increase the extent of yard encroachments on the site, thereby increasing nonconformity.

- C. Variance Required: Land Use Ordinance (LUO) Sections 21-3.120-2(b) [Table 21-3.4], 21-4.30(a) and 21-4.110(b)(3), relating to yard and nonconformity regulations.
- D. Applicant's Justification: The applicant provided justification statements which are part of the file.

II. FINDINGS OF FACT

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

- A. Description of Site and Surrounding Uses: The 62.28-acre site has an irregular shape, and is developed with a large regional shopping center complex and various other commercial buildings and uses. See Exhibit A-1. Some of the existing structures are internally connected by bridges across Kona Street. The site includes portions of four (4) streets, including Kona Street, which is an 80-foot-wide private roadway with two-way traffic that runs from Piikoi Street to Atkinson Drive. Kona Street has three (3) vehicular outlets to Kapiolani Boulevard via Kona Iki, Keeaumoku and Mahukona Streets (Mahukona Street is also a private roadway that is part of the same zoning lot). See Exhibits A-1 and A-2.

The surrounding neighborhood is in mixed use, consisting of low- to high-rise buildings devoted primarily to commercial uses and multi-family dwellings. There is also a major public park (*Ala Moana Beach Park*) to the south across Ala Moana Boulevard; and, there is a nonconforming hotel (*Ala Moana Hotel*) to the east across Mahukona Street, which is connected to the site by a bridge.

- B. Nonconformities or Irregularities: Portions of the existing shopping center (parking lots and structures, and access ramps and bridges) encroach into the five (5)-foot front yards along both sides of Kona Street. The structures were allowed as part of the shopping center developments in the 1960s. About 1969, a bridge over Kona Street was constructed between the shopping center's mall-level and the *China House* restaurant. In 1970, construction of the Ala Moana Hotel included a bridge across Mahukona Street between the shopping center and the hotel. In 1983, construction of the *Ala Moana Pacific Center* also included a bridge across Kona Street to the shopping center.

The unified development of some of the lots and private roads associated with the site was considered a nonconforming joint development prior to a recent approval of a conditional use permit. See Part C-1 of "Other Permits and Approvals," below.

C. Other Permits and Approvals:

1. Conditional Use Permit: A conditional use permit (No. 2005/CUP-23) was approved on April 5, 2005, for the joint development of the 12 parcels (32 lots) that comprise the site.
2. Building Permits: The development associated with the proposal would require building permits.

- D. Public Hearing Comments: The applicant (Mr. Jeff Dinsmore) and his agent (Mr. Keith Kurahashi) spoke in support of the request. The agent noted that the proposed development is permitted by the zoning, except for the front yard encroachments along Kona Street. The proposed design offsets the Kona Street encroachment by providing a 10- to 14-foot setback along Kapiolani Boulevard, and a 6-foot setback along Keeaumoku Street whereas the required setback is only five (5) feet. He explained that the additional setback along Kapiolani Boulevard is specifically intended to facilitate the retention of "significant" street trees (monkeypods) along that major corridor. He said it was only the parking structure portion of the new building that would encroach into the Kona Street front yard at ground level. Further, the store portion of the new building would be set back 13 feet from the Kona Street right-of-way, and would also be well landscaped. The agent indicated that the proposed design promotes better off-street parking and traffic circulation; and, the applicant has a right to convenient access between the various parts of the jointly developed zoning lot; i.e., it is a "reasonable use."

The agent stated that the site and the regional shopping center are unique in many ways. He said, like other joint developments, the site, including the *Ala Moana Shopping Center* and other uses and structures, functions as an integrated complex. There are no similar regional shopping centers in the area; and, no other site which could seek the same kind of variance. The zoning lot is large, and includes private "streets." He suggested that Kona Street functions more as an internal alley than as a street, which facilitates circulation within and around the site. There are existing bridges between the shopping center and several abutting lots. The site of the planned store is affected by three (3) street frontages: Kapiolani Boulevard, Keeaumoku Street, and Kona Street; so, it is affected by three (3) front yard requirements. The yard encroachments are similar to existing encroachments on the site, and will not be readily visible from outside the site.

The applicant added that the Ala Moana/Kakaako Neighborhood Board No. 11 had been briefed concerning the request; and, it expressed no concerns.

There was no other testimony given.

III. ANALYSIS

- A. The Director may grant a variance upon the ground of unnecessary hardship if the record shows that (1) the applicant would be deprived of the reasonable use of such land or building if the provisions of the zoning code were strictly applicable. The proposed store and related developments are considered retail uses, which are permitted principal uses in the BMX-3 District. The applicant indicates that the proposed encroachments into the Kona Street front yards would permit an optimal design solution; that is, it would help to maintain established street trees along Kapiolani Boulevard and improve the quality of internal circulation (both pedestrian and vehicular) on the site. Having the applicant close Kona Street, a private roadway owned by the applicant, in whole or in part would be an unnecessary hardship to the applicant and also to the public in general.

The LUO defines a street as "*any public right-of-way for vehicle purposes or a private right-of-way for vehicle purposes, which provides access to more than two zoning lots.*" Kona Street is a private right-of-way for vehicle purposes, and it provides access to more than two (2) zoning lots. Therefore, it must be considered a street for zoning purposes. However, between the *Ala Moana Building* on the ewa-side of Keeaumoku Street and the diamond head-side of the *Ala Moana Pacific Center* building, Kona Street is bounded on both sides by a "single" zoning lot that was formed by the approved joint development. See Exhibits A-1 and A-2. In essence, this means that within the area of the planned development, Kona Street provides access to only one (1) zoning lot, which also happens to be the same zoning lot that Kona Street is a part of. Thus, arguably Kona Street fronting the proposed development does not fall within the LUO definition of a street. If such is the case, there would be no front yard requirement. The circumstances related to this situation are plainly unique. The full length of Kona Street must be considered a street for zoning purposes, because it is viewed as a whole, rather than by individual

segments, due to the technical requirements of the LUO. The applicant could proceed with its planned retail development as proposed without the need for a variance if a segment of Kona Street were closed; i.e., blocked off. However, within the proposed development area, Kona Street only provides access to the single zoning lot of which it is a part. A strict, technical application of the zoning code (i.e., definition of a "street") without regard to the unique circumstances of the site would prevent development (a design alternative), and result in a "denial of reasonable use" and thus hardship. Therefore, the variance is justified.

- B. **The Director may grant a variance upon the ground of unnecessary hardship if the record shows that (2) the request of the applicant is due to unique circumstances and not the general conditions in the neighborhood, so that the reasonableness of the neighborhood zoning is not drawn into question.** The request is due to unique circumstances. Foremost, Kona Street is both a "street" for zoning purposes and a part of the jointly developed zoning lot, which includes the proposed development site. Further, Kona Street bisects that portion of the zoning lot in the area associated with the planned retail expansion of the shopping center. See Exhibits A-2 and A-3. These circumstances are highly unusual. Normally, a street is not a part of a joint development zoning lot, but it occurs occasionally with private roadways. Typically, the roadway functions as an internal driveway providing access only to subdivision lots that are part of a single joint development zoning lot, thus it would no longer be considered a "street" for zoning purposes. It is extremely unusual, if not unique to the site, that the street actually bisects a part the jointly developed lot. "Joint development" is explicitly intended to facilitate *"the development of two (2) or more adjacent lots under a single or unified project concept."* (Reference: LUO Section 21-10.1, Definitions.) Thus, ordinarily, within a joint development, the internal yards and/or setbacks between subdivision lots are not required. The five (5)-foot setback is required because a part of the jointly developed zoning lot uniquely remains a street for zoning purposes. The uniqueness of the situation also has to do with the location of the proposed building, which occurs at a portion of the site where Kona Street provides vehicular access only to the zoning lot itself, i.e., where the right-of-way functions as an internal access drive. In other words, along that particular segment of the right-of-way, no other zoning lots share access. If Kona Street were terminated at the point of the proposed development, a segment of Kona Street would no longer be a street. However, closing Kona Street would affect the internal traffic circulation pattern and practical function and would have a significant impact on surrounding public streets. A variance to authorize the encroachments would allow the applicant to make maximum use of the site, without detriment to the public.

The applicant suggests that having three (3) front yard requirements is a unique circumstance supporting the variance. However, multiple street frontages is not a unique circumstance. For instance, there are numerous incidences where existing developments occupy a entire block, and have as many as four (4) street frontages. Nevertheless, the applicant is proposing to provide additional setbacks on all three (3) of its street frontages. See Exhibits A-4 and A-5. Along Kapiolani Boulevard, the applicant will provide a setback of 10 to 14 feet. Where it fronts Keeaumoku Street, the building will be set back more than six (6) feet. And, at ground level, the new retail store portion of

the new building will be set back 13 feet from Kona Street. The resulting average front yard for the new building will thus be a little more than seven (7) feet, which exceeds the minimum 5-foot front yard requirement by over two (2) feet. This more than offsets the proposed encroachment at ground level. And, the encroachments of the various bridges only occur above ground. Since the encroachments can be attributed to the unique conditions of the site, and the additional building setbacks will more than offset them, the reasonableness of neighborhood zoning is not drawn into question. Since the additional setbacks are to offset the impact of the encroachments, however, the variance should be conditioned such that the additional setbacks are maintained for the life of the building; i.e., no future uses and/or structures should be allowed within the planned setbacks for the life of the requested encroachments.

- C. **The Director may grant a variance upon the ground of unnecessary hardship if the record shows that (3) the request, if approved, will not alter the essential character of the neighborhood nor be contrary to the intent and purpose of the zoning ordinance.** The proposed yard encroachments along Kona Street will not alter the essential character of the neighborhood. Because of the unique characteristic of the site in general, there are numerous existing encroachments along Kona Street, such as parking structures and bridges. The proposed encroachments are confined to a portion of the site, which is strictly internal to the jointly developed zoning lot. The proposed encroachments will not be readily visible, if at all, from outside the jointly developed zoning lot. The average front yard for the new building will be about seven (7) feet at ground level; and, most of Kona Street frontage will be amply landscaped. See Exhibit A-4. Therefore, the proposed encroachments into the Kona Street front yards will not change the existing character of the streetscape. See Exhibit B-7. The zoning code allows necessary access drives and walkways within required yards. The proposed pedestrian and vehicular bridges require a variance to encroach into the Kona Street front yards because they are above grade. However, in function, they are similar to grade-level as access drives and walkways, which are permitted to traverse required yards to provide access to off-street parking and optimize internal traffic circulation. The applicant has a right to convenient access within the site, particularly since it is a joint development zoning lot. For these reasons, the request is not contrary to the intent and purpose of either the yard or nonconformity regulations.

IV. CONCLUSIONS OF LAW

The Director hereby makes the following Conclusions of Law:

- A. There is evidence that the applicant would be deprived of a reasonable use of the land or building if the provisions of the zoning code were strictly applied.
- B. The request of the applicant is due to unique circumstances and not to general neighborhood conditions, and it does not question the reasonableness of the neighborhood zoning.

- C. The request will not alter the essential character of the neighborhood nor be contrary to the intent and purpose of the zoning ordinance.

V. DECISION AND ORDER

Pursuant to the foregoing Findings of Fact and Conclusions of Law, the Director of Planning and Permitting hereby APPROVES the application for a variance to allow structures, including a parking garage, and vehicular and pedestrian bridges, which encroach into required yards and increase nonconformity, subject to the following conditions:

- A. The encroachments shall be essentially as shown on Exhibits A-4 through A-8, and B-1 through B-6, attached hereto, which shall be considered the approved plans for the variance. No other uses or structures shall be located within the approved building setbacks for the life of the encroachments.
- B. The setback area along Kapiolani Boulevard shall be maintained in landscaping, including all existing monkeypod trees.
- C. This variance may be revoked by the Director when, due to a material change in circumstances, one or more of the three Charter-required findings of hardship can no longer be made; or when there is a breach of any of the conditions above stated; provided that, for good cause, the Director may amend the above conditions.

Dated at Honolulu, Hawaii, this 11th day of January, 2006.

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

By 
for Henry Eng, FAICP, Director

HE:nt

Attachments

G:\LandUse\PosseWorkingDirectory\jpeirson\2005VAR-31\Findings.doc

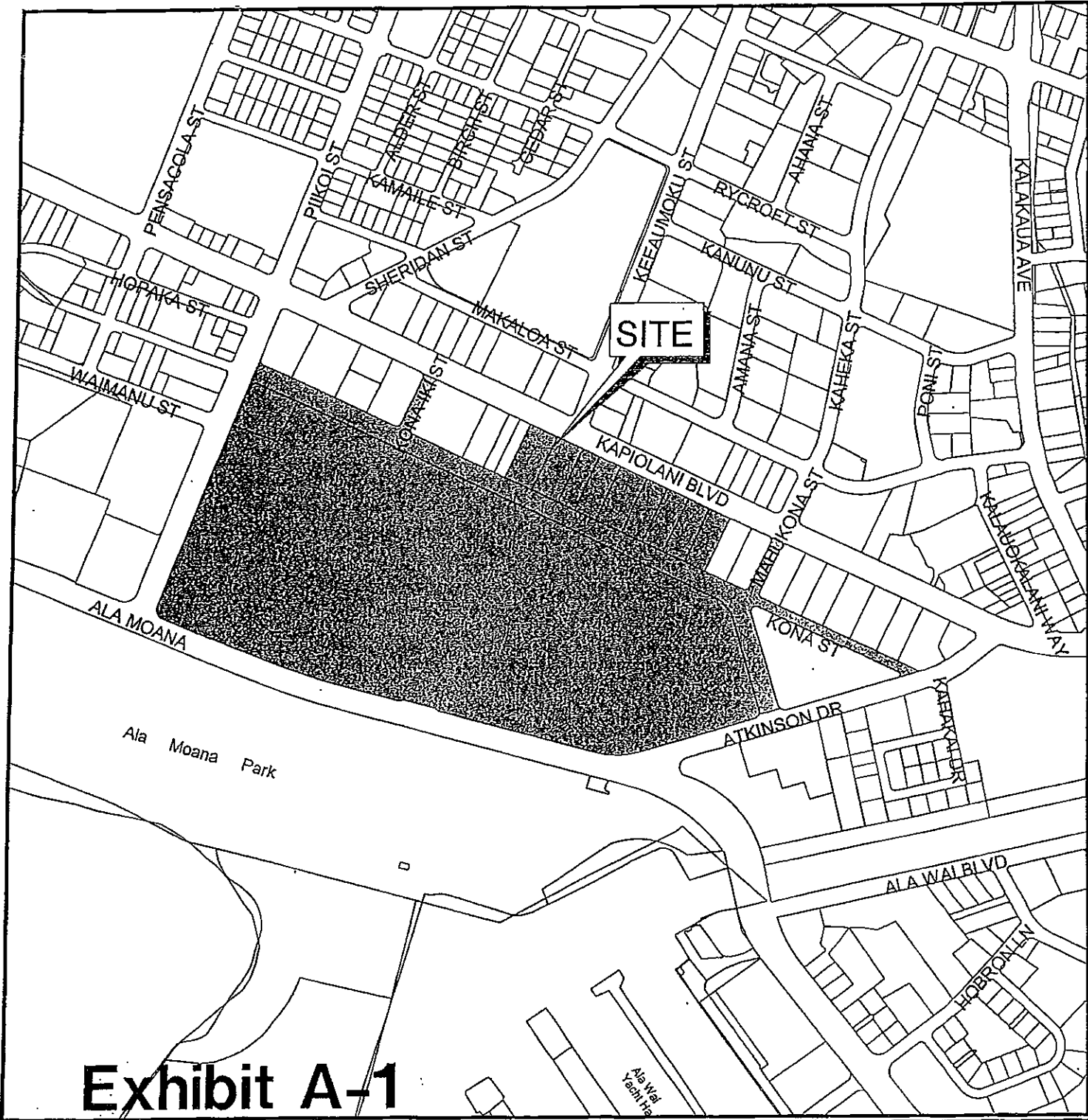


Exhibit A-1

400 0 400 800 Feet

Location Map

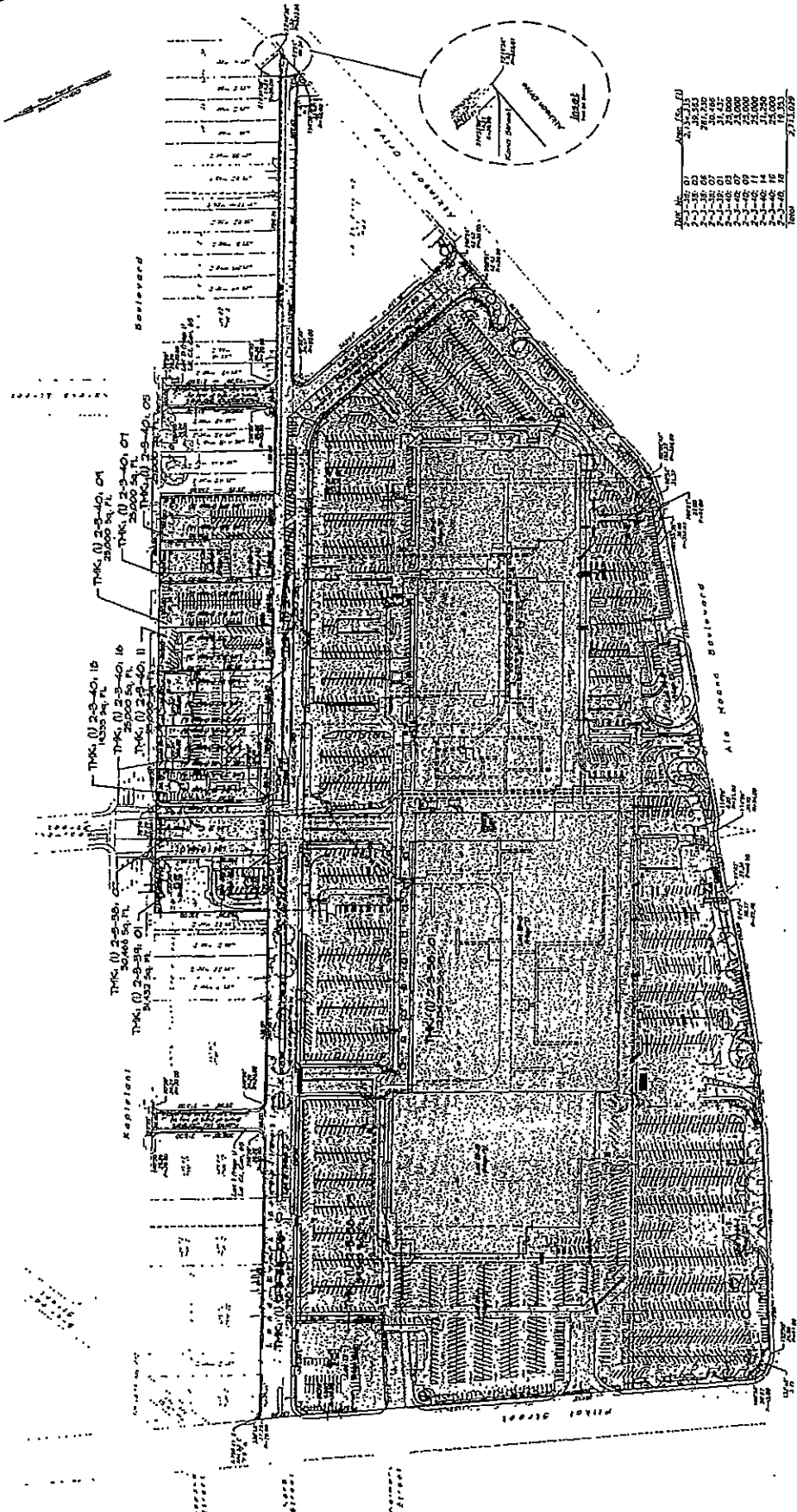
1450 Ala Moana Boulevard, et al. - Kalia
 TMK 2-3-38: 1, 3, 6 & 7; 2-3-39: 1; and
 2-3-40: 5, 7, 9, 11, 14, 16 & 18

File No. 2005/VAR-31

ARCVIEW 3.2
 HONOLULU LAND INFORMATION SYSTEM
 COPYRIGHT CITY & COUNTY OF HONOLULU
 ALL RIGHTS RESERVED 2001
 DATA DOES NOT REPLACE SITE SURVEYS

2005 JUN 1 PM 2 23

CITY & COUNTY OF HAWAII



TRK No.	Area (sq. ft.)
1	27,152,313
2	27,152,313
3	27,152,313
4	27,152,313
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100	27,152,313

EXHIBIT MAP SHOWING
 PROPOSED JOINT DEVELOPMENT SITE
 AT KALA, WAIKANA, HONOLULU, OAHU, HAWAII

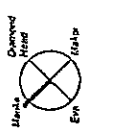
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DATE: 05/11/05
 DRAWN BY: [Signature]
 CHECKED BY: [Signature]
 APPROVED BY: [Signature]



**BMX-3 Zoning Lot Per
 Joint Development (No. 2005/CUP-23)**

① VARIANCE MAP

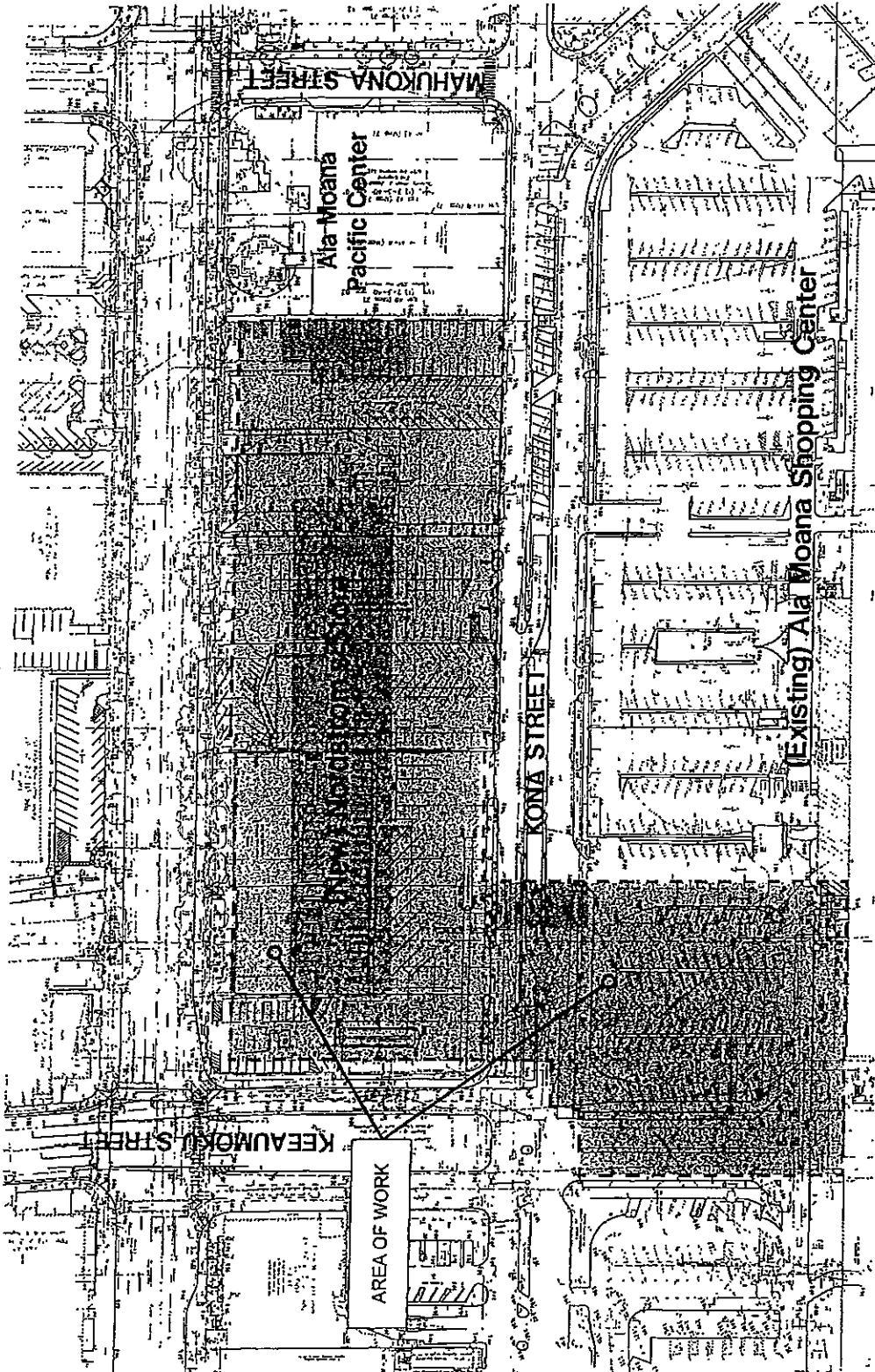


**Exhibit A-2
 2005/VAR-31**

V-1

2005 JUN 1 PM 2 23

CITY & COUNTY OF HAWAII



① EXISTING SITE PLAN
SCALE: 1/8" = 1'-0"



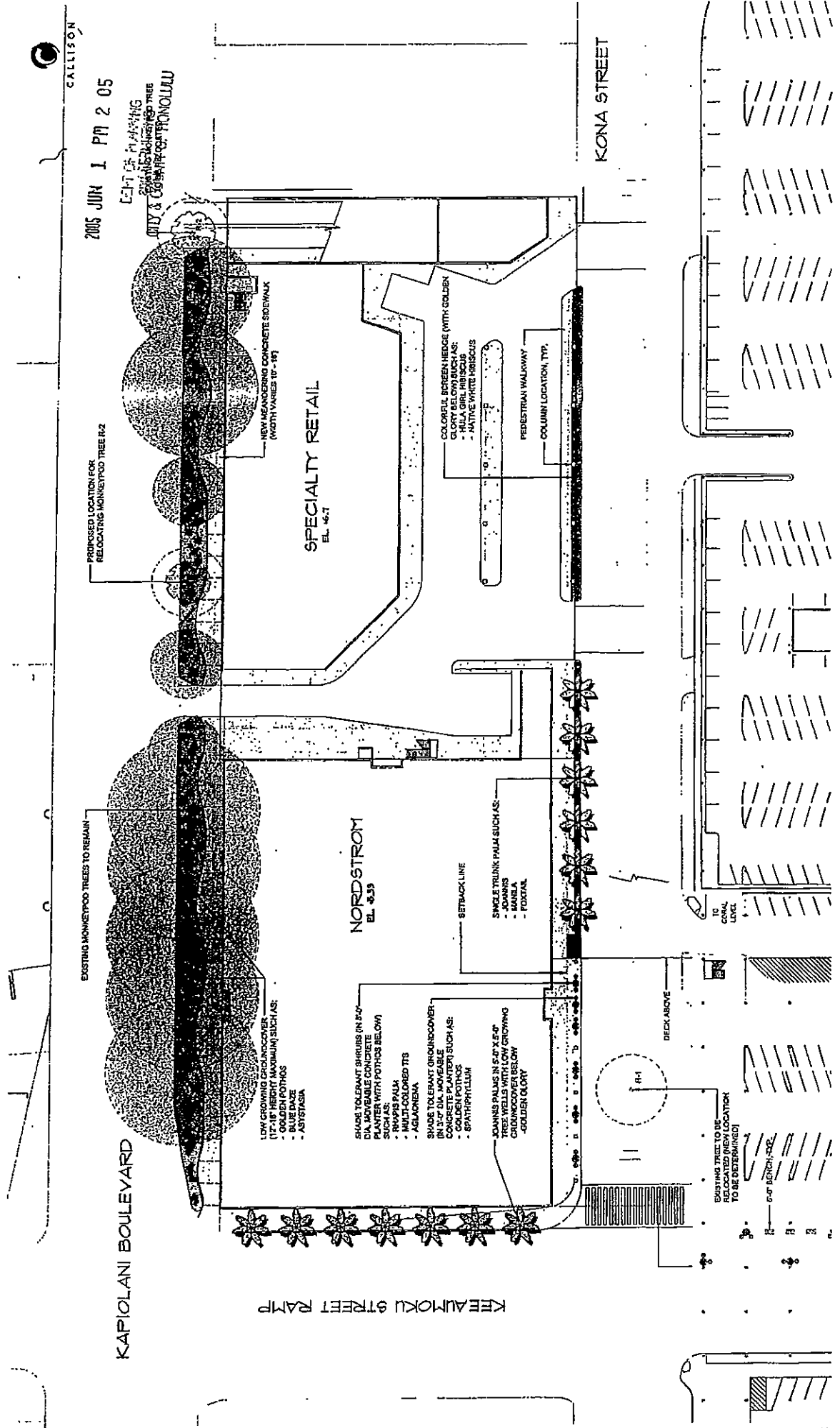
GGP
General Growth
Properties, Inc.

Exhibit A-3

2005/VAR-31

Exhibit A-4

2005/VAR-31



CALLISON

2005 JUN 1 PM 2 05

LEFT OF PLANNING
SPECIALTY RETAIL TREE
CITY & COUNTY OF HONOLULU

PROPOSED LOCATION FOR
RELOCATING MONKEYPOD TREE #2

SPECIALTY RETAIL
EL. 4.7

NORDSTROM
EL. 4.35

KONA STREET

EXISTING MONKEYPOD TREES TO REMAIN

LOW GROWING GROUNDCOVER
(WITH PLANTING SUCH AS):
- GOLDEN POTHOES
- BLUE DAZE
- ASTYSTASIA

SHADE TOLERANT SHRUBS (IN 5'-0"
DIA. MOVEABLE CONCRETE
PLANTER WITH POTHOES BELOW)
- RHAPIS PALM
- MULTI-COLORED ITS
- AGLAONEMA

SHADE TOLERANT GROUNDCOVER
(IN 3'-0" DIA. MOVEABLE
CONCRETE PLANTER SUCH AS):
- GOLDEN POTHOES
- SPATHULIUM

TREE WELLS WITH LOW GROWING
GROUNDCOVER BELOW
- GOLDEN GLORY

SINGLE TRUNK PALM SUCH AS:
- JOHNS
- MONILA
- FOCIFAL

SETBACK LINE

COLORFUL BORDER HEDGE (WITH GOLDEN
GLORY AGLAONEMA SUCH AS:
- HULLA GIRL RHIBISCUS
- NATIVE WHITE RHIBISCUS

PEDESTRIAN WALKWAY
- COLUMN LOCATION, TYP.

EXISTING TREE TO BE
RELOCATED (NEW LOCATION
TO BE DETERMINED)

6'-0" BENCH-TOP

DECK ABOVE

TO
CORAL
LEVEL

SCALE: 1"=30'-0"

VARIANCE PACKAGE
June 1, 2005

Ala Moana Expansion
Honolulu, Hawaii

STREET LEVEL
SCHEMATIC LANDSCAPE
PLAN

APP

2005 JUN 1 PM 2 23

CITY & COUNTY OF HONOLULU

PARKING CALCULATION:
 LEVEL 1 PARKING * 230 SPACES
 LEVEL 2 PARKING * 200 SPACES
 TOTAL PARKING PROVIDED * 430 SPACES

GROSS BUILDING AREA:
 FLOORSTORY AREA * 307,000 SF
 TOTAL GROSS AREA * 307,000 SF
 TOTAL GROSS * 307,000 SF

PARKING REQUIREMENT:
 PARKING RATIO * 3.33 SPACES / 1,000 SF
 CALCULATION * 92,001 SPACES
 TOTAL PARKING REQUIRED * 179 SPACES

1 LEVEL 1 - STREET LEVEL



**Building Columns Will Encroach
 5 Feet into the 5-Foot
 Front Yard @ Ground Level
 Along Kona Street**

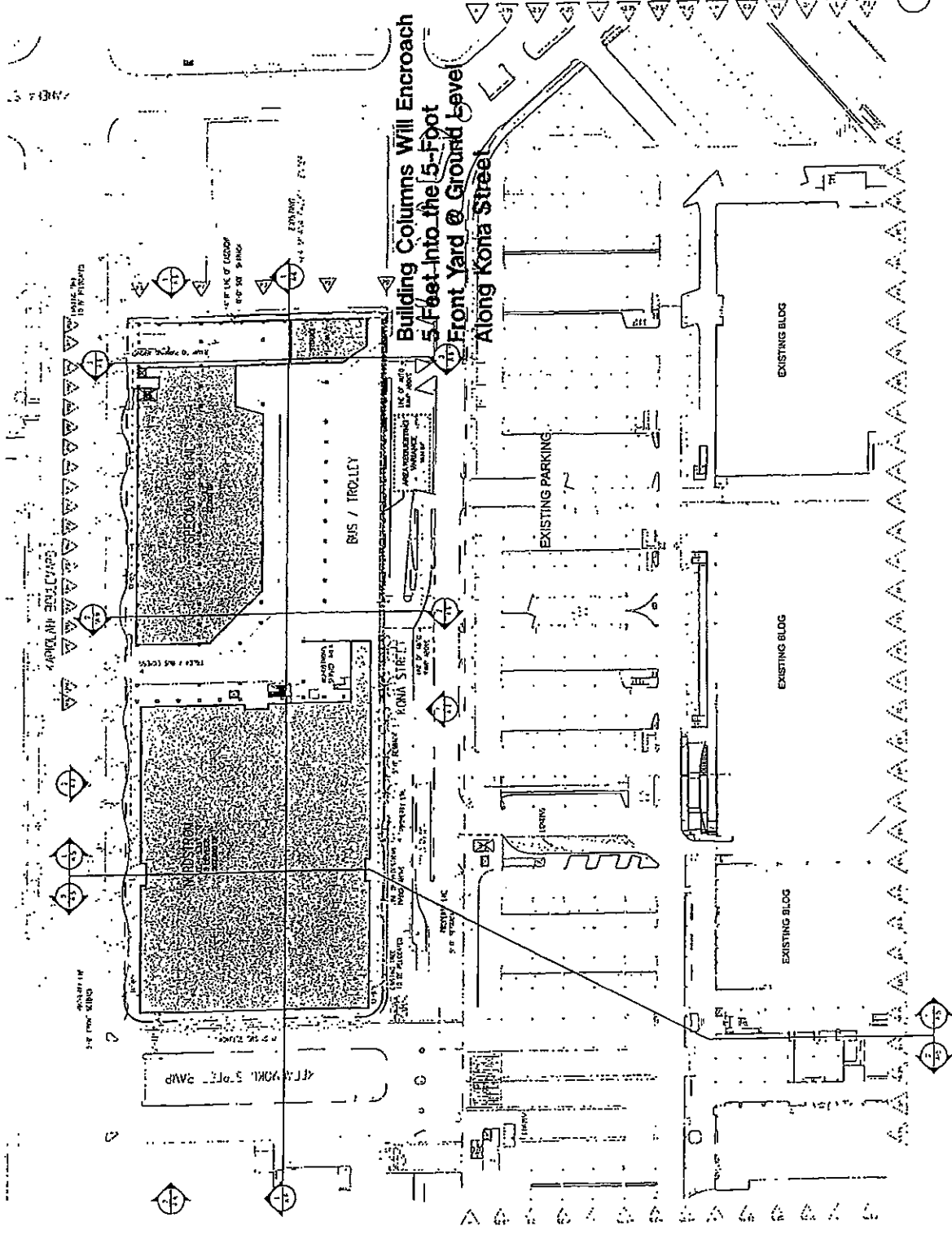


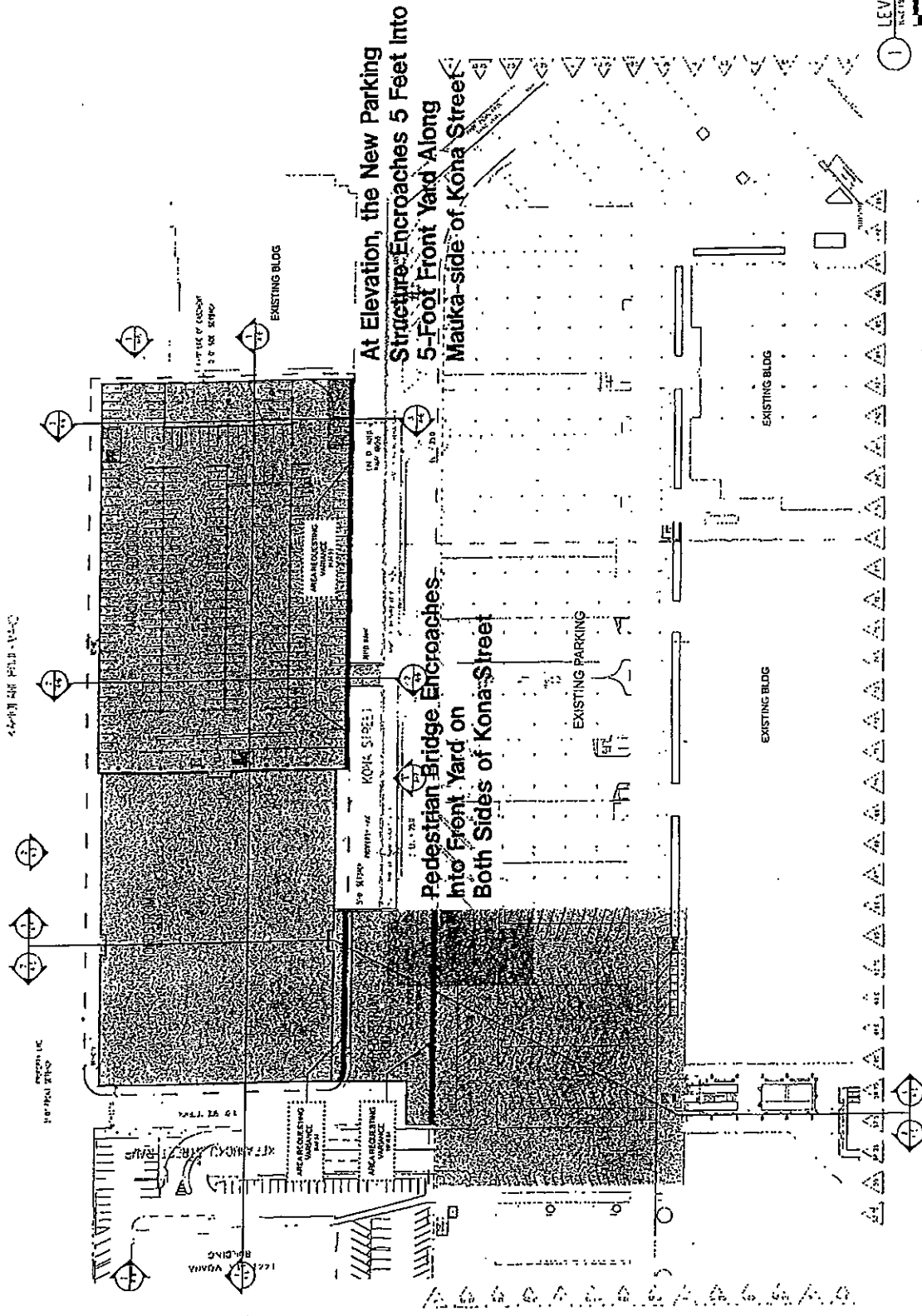
Exhibit A-5
 2005/VAR-31



CALLISON

2005 JUN 1 PM 2 24

CITY & COUNTY OF HONOLULU



1 LEVEL 2 - MALL LEVEL



General Growth Properties, Inc.

Exhibit A-6

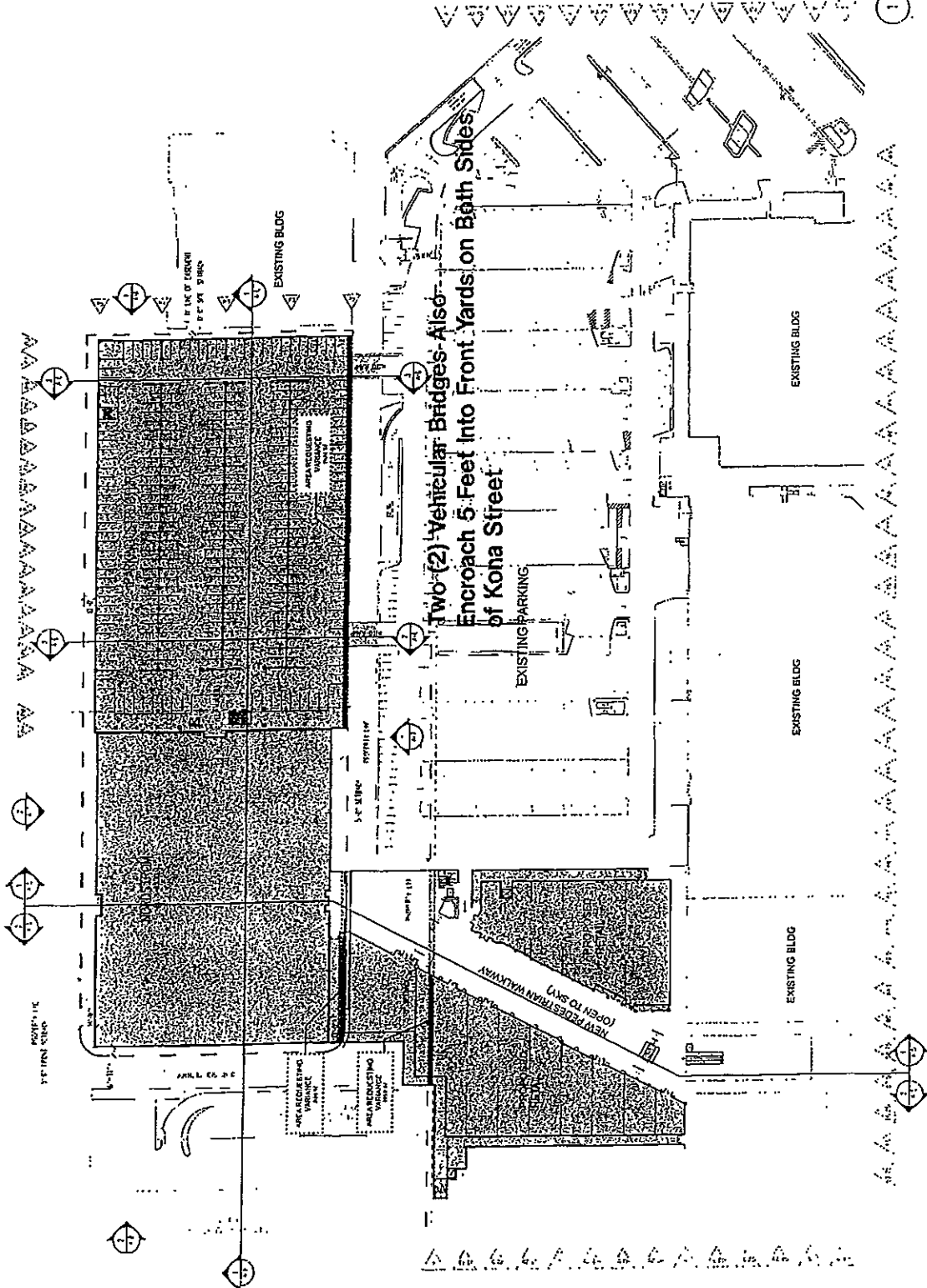
2005/VAR-31

102

2305 JUN 1 PM 2 24

CITY & COUNTY OF HONOLULU

LEVEL 3 - RETAIL LEVEL



General Growth Properties, Inc.

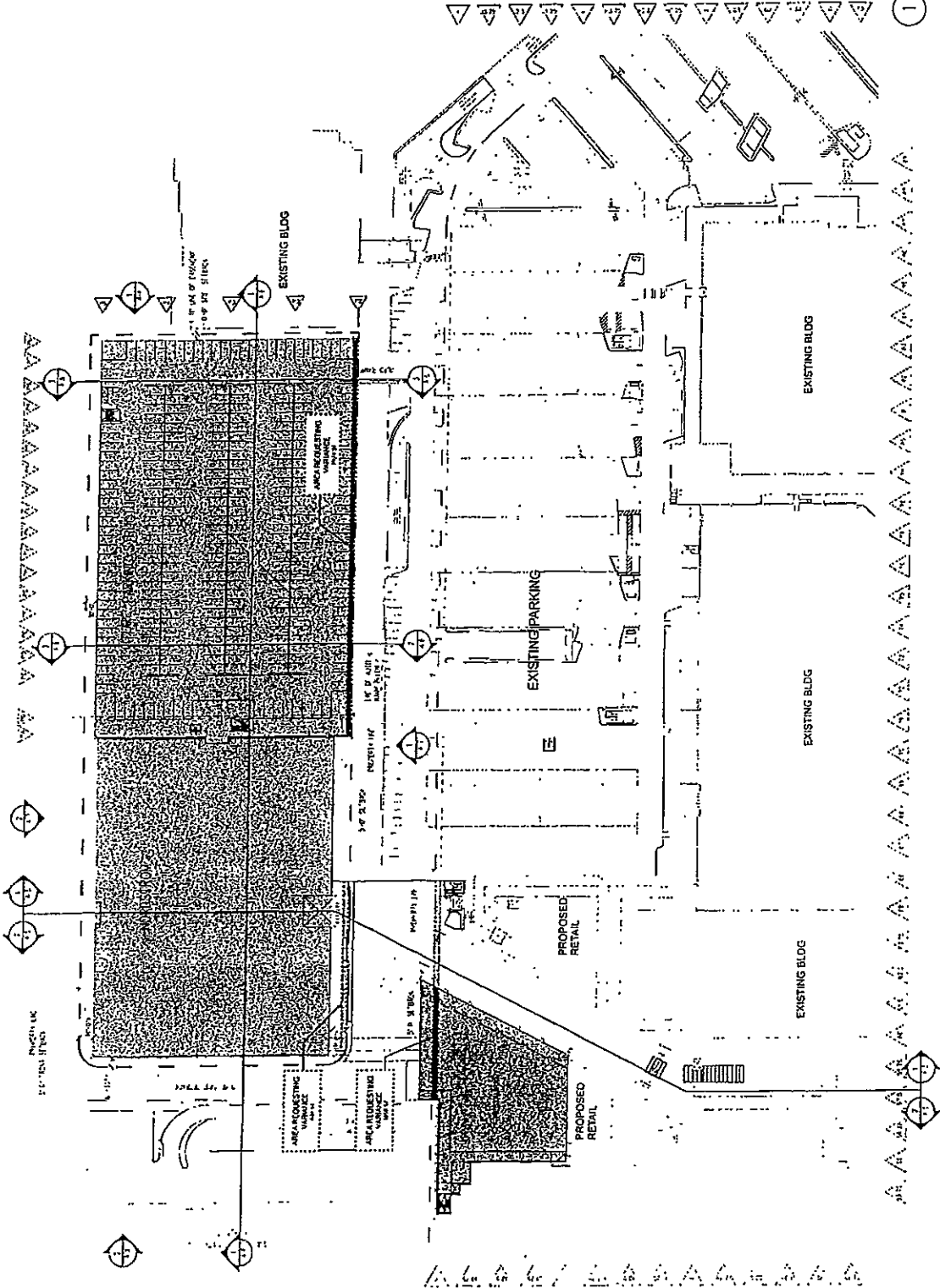
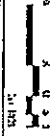
Exhibit A-7

2005/VAR-31

2005 JUN 1 PM 2 24

CITY OF HONOLULU

LEVEL 4 - RESTAURANT LEVEL



General Growth Properties, Inc.

Exhibit A-8

2005/VAR-31

A-4

2005 JUN 1 PM 2 24
 CITY OF HONOLULU
 CITY & COUNTY OF HONOLULU

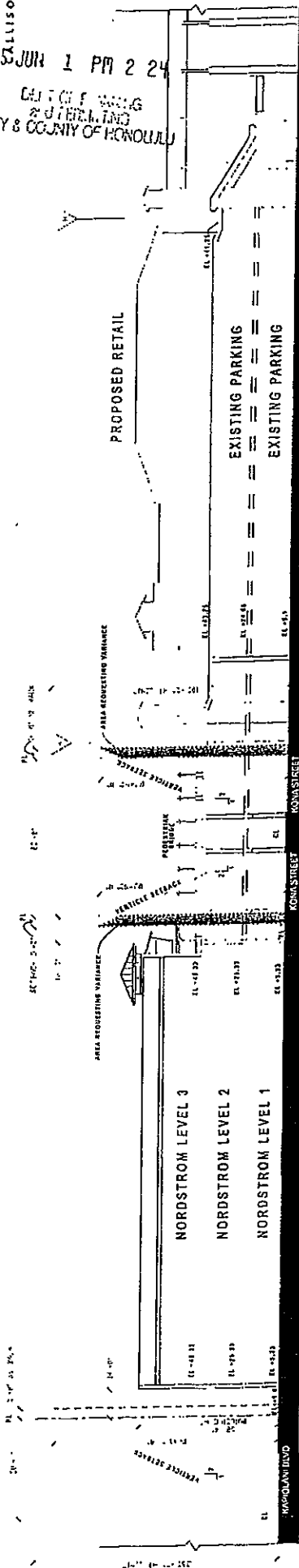


Exhibit B-1

SECTION 1
 MAY 05

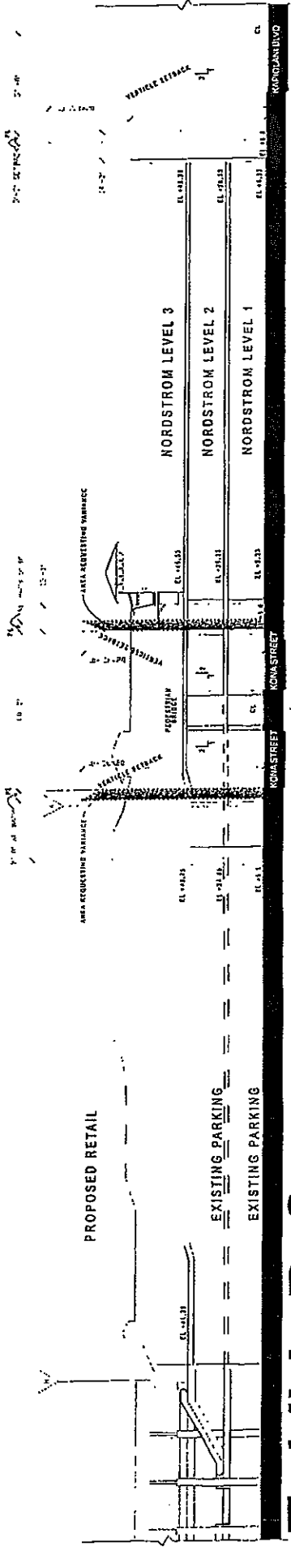
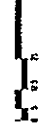


Exhibit B-2

2005/VAR-31

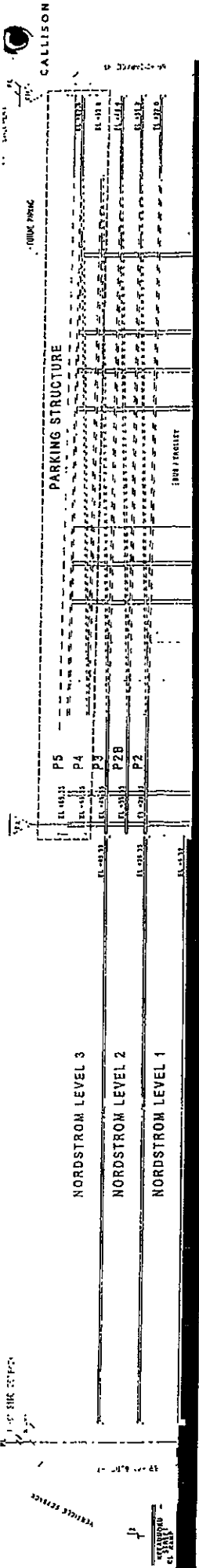
SECTION 2
 MAY 05



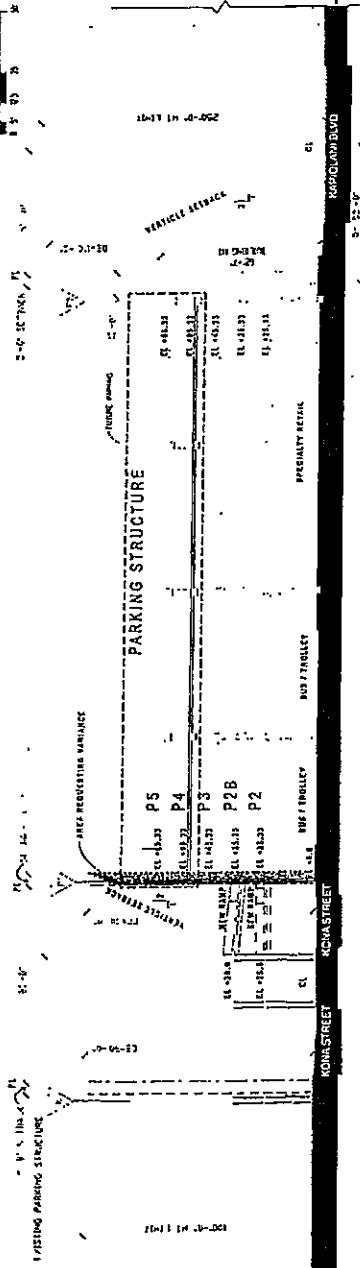
Ala Moana Expansion
 Honolulu, Hawaii
 Project # 2005-001

VARIANCE PACKAGE
 June 17, 2005

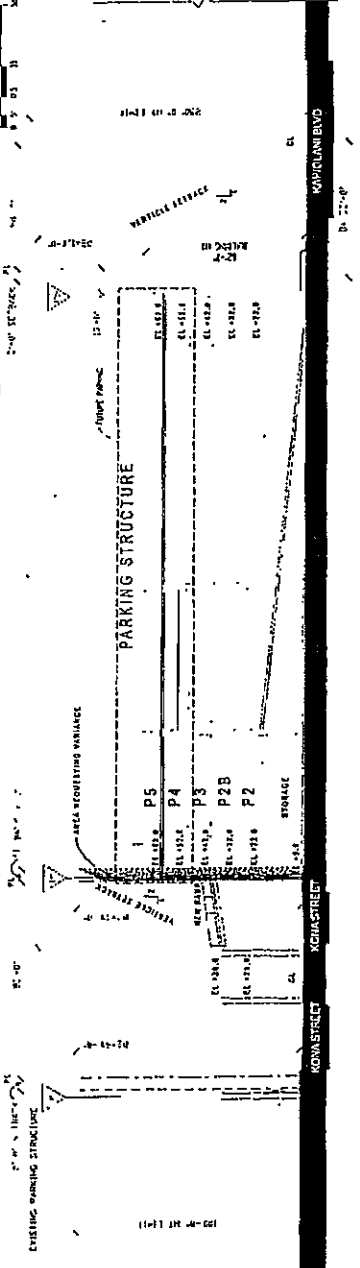




1 EWA TO DIAMOND HEAD SECTION



2 KONA ST TO KAPIOLANI BLVD SECTION



3 KONA ST TO KAPIOLANI BLVD SECTION

Exhibit B-3

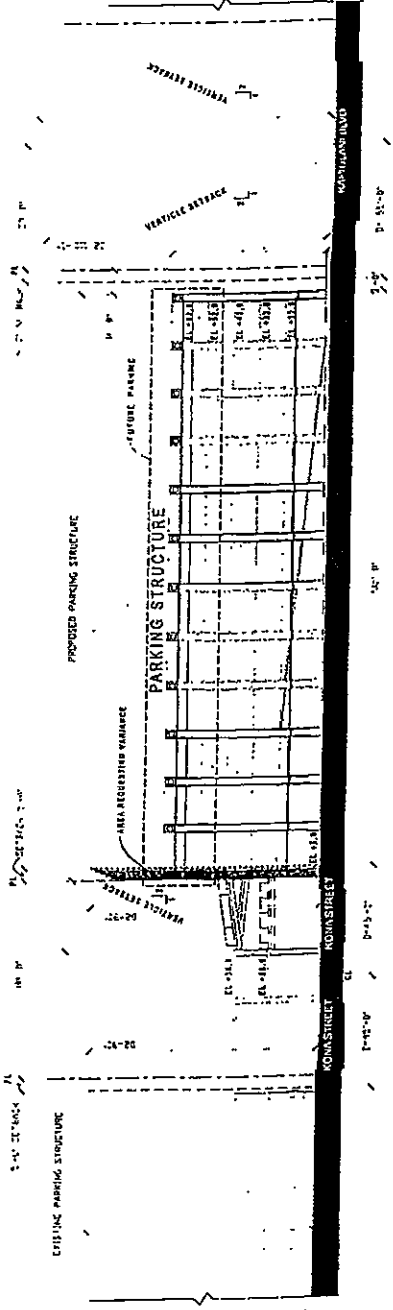
Exhibit B-4

2005/VAR-31

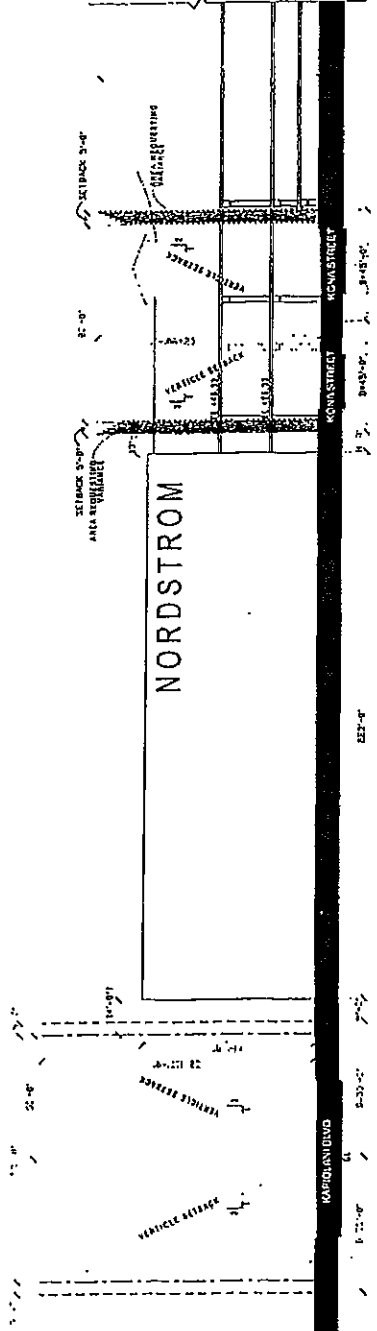
Ala Moana Expansion
Honolulu, Hawaii
Project 20050209

VARIANCE PACKAGE
June 1, 2005





1 EAST ELEVATION (LOOKING EWA)



2 ELEVATION ALONG KEEAUMOKU (LOOKING DIAMOND HEAD)

Exhibit B-5

Exhibit B-6
2005/VAR-31

VARIANCE PACKAGE
Juno 7, 2005

Ala Moana Expansion
Honolulu, Hawaii
Project 2005-006



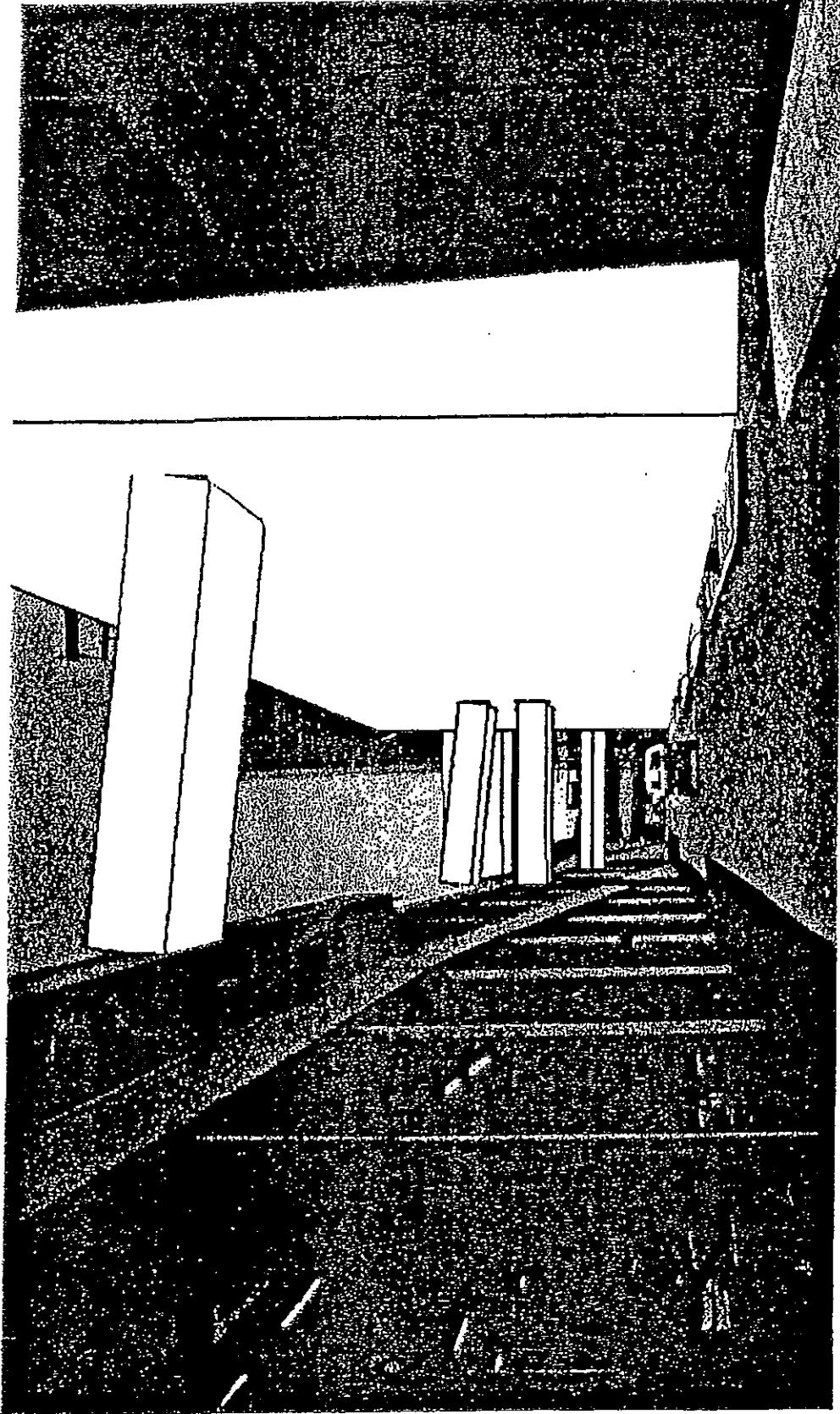


Exhibit B-7

2005/VAR-31