REAL ESTATE COMMISSION

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

SALT LAKE MANOR

2977 Ala Ilima Street
Honolulu, Hawaii

Registration No. 2586 (Conversion)

Issued: February 26, 1992
Expires: March 26, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 18, 19 92, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

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

_X_ **FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.

[ ] No prior reports have been issued
[X] Supersedes all prior public reports
[ ] Must be read together with _____

____ **SUPPLEMENTARY:** (pink) Updates information contained in the

[ ] Prelim. Public Report dated _____
[ ] Final Public Report dated _____
[ ] Supp. Public Report dated _____
And [ ] Supersedes all prior public reports
[ ] Must be read together with _____

[ ] This report reactivates the _____ public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required [X] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

[ ] No prior reports have been issued by the Commission.

[X] Changes made are as follows:

This registration supersedes a prior registration, Number 1309, for the condominium project "Salt Lake Manor." The original registration proposed the conversion to condominium of seventy (70) apartments constructed in 1972. The previous developer submitted a proposed Declaration of Condominium Property Regime and By-Laws of the Association of Apartment Owners. Said documents were neither recorded in the State Bureau of Conveyances nor file in the Office of the Assistant Registrar of the Land Court.

A Preliminary Public Report was issued by the Commission on June 3, 1980 and expired on July 3, 1981. Extensions of the public report were granted through January 3, 1986.

The Developer making this registration, Salt Lake Manor Associates, represents that it is not affiliated with the previous developer, SLM Investors.

TABLE OF CONTENTS

page

Report Purpose 1
Type of Report 1
Summary of Changes from Earlier Public Reports 2
Table of Contents 3
General Information on Condominium 4
Summary of the Condominium Project 5

I. PEOPLE CONNECTED WITH THE PROJECT 6
Developer — Managing Agent
Real Estate Sales Agent — Attorney for Developer
Escrow Company

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A. Declaration 7
B. Condominium Map (File Plan) 7
C. Bylaws 7
D. House Rules 8
E. Changes to Condominium Documents 8

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer 9
B. Underlying Land 10
C. Buildings and Other Improvements 10
D. Common Elements, Limited Common Elements, Common Interest 14
E. Encumbrances Against Title 15
F. Management of the Common Elements 15
G. Maintenance Fees 16
H. Utility Charges 16
I. Construction Warranties 16
J. Status of Construction 17
K. Project Phases 17
L. Sales Documents Filed with the Real Estate Commission 17

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE 18

Buyer's Right to Cancel Sales Contract 19
Signature of Real Estate Commission Chairman 20

EXHIBIT A: Description of Common Elements
EXHIBIT B: List of Encumbrances
EXHIBIT C: Estimate of Maintenance Fees and Disbursements
EXHIBIT D: Summary of Sales Contract
EXHIBIT E: Summary of Escrow Agreement
EXHIBIT F: Salt Lake Manor Building Survey dated October 31, 1991
EXHIBIT G: Asbestos Clearance Survey by Casalina Associates, Inc. dated February 23, 1989
EXHIBIT H: Letter from the City and County of Honolulu dated September 5, 1991
EXHIBIT I: Parking Stall Assignments
EXHIBIT J: Percentage Common Interest in Each Apartment

GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Condominium Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

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

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

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

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

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

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

[X] Fee simple interest in an apartment and an undivided feehold interest in the common elements.
[ ] Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
[ ] Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

1. [ ] New Building(s) [X] Conversion
   [ ] Both New Building(s) and Conversion

2. [X] Residential [ ] Commercial [ ] Ohana
   [ ] Mixed Residential and Commercial [ ] Agricultural
   [ ] Other_____

3. [X] High Rise (5 stories or more) [ ] Low Rise

4. [X] Single or [ ] Multiple Buildings

5. Apartment Description

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	7	3/1	831 sq.ft.	none
B	35	2/1	702 sq.ft.	none
C	7	2/1	726 sq.ft.	none
D	7	1/1	636 sq.ft.	none
E	14	1/1	526 sq.ft.	none

Total Apartments: 70

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

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

6. Parking:

	Number of Stalls
Assigned Stalls (Individual Units)	88
Guest Stalls	
Unassigned Stalls	
Extra Stalls Available for Purchase	
Other:_____	
Total Parking Stalls	88

7. Recreational amenities: Pool, Coin-operated laundry, recreational area

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Salt Lake Manor Associates Phone: 988-8077

Business Address: 2270 Kalakaua Avenue, #1010
Honolulu, Hawaii 96815

Names of officers or general partners of developers who are corporations or partnerships:

EM International Investments, Inc. Edward M. Maeda, President	655 Keeaumoku St.., Ste. 218 Honolulu, HI 96814	941-3046
ILC, Inc. Mitsunari Akaki, President	2270 Kalakaua Ave., Ste. 1010 Honolulu, HI 96815	922-2002
Abe Lee Development, Inc. Abraham Lee, President	2907 Loomis St. Honolulu, HI 96826	988-8077
Pat Doi & Company, Inc. Pat Doi, President	2270 Kalakaua Ave., Ste. 1010 Honolulu, HI 96815	922-2002

Real Estate Broker:

Abe Lee Realty
1305 S. King St., #A, Hon., HI 96814 988-8071

EM International Realty
655 Keeaumoku St., #218, Honolulu, HI 96814 941-3046

ILC International
2270 Kalakaua Ave., #1010, Honolulu, HI 96815 922-2002

Escrow: Security Title Corporation Phone: 531-0261

Business Address: 1001 Bishop St. Pauahi Tower, #390
Honolulu, Hawaii 96813

General Contractor: Phone:

Business Address:

Condominium Managing Agent: Investment Properties Corp. Phone: 732-2157

Business Address: 1059A 12th Avenue
Honolulu, Hawaii 96815

Attorney for Developer: Glenn M. Adachi Phone: 526-3880

Business Address: 841 Bishop Street, Ste. 1601
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

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

The Declaration for this condominium is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances - Document No. _____
Book _____ Page _____
[X] Filed - Land Court - Document No. 1884357

Amendment date(s) and recording/filing information:

Amendment No. 1 dated January 28, 1992, filed as Land Court Document No. 1887693.
Amendment No. 2 dated February 6, 1992, filed as Land Court Document No. 1888980.

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

The Condominium Map for this condominium project is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyance Condo Map No. _____
[X] Filed - Land Court Condo Map No. 887

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances - Document No. _____
Book _____ Page _____
[X] Filed - Land Court - Document No. 1884358

Amendment date(s) and recording/filing information:

Amendment No. 1 dated January 28, 1992, filed as Land Court Document No. 1887694.

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The House Rules for this condominium are:

[ ] Proposed [X] Adopted [ ] Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

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

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to 0changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	65%
House Rules	---	Board of Directors

The percentages for individual condominium projects may be more than the minimum set by law.

2. Developer:

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

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

1. To amend the Declaration, By-Laws and Condominium Map at anytime prior to recording of the sale of the unit.

2. To amend the Declaration and Condominium Map to file the "as built" certificate.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[X] Fee Simple: Individual apartments and the common elements which includes the underlying land will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements which includes the underlying land will be leasehold.

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

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

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

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

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

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

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

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

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

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

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

[ ] Other:

For Subleaseholds:

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

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

B. **Underlying Land:**

Address: 2977 Ala Ilima Street
Honolulu, Hawaii

Tax Map Key: 1-1-61-24 (Div. 1)
(TMK)

[ ] Address [ ] TMK Street address has not been issued by the Hawaii County Building Department

Land Area: 32,713 [X] square feet [ ] acre(s) Zoning: A-2

Fee Owner: SALT LAKE MANOR ASSOCIATES
Address: 2270 Kalakaua Avenue, #1010
Honolulu, Hawaii 96815

Sublessor:
Name

Address

C. **Buildings and Other Improvements:**

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

2. Buildings: 1 Floors Per Building 8

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [X] Concrete [ ] Hollow Tile [ ] Wood

   [ ] Other _____

4. Permitted Uses by Zoning:

	No. of Apts.	Use Determined By Zoning		No. of Apts.	Use Determined By Zoning
[ ] Commercial	____	_____	[ ] Industrial	____	_____
[X] Residential	70	Yes	[ ] Agricultural	____	_____
[ ] Timeshare/Hotel	____	_____	[ ] Recreational	____	_____

[ ] Other: _____

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?
[X] Yes [ ] No

5. Special Use Restrictions:

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

[X] Pets: No livestock, poultry, rabbits or other animals except for dogs, cats and other household pets in reasonable number.

[ ] Number of Occupants:

[ ] Other:

[ ] There are no special use restrictions.

6. Interior(fill in appropriate numbers):

Elevators 2 Stairways 2 Trash Chutes 1

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	7	3/1	831 sq.ft.	none
B	35	2/1	702 sq.ft.	none
C	7	2/1	726 sq.ft.	none
D	7	1/1	636 sq.ft.	none
E	14	1/1	526 sq.ft.	none

Total Apartments: 70

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

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

Boundaries of Each Apartment:

The spaces within the perimeter and party walls, windows, doors, floors and ceilings of each of the apartment units.

Permitted Alterations to Apartments:

Any alterations or additions within an apartment shall require the written approval of the Board and all other apartment owners thereby directly affected as determined by said Board.

7. Parking Stalls:

Total Parking Stalls: 88

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for individual units)	63	21	4				88
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open		84		4			

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

[ ] Commercial parking garage permitted in condominium project.
[ ] Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[X] Swimming pool
[ ] Storage Area
[X] Recreation Area
[X] Laundry Area
[ ] Tennis Court
[X] Trash Chute
[ ] Other: _____

_____

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

See Salt Lake Manor Building Survey dated October 31, 1991, prepared by Ho & Okita, Inc. and Asbestos Clearance Survey dated February 23, 1989 prepared by Casalina Associates, Inc. (Exhibits F & G)

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

Building met applicable code requirements at time of construction. (Exhibit H)

10. Conformance to Present Zoning Code

a. [**X**] No variances to zoning code have been granted.

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

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

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

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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

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

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

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

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

   [X] Exhibit ___A___ describes the common elements.

   [ ] As follows:

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

   [ ] There are no limited common elements in this project.

   [X] The limited common elements and the apartments which may use them are:

      [ ] described in Exhibit

      [X] as follows:

   1. A parking stall(s) as designated on said Condominium Map by number, which number is also set forth opposite the number of each of the respective apartments set forth in Exhibit "I".

   2. A mailbox for each apartment.

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

   [X] Exhibit ___J___ describes the common interests for each apartment.

   [ ] As follows:

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit B describes the encumbrances against the title contained in the title report dated January 28, 1992 and issued by Island Title Corporation.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

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

Type of Lien	Effect on Buyer's Interest If Developer Defaults
Mortgages	Buyer's contract will be cancelled and Buyer's deposit will be refunded.

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

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

The initial managing agent for this condominium is:

[X] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

[ ] self-managed by the Association of Apartment Owners.

[ ] other

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

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and 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 to each apartment.

Exhibit C contains a schedule of maintenance fees and maintenance fee disbursements.

H. **Utility Charges for Apartments:**

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

[ ] Not applicable

[X] Electricity [ ] Television Cable

[X] Gas [X] Water & Sewer

[X] Other Telephone-manager's office

I. **Construction Warranties:**

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

1. Building and Other Improvements:

   None. Building is a conversion.

2. Appliances:

   None. Building is a conversion.

J. **Status of Construction and Estimated Completion Date:**

Construction completed in 1971.

K. **Project Phases:**

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

Summary of Developer's Present Plans for Future Development:

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

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

[X] Notice to Owner Occupants

[X] Specimen Sales Contract

Exhibit ___D___ contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated ___September 27, 1991___

Exhibit ___E___ contains a summary of the pertinent provisions of the escrow contract.

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

The Developer has amended the Declaration of Condominium Property Regime and By-Laws of the Association of Apartment Owners in the following manner:

1. Amendment No. 1 Declaration of Condominium Property Regime dated January 28, 1992, filed as Land Court Document No. 1887693. Amends the Declaration: 1. to clarify that more than one parking stall may be assigned to some apartments; 2. to include provisions that certain amendments to the Declaration will require the consent of the mortgagee; and 3. to include provisions that the mortgagee or guarantor be notified of certain actions, amendments or changes to the project.

2. Amendment No. 1 By-Laws of the Association of Apartment Owners dated January 28, 1992, filed as Land Court Document No. 1887694. Amends the By-Laws: 1. to require the consent of the mortgagee to certain changes to the By-Laws; and 2. to require that the mortgagee or guarantor be notified of certain actions, amendments or changes to the project.

3. Amendment No. 2 Declaration of Condominium Property Regime dated February 6, 1992, filed as Land Court Document No. 1888980. Amends the Declaration by amending the parking stalls assigned to the apartments.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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

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

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

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

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

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

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

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. 0. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2586 filed with the Real Estate Commission on January 29, 1992.

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

[ ] yellow paper stock [X] white paper stock [ ] pink paper stock

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

Peter N. Yanagawa

PETER YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, City & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration

EXHIBIT A

1. The land in fee simple as described in Exhibit "A" of the Declaration of Condominium Property Regime.

2. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, stairways, elevators, walkways, entrances and exits of said buildings.

3. All yards, grounds and landscaping.

4. All parking areas.

5. Swimming pool, recreation area, laundry area, manager's office.

6. All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any.

7. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT B

LIST OF ENCUMBRANCES

1. Reservation in favor of the State of Hawaii to title of all minerals and metallic mines.

2. Reservation of all artesian and other underground water and rights thereto in favor of the Trustees of the Estate of Samuel M. Damon, as contained in that certain Deed dated October 7, 1965, filed in said Office of the Assistant Registrar as Document No. 372554, as amended by Release dated October 12, 1965, filed in said Office as Document No. 372652.

3. Easement 473, for transformer vault and underground electric cable purposes, as shown on Map 314, as set forth by Land Court Order No. 24900.

4. Easement 474, for transformer vault purposes, as shown on Map 314, as set forth by Land Court Order No. 24900.

5. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Declaration dated November 23, 1965, filed in said Office as Document No. 375914.

6. An easement for utility purposes, in favor of Hawaiian Electric Company, Inc., and Hawaiian Telephone Company, dated January 28, 1966, filed in said Office as Document No. 381416, as amended by instrument dated June 16, 1967, filed in said Office as Document No. 420571, regarding Easements 473 and 474.

7. Any facts, rights, interest or claims which may arise by virtue of parties in possession and or unrecorded documents pertaining to said property.

8. Any easements for ingress, egress, foundation and structure support, maintenance etc.; and any shortgages in area and/or overlaps, encroachments, etc., that would be disclosed by an inspection and/or correct survey of said land.

9. Real property taxes due and payable. For more information contact City and County of Honolulu, Department of Finance, Real Property Tax Assessment.

10. Mortgage dated January 10, 1992, filed January 22, 1992, in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 1883306, in favor of Central Pacific Bank, a Hawaii corporation.

11. Assignment of Rents, dated January 10, 1992, recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 92-009190.

EXHIBIT C

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment					Monthly Fee x 12 months =	Yearly Total
#01	.01757	x	14,826 = $260.49	x 7 units =	1,823.43	21,881.16
#02	.01535	x	14,826 = $227.58	x 7 units =	1,593.06	19,116.72
#03,04,05 06,09	.01485	x	14,826 = $220.17	x 35units	7,705.95	92,471.40
#10	.01345	x	14,826 - $199.41	x 7 units	1,395.87	16,750.44
#07,08	.01112	x	14,826 = $164.87	x 14units	2,308.18	27,698.16
				70units	$14,826.49	$ 177,917.88

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

Estimate of Maintenance ;bursements:

	Monthly x 12 months = Yearly Total	
Utilities and Services		
Air Conditioning		
Electricity		
[ ] common elements only		
[x] common elements and apartments	2,850.00	34,200.00
Gas	2,400.00	28,800.00
Refuse Collection	640.00	7,680.00
Telephone	50.00	600.00
Water and Sewer	2,320.00	27,840.00
Maintenance, Repairs and Supplies		
Building	1,823.00	21,876.00
Grounds	475.00	5,700.00
Management		
Management Fee	1,050.00	12,600.00
Payroll and Payroll Taxes	2,139.00	25,668.00
Office Expenses	181.67	2,180.04
Insurance	417.00	5,004.00
Reserves	350.00	4,200.00
Taxes and Government Assessments	40.00	480.00
Audit Fees	90.00	1,080.00
Other	.82	9.84
TOTAL	14,826.49	177,917.88

I/We, Investment Properties Corp., as managing agents for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Investment Properties Corp.,Managing

Stanley K.W. Tom

BY: Stanley Tom (R)

Date: 12/11/91

EXHIBIT D

Summary of Condominium Reservation Agreement, Deposit Receipt and Sales Contract

The Condominium Reservation Agreement, Deposit Receipt and Sales Contract ("sales contract") contains the price, description and apartment and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the sales contract provides:

1. A breakdown of the schedule of payments buyer will make.

2. Buyer to purchase an additional parking stall, if available.

3. Additional charges buyer will pay at closing.

4. A seller's disclosure statement as to the condition of the building.

5. Acknowledgement by buyer concerning representations made by Seller and Seller's agent about the rental of the apartment, condition of the unit, the building or the property, compliance with building, zoning, land use, subdivision or other applicable law, ordinance, rule or regulation, condition of the soil, improvements under the land or on or under adjoining land, matters concerning utility systems, drainage systems, or survey.

6. The buyer is buying the unit in "AS IS" condition.

7. Buyer's right to cancel the sales contract.

8. Subordination of the sales contract to any interim loan to finance the acquistion of the property.

9. Buyer's deposits will be held in escrow until the sales contract is closed or cancelled.

10. Proration of taxes, assessments and other chareges at date of closing.

11. Buyer agrees to the appointment of the initial management agent.

12. If Seller elects, buyer agrees to preclose by signing all documents prior to closing date.

13. What will happen if there is a default under the sales contract.

14. If buyer is financing a portion of the sales price, buyer will apply for a loan within 5 days after notification by Seller. Buyer will be in breach of the sales contract if buyer fails to apply for the loan after notification by Seller. Seller may keep down payment as liquidated damages or terminate the sales contract.

15. If buyer fails to qualify for a loan, Seller at its option, may terminate the sales contract and have escrow refund buyer's deposit less any fees for credit reports or escrow charges.

16. If the project is not feasible Seller may elect to cancel the project.

17. Inspection of the property by buyer.

The sales contract contains various other provisions which the buyer should become acquainted.

EXHIBIT E

Summary of Escrow Agreement

The escrow agreement established an arrangement under which the deposits a buyer makes under a Condominium Deposit, Receipt and Sales Contract ("sales contract") will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen:

(a) Signed copies of the sales contract will be provided to Escrow.

(b) Escrow will collect payments due pursuant to the sales contract.

(c) Seller will notify Escrow who in turn will notify buyers when payments are due.

(d) Escrow will accept purchaser's payments pursuant to the sales contract and will hold the funds or make payments according to the escrow agreement.

(e) The escrow agreement says under what conditions escrow will disburse buyer's funds.

(f) The escrow agreement says under what conditions buyer's funds will be refunded if buyer cancels the sales contract.

(g) The escrow agreement says what will happen to a buyer's funds upon default under the sales contract.

(h) Escrow will arrange for and supervise the signing of all necessary documents.

(i) The escrow agreement sets forth Escrow's responsibilities in the event of any disputes.

The escrow agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

SALT LAKE MANOR
BUILDING SURVEY

October 31, 1991

EXHIBIT F

SALT LAKE MANOR
Architectural Building Survey

I. GENERAL DESCRIPTION

A. Description

Salt Lake Manor is a 70-unit apartment building comprised of one, two, and three bedroom units located on Ala Ilima Street in Central Oahu. The existing building is a nine-story structure including two levels of parking each entering from different streets. The lower level enters from Ala Ilima Street while the upper level enters from Ala Napuaa Place. The upper parking deck also includes a fenced swimming pool, two toilets for men and women, laundry area, and play area. The building is serviced by two elevators; one of which services the lower parking level. Presently, the roof deck is designated as a recreation deck. Landscaping is confined in the setback areas on the lower level and throughout the upper level common areas.

II. EXISTING BUILDING

A. Lower Level Parking

1. Access to one passenger elevator
2. Access to one stair tower
3. Thirty-eight parking stalls

B. Upper Level Parking

1. Access to two passenger elevators
2. Access to two gated stair towers
3. Manager's Office
4. Trash Room
5. Swimming Pool
6. Coin-operated laundry
7. Fifty parking stalls
8. Men's and Women's Toilets
9. One loading zone

C. Second through Eighth Floors

1. Access to two passenger elevators
2. Access to two stair towers

3. Three one-bedroom units per floor

4. Six two-bedroom units per floor

5. One three-bedroom unit per floor

6. Trash chute

D. Roof Level

1. Access to two stair towers

2. Elevator machine room

3. Roof Area designated as recreation area

4. Termination point for exhaust fans, roof ventilators, heater flue, and plumbing vent pipes.

III. OBSERVATIONS

A. Building Exterior

1. Building appears to be in need of painting.

2. Building not designed for handicap use. However, many common areas are accessible to the handicap.

3. Existing roof is a built-up roofing system with a life expectancy of three to five years. However, this roof area is designated as a recreation area. Present roofing system will not withstand heavy use.

B. Building Interior (Corridors)

1. Carpet on Second through Seventh Floors are extensively soiled.

2. Walls on Second through Seventh Floors require painting.

3. Fourth Floor north side wall approximately 30 square feet of damaged area.

4. Fourth Floor carpet base need to be reinstalled (approximately 6 linear feet).

5. No emergency lighting on Diamond Head side of Third Floor.

6. Broken emergency light on Diamond Head side of Sixth Floor.

7. Broken make-up air register on Sixth Floor.

8. Stair Tower lighting not operating.

IV. RECOMMENDATION

A. Repaint entire exterior of the building.

B. Recoat roof with reflective paint.

C. Limit use of roof deck for recreation or change type of roofing material to allow heavy use.

D. Repaint damaged wall.

E. Repaint corridors on Second through Seventh Floors

F. Replace broken and missing emergency lights.

V. EXCEPTION

A. No asbestos study was conducted on building materials. Owner to handle investigation and recommendations.

B. No elevator analysis done. Owner to use service contract reports.

VI. CONCLUSION

Except for exhaust fans, roof ventilators, and heater flues, it appears that the building was designed according to applicable codes during design and construction.

I. GENERAL DESCRIPTION

The existing structure has nine floors (including the basement/ground level). The Ground and First Floors are used for vehicle parking. The Second through Eighth Floors are used for apartment living units.

The construction of the building consists of suspended one way reinforced concrete slab supported on reinforced concrete walls, beams, and columns. The foundation consists of reinforced concrete spread and wall footings resting on native soil.

II. OBSERVATION

The building was visually inspected for its structural conditions.

Generally, the building is in good structural condition at age 20 years old, except there are many large hairline cracks on the ground and first floor concrete slabs. The cracks in the slabs should be repaired to prevent water infiltration and corrosion to the reinforcing bars. Further delay in repairing the cracks could cause more expensive structural repairs.

A. Basement/Ground Floor Level:

1. The concrete columns, beams, and walls are in good condition.
2. The ceiling slab shows sign of cracks with water infiltration. Cracks should be repaired.
3. The concrete floor slab on grade has many random large cracks. Cracks should be repaired and sealed to prevent water infiltration.
4. No visual signs of building settlement and movements were observed.
5. Stairway is in good condition.

B. First Floor Level:

1. The concrete columns, beams, and walls are in good condition.
2. Ceiling slab and beams in good condition.
3. Concrete floor slab has many random large hairline cracks (0.04"+). All cracks should be repaired and sealed to prevent reinforcing bar corrosion from water infiltration.
4. Stairway in good condition.

C. Exterior Concrete Fascia (at Second Floor Level)

Exterior concrete fascia has many hairline cracks. Cracks should be repaired and sealed to prevent water infiltration.

D. Swimming Pool Area

There are many cracks in the concrete deck slab next to the swimming pool. Cracks should be repaired.

E. Second through Eighth Floor Levels

No inspection was conducted on the Second through Eighth Floors. These floors were not accessible due to living units occupied by tenants.

III. Roof Top Level: No visual sign of structural distress was observed.

SALT LAKE MANOR
Mechanical Systems Survey

I. GENERAL DESCRIPTION

The nine-story apartment building has 70 apartment units. The mechanical systems outside of the apartments are evaluated as follows:

II. PLUMBING

A. Sanitary Waste and Storm Drain Systems: The waste and storm drain piping is cast-iron. No-hub cast iron joints are used. Except for some portions of the exposed piping which exhibit some corrosion in the garage areas, the piping appears to be in good condition. All sanitary vent terminates on the roof are installed 7 feet above the roof.

B. Water Systems:

1. The lines are copper with soldered joints. A 3 inch meter and a 4 inch main cold water line is provided for the entire building at the street. The exposed water lines appear to be in good condition.

2. A pressurization pump system located in the basement provides pressure for the domestic water system including the fire hose cabinets. The pump system was recently replaced. The water risers have shutoff valves for shutting down each individual riser.

3. The irrigation system piping is PVC with soldered joints.

III. GAS SYSTEM: Gas is provided for water heaters, gas dryers, and appliances in the apartments. The gas piping is galvanized Schedule 40 steel with screwed joints and appears to be in suitable condition with minor rust.

IV. WATER HEATER SYSTEM

The building has a central gas water heating system. Two natural gas heaters, Day and Night (500,000 BTU/hr input) and Bradford-White (440,000 BTU/hr input) models are provided. The Day and Night heater appears to be the original heater and may need to be replaced. The replacement cost of the heater is approximately $20,000. The heater flue is a Type B flue (double wall type) with the flue terminating above the roof. A hot water recirculating hot water pump is provided and is controlled by a hot water thermostat. The heaters are larger than 199,999 BTU/hr and are considered boilers. A boiler permit is posted inside the boiler room.

The hot water lines are insulated with fiberglass insulation. An insulated hot water return line is provided.

Central Laundry at First Level: Six washers and three dryers are provided. The dryers are gas operated. The dryer flues are routed outside the laundry room.

The building has fire hose cabinets (steel cabinets) with fire extinguishers on each floor. These cabinets are in fair condition. Some doors are difficult to open with the fire hose cabinet key. The water piping is copper with soldered joints. If this building were constructed today, the

water pressurization system would have to be increased because of the increased pressure requirements at the fire hose cabinets.

The stairway has a 6 inch dry standpipe with valves at every floor above the ground level and valves on the roof. Some of the valve caps are missing. The piping is galvanized steel with vitaulic and screwed fittings. The piping appears to be in suitable condition.

V. Ventilation

All apartment toilets are ventilated with power roof ventilators at the roof level with vertical duct risers. Three of the seven toilet power roof ventilators are not operating. Another ventilator needs to be repaired as the fan is noisy.

The kitchen range has a ducted exhaust hood fan. Each hood fan is ducted to a vertical exhaust duct. A roof outlet is provided for the vertical duct.

The apartment corridors are ventilated with a supply air fan with a vertical duct and supply registers in the hallways. Although the intake air to the supply air fan is from the open garage area rather than from the nearest exterior wall, this intake air does not appear to be a problem. The corridors are also exhausted with exhaust registers, a vertical duct, and power roof ventilator on the roof.

The existing roof deck is designated as a recreation deck; therefore, any ventilating devices terminating at this level require that the termination point be no lower than 7 feet. The existing plumbing vent pipes presently at a 7 foot height. However, the exhaust fans, roof ventilators, and heater flue require raising its termination point to 7 feet. This is a ventilation code requirement that existed when the building was designed.

VI. Fire Sprinkler: The building did not require a fire sprinkler system for the apartments or the parking areas. Buildings with more than 15 living units now require a fire sprinkler system. A fire sprinkler system is provided for the trash chute. The trash chute roof cover is missing.

VII. RECOMMENDATIONS

A. Replace water heater:

B. All power roof ventilators should be repaired and turned on.

C. Install cover over the trash chute on the roof:

D. Raise exhaust fans, roof ventilators, and heater flue to a height of 7 feet:

SALT LAKE MANOR
Electrical Building Survey

I. GENERAL COMMENTS

On October 23, 1991, Ho & Okita, Inc. conducted an on-site examination of the electrical, communications, and illumination systems of the existing eight-story apartment building located on 2977 Ala Ilima Street. The inspection was made to evaluate the present condition of the various components and systems in the existing building. Examination was limited to visual inspection only of those components and systems that were readily accessible. There was no review conducted for the existing apartment units.

II. ELECTRICAL SYSTEM

A. Electrical Service: Hawaiian Electric Company (HECO) primary underground service originates from Ala Ilima Street. The primary service terminates into a HECO transformer vault (No. 3331) located in the Basement Level. Underground secondary services (208Y/120 volts, 3 phase, 4 wire) is taken from the transformer to the pump and switchroom located in the same Basement Level.

B. Metering: The entire building is served under one HECO meter.

1. There is no house meter.

2. There are no individual apartment meters.

C. Distribution:

1. One main feeder is (300 amperes) provided to service all the apartment units.

2. The main feeder connects to four distribution panels (Second, Fourth, Sixth, and Eighth Floors).

3. Each apartment unit is connected to a circuit breaker in the distribution panel. Circuit breaker is rated 2P40A with a 3/4 inch c, 3 - #8 feeder.

D. Feeders: All panelboard feeders are copper and are protected by overcurrent devices and are enclosed in raceways.

E. Panelboards: Each apartment is provided with a six-circuit panelboard equipped with molded plastic case circuit breaker complement.

F. Summary and Recommendations

1. The existing electrical metering and distribution equipment appears to be in good working condition.

2. The existing distribution electrical panel appears to be in good operating condition.

3. All feeders appear to be adequately sized to service the respective panel loads.

III. COMMUNICATIONS SYSTEMS

A. Telephone:

1. Service: A 3 inch service conduit is installed underground from Ala Ilima Street to the Main Telephone Cabinet located in the Pool and Switchroom of the Basement Parking Level.

2. Telephone distribution conduits are installed from the Main Telephone Cabinet up to flush mounted telephone junction boxes and cabinets located on the apartment floors.

3. Each apartment unit is wired to the telephone junction box or cabinet.

4. An "Enterphone" system is installed in the First Floor Parking Level elevator entrance.

B. Fire Alarm:

1. The building includes a fire alarm system including heat detectors, manual pull-stations, alarm bells, annunciator, and control panel.

2. The operating status of the system could not be verified.

3. There are two manual stations and one alarm device on each floor.

C. Television System:

1. The original building was provided with a master antenna cable distribution system. It appears that the system is no longer in service.

2. It appears that a CATV service cable has been installed from Ala Ilima Street via the telephone service conduit to the Main Telephone.

3. The CATV cable is distributed through the existing telephone junction box and cabinets.

D. Summary and Recommendations:

1. Telephone: The existing cabinets, raceways, and outlets are adequately sized to accommodate the existing wiring.

2. Fire Alarm System: The system should be tested to verify operational status and coverage.

3. Television System: CATV distribution to apartment units must be verified.

IV. ILLUMINATION SYSTEM

A. Parking Level: Various types of lighting sources fluorescent, compact fluorescent, and high sodium pressure are installed throughout the two parking levels. The lighting system is automatically controlled by time switch for night operation.

B. Corridor and Stair Areas: Compact fluorescent lighting is utilized throughout the corridors and stairs.

C. Exit Signs: There are exit signs provided in corridors to designate stair exits. The signs did not appear to be energized and illuminated.

D. Exterior Parking:

1. Ten foot high pole mounted luminaries (175W, mercury vapor) are provided in the exterior grade level parking area.

2. The lighting coverage and effectiveness could not be determined.

E. Summary and Recommendations:

1. Parking Level: The various types of fixtures and lamp sources make maintenance difficult. Types of fixtures and lamps should be standardized.

   The existing compact fluorescent lighting fixture diffusers are discolored and damaged and should be replaced.

2. Corridor and Stairs: The lighting system appears to be operational and in working condition. The adequacy of the lighting coverage must be verified.

3. There is no emergency system to provide exit illumination during a power outage. Recommend that corridor and stair lighting fixtures be provided with standby emergency battery packs.

4. The exterior pole mounted fixtures appear to have served its useful life and appear to be ready for replacement.

V. GENERAL COMMENTS

A. There has been many electrical code changes since the construction of the original building.

B. Some of the changes affect life safety considerations. These changes include the following:

1. Fire alarm system. Adequacy of audible alarm coverage.

2. Exit corridor and stair illumination during power outages.

Casalina Associates, Inc.

ENVIRONMENTAL HAZARDS EVALUATION & CONTROL SPECIALISTS • SINCE 1960

February 23, 1989

Mr. Kenneth Gross
Bank of Hawaii - Income Loan Department
P.O. Box 2900
Honolulu, Hawaii 96846

RE: Asbestos Clearance Survey - Kitihara Realty (Hawaii, Inc.)

Dear Mr. Gross:

Attached is our survey report conducted at Salt Lake Manor, 2977 Ala Ilima Street, Honolulu, Hawaii.

The results show that although low concentrations of chrysotile asbestos is mixed into the ceiling material, the vast majority of the ceilings are intact except for the areas outlined in the report.

I recommend that the asbestos-bearing material be managed as suggested by the EPA protocol.

Total or major asbestos removal is not indicated, nor is extensive encapsulation with EPA-tested sealants.

If we can be of further service in the Operations and Management aspect, please have your client contact me.

It was again a pleasure to assist your Department in providing property surveys. Should you or your client, Kitihara Realty (Hawaii, Inc.), have any questions pertaining to the attached, please feel free to call me.

Sincerely,

Sam L. Casalina, Ph.D.

Sam L. Casalina, Ph.D.
Senior Industrial Hygienist

SLC:gb

enc

EXHIBIT G

47-345 Mahakea Road • Kaneohe, Hawaii 96744 • (808) 239-6514

Casalina Associates, Inc.

ENVIRONMENTAL HAZARDS EVALUATION & CONTROL SPECIALISTS • SINCE 1960

ASBESTOS SURVEY - SALT LAKE MANOR

An Asbestos Clearance Survey was conducted at 2977 Ala Ilima Street, Honolulu, Hawaii. This eight storie structure is composed of seventy apartment units, along with ancillary support rooms such as the boiler, storage and office rooms. The building is known as Salt Lake Manor.

INTRODUCTION

The source of asbestiform fibers in this building is the chrysotile asbestos found in the sprayed-on ceiling material found in the hallways and all of the units. This mixture of plaster, vermiculite and a few percent asbestos fibers (see attached Lab Report) were sprayed on all of the above mentioned ceilings. The reasons usually given for the application of this mixture during a period of about 1944 to 1977 (when EPA banned asbestos for this use) were that the textured, "cottage cheese" appearance was/is an attractive relief from the usual stark, blank walls, and offered a measure of insulation and fire retardation.

The purpose of this survey was to assess the extent and concentrations of asbestos present as factors to be considered by the property owner for any planned abatement or renovation. All 6 species of asbestos have been declared human carcinogens by the U.S. Environmental Protection Agency. The Agency's guidelines call for reporting asbestos concentrations in friable (soft) materials of greater than one percent.

SURVEY PROTOCOL

Since asbestos fibers present a health hazard only when they can be inhaled or ingested, these factors were of primary interest during the inspections. To accomplish this, a sampling

protocol was implemented in which all apartments were inspected* and approximately every third apartment was ceiling materials sampled and analyzed for asbestos content. These samples consisted of two or more representative ceiling samples taken completely to the substrate or plasterboard. The samples were obtained in separate areas of the apartments. Each hallway ceiling was similarly sampled/analyzed. The attached Laboratory Report tabulates the estimated concentrations as composite (averaged) numbers for the same unit or hallway. No asbestos was detected in the boilerroom insulation or lagging. The ceiling samples were collected, numbered and logged before being returned to the laboratory daily.

LABORATORY ANALYSIS

The analysis of the samples was by polarized light microscopy with dispersion staining. This conforms to EPA method 600/4-82-020. While the results show greater than 1%, the asbestos content is relatively low. The variations in reported percentage content is within standard deviation and not significant so long as it remains within about 10 percentage points.

Nevertheless, enough asbestos is present at Salt Lake Manor in a friable form to warrant what EPA calls an "O&M" program, for "Operations and Management." This requires a qualified management team made up of at least a manager and an asbestos specialists to periodically inspect and assess the condition of the asbestos-bearing surfaces, and provide abatement action if the need is indicated. This would be especially applicable to the condition found in almost all of the units in the subject building. The tenants, or others, hung the window drapes so that the tops of drapes drag, and cut into, the soft, asbestos-bearing ceilings. Many of the units have depressions worn away completely to the plasterboard. This material has fallen to the floor, and some of the tenants expressed concerns about their children ingesting and breathing the fibers.

Another problem similar to the above is that ceiling material loostened by water damage from roof or next-floor-up leaks. A solution to these O&M problems is given below.

*Two were unavailable for inspection but this does not alter the statistical validity of the survey.

To reduce the liability and possible health hazards posed by the presence of asbestos in the unit and hallway ceilings, several solutions are prudent: No. 3 is recommended.

1. Remove the asbestos. Estimated cost: $10-$20 per sq. ft. of ceiling plus repainting or spray-on replacement, and loss of rents for several days.
2. Encapsulate the material, after trimming loose material, with two applications of EPA-tested sealant or "encapsulant." Est. cost: $4-$8 per sq. ft. and loss of rent for several days.
3. O&M: Encapsulate the damaged areas under the drapery tracks, re-spray with non-asbestos ceiling material; notify all tenants to leave at least 1½ inches clearance between the top of the drape to the ceiling undersurface. Inspect all units for compliance, other ceiling damage (punctures, water damage, etc.) Est. cost: 60 units (6/7ths of the bldg) x $450/unit = $27,000, one-time cost (includes air sampling, analysis and certification as safe to re-enter.)

Page 5 becomes an integral part of this report.

For CASALINA ASSOCIATES, INCORPORATED

Sam L. Casalina, Ph.D.

Sam L. Casalina, Ph.D.
Senior Industrial Hygienist

Casalina Assoc., Inc. is Research Triangle (EPA) Tested Laboratory No. 9370

February 22, 1989

Casalina Associates, Inc.

ENVIRONMENTAL HAZARDS EVALUATION & CONTROL SPECIALISTS • SINCE 1960

LABORATORY REPORT

CLIENT: Kitihara Realty (Hawaii Inc.)
Salt Lake Manor
2977 Ala Lima, Honolulu, HI
DATE: Feb. 20, 1989
DATE SAMPLED: 2/14-16/89
PARAMETER: Asbestos

Sampling and analyses were conducted in accordance with NIOSH requirements/recommendations or those of other appropriate regulatory agencies. CASALINA ASSOC., INC. is Research Triangle Inst. (EPA) tested Laboratory No. 9370.

Sample No.	Sampled Location*	Results (Est.%)
01	Boiler room insul.	No asbestos
02	503	4-7
03	8th flr. hall	3-5
04	801	3-5
05	807	4-8
06	804	5-8
07	809	4-8
08	802	5-9
09	7th flr. hall	4-8
10	707	5-9
11	705	4-8
12	710	4-8
13	606	2-5
14	608	2-6
15	602	1-4
16	502	2-5
17	5th flr. hall	3-6
18	508	4-8
19	4th flr. hall	3-6
20	406	3-6
21	407	2-5
22	402	2-5
23	3rd flr. hall	3-5
24	303	1-4
25	305	2-5
26	6th flr. hall	1-4
27	2nd flr. hall	2-5
28	207	4-8
29	210	2-5
30	208	2-5

*Composite samples of two or more sampling sites within that unit or area.

47-345 Mahakea Road • Kaneohe, Hawaii 96744 • (808) 239-6514

EXCLUSIONS AND LIMITATIONS

This report is furnished with the following exclusions and limitations:

1. This report was prepared solely upon Casalina Associates, Inc.'s inspection of those areas which were requested by or made available by the client. Thus, no representations are made herein with respect to any areas which were not made available for inspection or which were inaccessible.

2. Casalina Associates, Inc. shall not be liable to any person or persons, in any way or manner, for any claims relating to allegations of exposure to toxic materials, including asbestos, which may be occasioned as a result of, directly or indirectly, the inspection by Casalina Associates, Inc. conducted in conjunction with this report, and client agrees to indemnify, save and hold harmless Casalina Associates, Inc. from the same.

3. Casalina Associates, Inc. shall not be liable to any person or persons, in any way or manner, for the condition of any areas inspected by Casalina Associates, Inc. found to contain asbestos and client agrees to indemnify, save and hold harmless Casalina Associates, Inc. from the same.

4. This report was prepared for the purpose of assessing the presence of asbestos-bearing surfaces such as ceilings or pipe/water heating insulation that are readily visible and accessible and not asbestos bearing surfaces which may be contained in unexposed walls, attics or crawlspaces. As such, Casalina Associates, Inc. makes no representations relating to the presence or absence of asbestos in said areas mentioned hereinabove.

DAVIDSON ABATEMENT INC.

September 25, 1991

EM INTERNATIONAL REALITY CORP.
655 Keeaumoku Street #210
Honolulu, Hawaii 96811

Attention: Ed Maeda

Re: Proposal to encapsulate 2977 Ala Ilima Street.

We hereby propose to encapsulate the asbestos-containing ceiling material at 2977 Ala Ilima street (Salt Lake Manor) for the sum of: FORTY-FIVE THOUSAND ONE HUNDRED and NINETY-FOUR DOLLARS ($45,194.00)

The job will be worked one floor at a time. Each floor will require no more than three (3) days to complete.

All work will be performed in compliance with EPA, DOSH and State Department of Health regulations for encapsulation.

All waste material gets disposed at the State approved land-fill for asbestos (Waimanalo Gulch).

Delaminated ceiling areas will be trimmed off prior to the application of the encapsulant.

The encapsulant to be applied will be BWE 3000, A Batelle laboratory tested encapsulant. Two coats of the encapsulant will be applied in accordance with the manufacturers guide-lines.

The units must be cleared of obstacles on the walls, such as pictures. This is of particular importance in the closets. It is not necessary to move large fixtures or furniture but where practical two feet of wallspace beneath the ceiling should be clear.

A signature below by an authorized representative of EM INTERNATIONAL REALITY CORP. will serve as acceptance of this proposal.

Authorized representative of
EM INTERNATIONAL REALITY CORP.

Kermit Davidson
President/RME

45024 Lilipuna Road • Kaneohe • Hawaii • 96744
Phone (808) 236-1122 • Fax (808) 247-4059

BUILDING DEPARTMENT

CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813

FRANK F. FASI
MAYOR

HERBERT K. MURAOKA
DIRECTOR AND BUILDING SUPERINTENDENT

Ex91-113

September 5, 1991

ILC International, Inc.
Waikiki Business Plaza, Suite 1010
2270 Kalakaua Avenue
Honolulu, Hawaii 96815

Dear Ms. Doi:

Subject: Condominium Conversion Project
2977 Ala Ilima Street
Tax Map Key: 1-1-061: 024

This is in reply to your letter dated August 2, 1991 requesting confirmation that the eight-story 70-unit apartment building located at 2977 Ala Ilima Street met all code requirements at the time of construction.

Investigation revealed the apartment building with 88 parking spaces met the applicable code requirements when it was constructed in 1971.

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

For your information, the Building Department cannot determine whether the project contains any legal nonconforming uses or structure as a result of the adoption or amendment of any ordinances or codes.

EXHIBIT H

Exhibit I

Parking Stall Assignments

Apartment No.	Stall No.	Type of Stall
201	65 & 01	Covered & Covered/Compact
202	32	Covered
203	33	Covered
204	34	Covered
205	29	Covered
206	36	Covered
207	39	Open
208	79	Open
209	37	Covered
210	31 & 83	Covered & Open
301	66 & 38	Covered & Covered/Compact
302	30	Covered
303	02	Covered
304	03	Covered
305	04	Covered
306	05 & 88	Covered & Open
307	78 & 84	Open & Open
308	77	Open
309	06	Covered
310	07	Covered
401	67 & 35	Covered & Covered/Compact
402	08	Covered
403	09	Covered
404	10	Covered
405	11	Covered
406	12	Covered
407	76	Open
408	75	Open
409	13	Covered
410	14	Covered
501	*68 & 26*	*Covered & Covered/Compact*
502	15	Covered
503	16	Covered
504	17	Covered
505	18	Covered
506	19	Covered
507	74	Open
508	61	Open
509	20	Covered
510	72	Covered
601	69 & 21	Covered & Covered
602	73	Open
603	40 & 87	Covered & Open
604	41	Covered
605	42	Covered

606	43	Covered
607	24	Covered
608	60	Open
609	44	Covered
610	45 & 90	Covered & Open
701	70 & 22	Covered & Covered
702	46 & 89	Covered & Open
703	47 & 86	Covered & Open
704	48	Covered
705	49	Covered
706	50 & 85	Covered & Open
707	59	Covered
708	25	Covered
709	51	Covered
710	52 & 80	Covered & Open
801	71 & 23	Covered & Covered
802	53	Covered
803	54 & 81	Covered & Open
804	55	Covered
805	56 & 82	Covered & Open
806	57	Covered
807	27	Covered
808	62	Covered
809	58	Covered
810	28	Covered

NOTE: There are no stalls numbered 63 and 64 on parking plan on the Condominium Map. The total number of parking stalls for the project is 88.

EXHIBIT "J"

PERCENTAGE COMMON INTEREST OF EACH APARTMENT

Apartment	Common Interest %
201	1.757
202	1.535
203	1.485
204	1.485
205	1.485
206	1.485
207	1.112
208	1.112
209	1.485
210	1.345
301	1.757
302	1.535
303	1.485
304	1.485
305	1.485
306	1.485
307	1.112
308	1.112
309	1.485
310	1.345
401	1.757
402	1.535
403	1.485
404	1.485
405	1.485
406	1.485
407	1.112
408	1.112
409	1.485
410	1.345
501	1.757
502	1.535
503	1.485
504	1.485
505	1.485
506	1.485
507	1.112
508	1.112
509	1.485
510	1.345
601	1.757
602	1.535
603	1.485
604	1.485
605	1.485

606	1.485
607	1.112
608	1.112
609	1.485
610	1.345
701	1.757
702	1.535
703	1.485
704	1.485
705	1.485
706	1.485
707	1.112
708	1.112
709	1.485
710	1.345
801	1.757
802	1.535
803	1.485
804	1.485
805	1.485
806	1.485
807	1.112
808	1.112
809	1.485
810	1.345