

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer HLP INVESTMENTS, INC., a Hawaii corporation
Address 1539 Ala Hahanui Street, Honolulu, Hawaii 96818

Project Name(*): "HALE MAILI"
Address: 87-154 Kakalena Street and 87-037 & 87-049 Kulaaupuni Street
Waianae, Hawaii 96792

Registration No. 4164 Effective date: June 25, 1999
(conversion) Expiration date: July 25, 2000

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
(yellow)
 - FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
 - No prior reports have been issued.
 - This report supersedes all prior public reports.
 - This report must be read together with _____
 - SUPPLEMENTARY: This report updates information contained in the:
(pink)
 - Preliminary Public Report dated: _____
 - Final Public Report dated: _____
 - Supplementary Public Report dated: _____
- And
- Supersedes all prior public reports.
 - Must be read together with _____
 - This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report
Exhibit "H"

Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The broken (——— — ——) lines on the Condominium Map Bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other governmental agency, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOLLOWING.

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: HLP Investments, Inc.,
a Hawaii corporation Phone: (808) 540-3206
Name* 1539 Ala Hahanui Street (Business)
Business Address
Honolulu, Hawaii 96818

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

HENRY L. PAGBA, President/Secretary
FE M. PAGBA, Vice President/Treasurer

Real Estate Broker*: BUDDY GENDRANO REALTY INC. Phone: (808) 839-2690
Name (Business)
909 Lehua Avenue, 2nd Floor
Business Address
Pearl City, Hawaii 96782

Escrow: FIRST HAWAII TITLE CORPORATION Phone: (808) 521-3411
Name (Business)
1088 Bishop Street, Suite 906
Business Address
Honolulu, Hawaii 96813

General Contractor*: N/A Phone: none
Name (Business)
Business Address

Condominium Managing Agent*: CERTIFIED MANAGEMENT, INC. Phone: (808) 836-0911
Name (Business)
3179 Koapaka St., 2nd Floor
Business Address
Honolulu, Hawaii 96819-1927

Attorney for Developer: VERNON T. TASHIMA, ESQ. Phone: (808) 521-2951
Name (Business)
220 S. King Street, #888
Business Address
Honolulu, Hawaii 96813

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

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

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

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 99-061745
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

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

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyances Condo Map No. 2884
 Filed - Land Court Condo Map No. _____

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

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

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 99-061746
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>Approved By Board of Directors</u>

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

2. Developer:

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

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

To grant, adjust easements; to file "as built" amendment; changing parking stalls; to comply with governmental and mortgage requirements.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Sub-leaseholds:

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

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

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. **Underlying Land:**

87-154 Kakalena Street,
Address: 87-037 & 87-049 Kulaaupuni Tax Map Key (TMK): (1) 8-7-001:016
Waianae, Hawaii 96792
[] Address [] TMK is expected to change because _____

Land Area: 2.781 [] square feet [X] acre(s) Zoning: R-5

Fee Owner: HLP INVESTMENTS, INC., a Hawaii corporation

Name
1539 Ala Hahanui Street
Address
Honolulu, Hawaii 96818

Lessor: _____
Name

Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 10 Apts Floors Per Building 1 floor
1 detached Shed and 1 Detached Carport/Shed
 Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other _____

4. Uses Permitted by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>10</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Rccrcational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	___	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

Yes No

5. Special Use Restrictions:

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

None, except "guide dog" for disabled persons are permitted, and
 Pets: such other animal as may be allowed by the association.

Number of Occupants: _____

Other: _____

There are no special use restrictions.

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

Elevators: 0 Stairways: 0 Trash Chutes: 0

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

Total Number of Apartments: 10

****See following page (page 11a) for continuation of item 6.**

***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:

Each unit is a detached unit; therefore, the boundaries of each unit are the exterior walls of each unit.

Permitted Alterations to Apartments:

Alterations of an apartment may be made with the approval of the Board of Directors and the written consent of the holders of all liens affecting the apartment.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apartment Type</u>	<u>Quan</u>	<u>BR/Bath</u>	<u>Net Living Area (sf) *</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
KAKALENA STREET:					
<u>Apt 1 (87-155A)</u>	<u> 1 </u>	<u> 2/1 </u>	<u> 620 </u>	<u> 16 </u>	<u> Porch </u>
<u>Apt 2 (87-155B)</u>	<u> 1 </u>	<u> 2/1 </u>	<u> 620 </u>	<u> 260 </u> <u> 860 </u>	<u> Attached Shed </u> <u> Garage </u>
<u>Apt 3 (87-155C)</u>	<u> 1 </u>	<u> 2/1 </u>	<u> 633 </u>	<u> 160 </u>	<u> Attached Shed </u>
<u>Apt 4 (87-155D)</u>	<u> 1 </u>	<u> 2/1 </u>	<u> 720 </u>	<u> 372 </u> <u> 210 </u>	<u> Attached Carport </u> <u> Shed </u>
<u>Apt 5 (87-154A)</u>	<u> 1 </u>	<u> 2/1 </u>	<u> 704 </u>	<u> 24 </u> <u> 32 </u>	<u> Porch </u> <u> Attached Shed </u>
<u>Apt 6 (87-154B)</u>	<u> 1 </u>	<u> 2/1 </u>	<u> 622 </u>	<u> 16 </u> <u> 700 </u> <u> 56 </u>	<u> Porch </u> <u> Detached Carport </u> <u> Attached Shed </u>
<u>Apt 7 (87-154C)</u>	<u> 1 </u>	<u> 2/1 </u>	<u> 428 </u>	<u> 104 </u> <u> 518 </u> <u> 76 </u>	<u> Porch </u> <u> Garage </u> <u> Attached Shed </u>
<u>Apt 8 (87-154D)</u>	<u> 1 </u>	<u> 1/1 </u>	<u> 325 </u>	<u> 9 </u>	<u> Porch </u>
KULAAUPUNI STREET:					
<u>Apt 9 (87-049)</u>	<u> 1 </u>	<u> 2/1 </u>	<u> 576 </u>	<u> 36 </u> <u> 32 </u> <u> 500 </u>	<u> Porch </u> <u> Attached Shed </u> <u> Carport </u>
<u>Apt 10 (87-037)</u>	<u> 1 </u>	<u> 2/1 </u>	<u> 414 </u>	<u> 12 </u>	<u> Porch </u>

Total Number of Apartments: 10

* 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.

7. Parking Stalls:

Total Parking Stalls: 18

Assigned: (for each unit)	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Apt 2	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Apt 7	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Other: Carport</u>							
Apt 4	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Apts 6 & 9	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
<u>Unassigned:*</u>							
Apts 1, 3, 5, 8 and 10	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
Total covered and open	<u>18</u>		<u>0</u>		<u>0</u>		<u>18</u>

*Apts 1, 3, 5, 8 & 10 will have ample area within its limited common element for parking purposes.

Apts 4 and 7 will have only 1 parking stall; all others will have the exclusive use of at least 2 parking stalls.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: _____

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

There are no violations. Violations will not be cured.

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

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

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

See attached Supplemental marked as Exhibit "G" regarding Declaration of Developer as to Condition of Building.

11. Conformance to Present Zoning Code

- a. No variances to zoning code have been granted.
 Variance(s) to zoning code was/were granted as follows:

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit "A".

as follows:

*See supplemental listed as EXHIBIT "F"; letters from City and County of Honolulu, Department of Planning and Permitting dated 4/28/97, 12/30/98 and 1/26/99. Also, as to the non-conforming structures, Declarant states that an application for an existing use permit will be filed with the proper governmental agencies. This is further noted on page 20 of this report.

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

There are no limited common elements in this project.

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

described in Exhibit _____.

as follows: Each unit will have, as a limited common element, the ground upon which it is located and a portion of the surrounding yard space as follows:

<u>KAKALENA STREET:</u>	<u>Square Feet</u>	<u>KAKALENA STREET:</u>	<u>Square Feet</u>
Apt 1 (87-155A)	11,491	Apt 7 (87-154C)	19,543
Apt 2 (87-155B)	5,553	Apt 8 (87-154D)	8,400
Apt 3 (87-155C)	5,498		
Apt 4 (87-155D)	14,561	<u>KULAAUPUNI STREET:</u>	
Apt 5 (87-154A)	11,919	Apt 9 (87-049)	9,632
Apt 6 (87-154B)	13,110	Apt 10 (87-037)	14,706

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

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

described in Exhibit _____.

as follows:

KAKALENA STREET	Apt 1 (87-155A)	10.0434
		Apt 2 (87-155B)	4.8535
		Apt 3 (87-155C)	4.8055
		Apt 4 (87-155D)	12.7267
		Apt 5 (87-154A)	10.4175
		Apt 6 (87-154B)	11.4585
		Apt 7 (87-154C)	17.0811
		Apt 8 (87-154D)	7.3418
KULAAUPUNI STREET	Apt 9 (87-049)	8.4186
		Apt 10 (87-037)	12.8534
		TOTAL	100.0000%

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

Exhibit "B" describes the encumbrances against the title contained in the title report dated March 24, 1999
and issued by First Hawaii Title Corporation.

Blanket Liens:

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

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

[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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
1) Mtg dated 11/12/92 and recorded as Document No. 92-186978 in favor of Central Pacific Bank	The Buyer's deposit shall be returned. The Buyer may lose all rights to acquire the apartment. Further, should Buyer's deposit be disbursed by Escrow and the lien be foreclosed prior to conveyance to Buyer, Buyer may not be able to recover the deposit moneys, less escrow cancellation fee.
2) Assignment of Rents dated 11/12/92 and recorded as Document No. 92-186979 in favor of Central Pacific Bank.	
3) Mortgage dated 10/9/96 and recorded as Document No. 96-147163 in favor of Central Pacific Bank.	
4) Assignment of Rents dated 10/9/96 and recorded as Document No. 96-147164 in favor of Central Pacific Bank.	
5) Agreement dated 7/2/97 and recorded as Document No. 97-091327 made by and between CENTRAL PACIFIC BANK, a Hawaii corporation, as Mortgagee, HENRY LAGANCE PAGBA, aka Henry L. Pagba, and FE MARIANO PAGBA, aka Fe M. Pagba, husband and wife, as Transferor", and HLP INVESTMENT, INC., a Hawaii corporation, as Transferee.	

F. CONSTRUCTION WARRANTIES:

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

1. Building and Other Improvements: No warranties.
2. Appliances: Each unit is furnished with a refrigerator and stove, and there are no warranties.

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

The structures were built between 1935 and 1938 and that minor modification and additions have been added to the structures since then.

H. **Project Phases:**

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

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

The Developer reserves the right to add to, delete from, and/or modify the project or any part thereof, including without limitation, the right to merge with other projects, or by adding later phases to the project.

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

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

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

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

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

C. **Utility Charges for Apartments:**

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

- None
- Gas
- Water
- Other Common Area E, approximately 6,607 square feet, as a common driveway for all units.
- Electricity (_____ Common Elements only _____ Common Elements & Apartments)
- (_____ Common Elements only _____ Common Elements & Apartments)
- Sewer
- Television Cable

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[X] ~~Notice to Owner Occupants~~ Declaration of Developer as to Condition of Building,
Exhibit "G"

[X] Specimen Sales Contract
Exhibit "E" contains a summary of the pertinent provisions of the sales contract.

[X] Disclosure Abstract, Exhibit "H"

[X] Escrow Agreement dated March 24, 1999
Exhibit "D" contains a summary of the pertinent provisions of the escrow agreement.

[X] Other Letters from City and County of Honolulu, Planning & Permitting dated
4/28/97, 12/30/98 and 1/26/99; Exhibit "F"

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

A) The Developer delivers to the buyer a copy of:

- 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
- 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); **AND**

C) One of the following has occurred:

- 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
- 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
- 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other _____

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 4164 filed with the Real Estate Commission on April 21, 1999.

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

YELLOW paper stock WHITE paper stock PINK paper stock

C. Additional Information Not Covered Above

Disclosure re: Selection of Real Estate Broker

This Public Report shall not bind a purchaser to the sale of any apartment until (1) the Developer first submits to the Real Estate Commission a duly executed disclosure abstract identifying the designated sales agent, and a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, and (2) gives a copy of said disclosure abstract to the purchaser together with a copy of this Public Report.

Non-conforming structures:

The ten (1) dwelling units are considered legal but non-conforming structures. In the event of destruction of over 50% of its replacement costs by any means and if an existing use permit is not obtained prior to destruction of the units, it cannot be reconstructed under the present Land Use Ordinance.

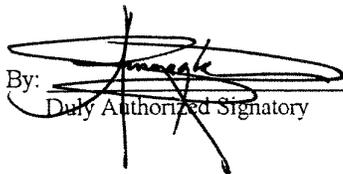
The ten all-weather surface off-street parking spaces and the gravel surface driveway are considered nonconforming.

Purchasers are advised to read with care the three letters from the City and County of Honolulu, Planning and Permitting Department, which outlines the effects of the non-conforming aspect of the structures, and attached as Exhibit "F".

Also notation is further noted on page 13.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

HLP INVESTMENTS, INC., a Hawaii corporation
Printed Name of Developer

By:  _____ Date April 5, 1999
Duly Authorized Signatory

HENRY L. PAGBA, President and Secretary
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu

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

EXHIBIT "A"

COMMON ELEMENTS

The common element will include the limited common elements and all other portions of the land and improvements other than the apartment, the land on which it is located and all elements mentioned in the Condominium Property Act which are actually constructed on the land herein described, and specifically shall include, but are not limited to:

- a) Land herein described in Exhibit "A" [attached to the Declaration] in fee simple.
- b) All areas, locations, easements, etc., designated and identified as common areas on the Condominium Map for the "HALE MAILI" Project.
- c) Project boundary walls, walkways, sidewalks, pathways, if any, common grounds and landscaping.
- d) All electrical equipment, wiring and other appurtenant installations, including power and light, water, sewer and gas lines; all pipes, wires, conduits or other utility or service lines, including TV cable, if any, which are utilized by or serve, all of the units, in common, excluding those located within each unit and in such unit's limited common element.
- e) Common Area E, approximately 6,607 square feet, as a common driveway for all units.

END OF EXHIBIT "A"

EXHIBIT "B"

ENCUMBRANCES AGAINST TITLE

1. For real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. GRANT dated April 23, 1951, recorded in said Bureau of Conveyances in Liber 2459 at Page 288 in favor of HAWAIIAN ELECTRIC COMPANY, INC. and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, a Hawaii corporation, granting a perpetual easement to build, construct, pole and wire lines, etc., for the transmission and distribution of electricity. The foregoing Grant was amended by DEED dated November 8, 1973 recorded in Book 9666, Page 117.
4. GRANT dated April 5, 1973, recorded in said Bureau in Liber 9139 at Page 325 in favor of the CITY AND COUNTY OF HONOLULU, granting an easement to construct, reconstruct, install, maintain, operate, repair and remove an underground sewer pipe line or pipe lines.
5. Mortgage, Security Agreement and Financing Statement dated November 12, 1992, recorded in said Bureau as Document No. 92-186978, made in favor of CENTRAL PACIFIC BANK, a Hawaii corporation.
6. Assignment of Rents dated November 12, 1992, recorded in said Bureau as Document No. 92-186979, made by HENRY LAGANCE PAGBA and FE MARIANO PAGBA, husband and wife, as Assignor, and CENTRAL PACIFIC BANK, a Hawaii corporation, as Assignee.
7. Mortgage dated October 9, 1996, recorded in said Bureau as Document No. 96-147163, made in favor of CENTRAL PACIFIC BANK, a Hawaii corporation.
8. Assignment of Rents dated October 9, 1996, recorded in said Bureau as Document No. 96-147164, made by HENRY LAGANCE PAGBA and FE MARIANO PAGBA, husband and wife, as Assignor, and CENTRAL PACIFIC BANK, a Hawaii corporation, as Assignee.

9. AGREEMENT dated July 2, 1997 and recorded as Document No. 97-091327 made by and between CENTRAL PACIFIC BANK, a Hawaii corporation, as "Mortgagee", HENRY LAGANCE PAGBA, aka Henry L. Pagba, and FE MARIANO PAGBA, aka Fe M. Pagba, husband and wife, as "Transferor", and HLP INVESTMENT, INC., a Hawaii corporation, as "Transferee".
10. Condominium Map No. 2884.
11. Declaration of Condominium Property Regime of "HALE MAILI" dated April 5, 1999 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 99-061745.
12. The By-Laws of the Association of Apartment Owners of said Project dated April 5, 1999 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 99-061746.

END OF EXHIBIT "B"

EXHIBIT "C"
HALE MAILI
Estimated Annual Common Expense

	<u>Monthly</u>	<u>Annual</u>
Utilities and Services		
Television		
Air Conditioning		
Electricity (common elements only)		
Gas		
Water and Sewer	\$566.00	\$6,792.00
Refuse Collection		
Telephone/Communication		
Maintenance, Repairs, and Supplies		
Building		
Grounds		
Management		
Management Fee	\$260.00	\$3,120.00
Payroll and Payroll Taxes		
Office Expenses	\$44.00	\$528.00
Insurance	\$270.00	\$3,240.00
Reserves	\$54.00	\$648.00
Taxes and Government Assessments	\$8.00	\$96.00
Professional Services - Audit	\$50.00	\$600.00
Other - Legal Expenses		
Security		
Amenities		
TOTAL	<u>\$1,252.00</u>	<u>\$15,024.00</u>

I, STEVE PEARMAIN, as agent and employed by CERTIFIED MANAGEMENT, INC., the condominium managing agent or the developer, for the condominium project Hale Maili, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.


Steve Pearmain, Community Association Manager

2/8/99
Date

HALE MAILI
ESTIMATE OF INITIAL MAINTENANCE FEE
AND
MAINTENANCE FEE DISTRIBUTION

ESTIMATE OF INITIAL MAINTENANCE FEE

	<u>APARTMENT TYPE</u>	<u>Monthly Fee</u> <u>x 12 mos.</u>	<u>Yearly</u>
1	10.0434	\$124.24	\$1,490.88
2	4.8535	\$60.04	\$720.48
3	4.8054	\$59.44	\$713.28
4	12.7267	\$157.43	\$1,889.16
5	10.4175	\$128.86	\$1,546.32
6	11.4585	\$141.74	\$1,700.88
7	17.0811	\$211.29	\$2,535.48
8	7.3418	\$90.82	\$1,089.84
9	8.4186	\$104.14	\$1,249.68
10	12.8534	\$159.00	\$1,908.00

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

[] Revised on _____

HALE MAILI
Certification of Reserve Study

I, STEVE PEARMAIN, as agent and employed by CERTIFIED MANAGEMENT, INC., the condominium managing agent or the developer, for the condominium project, HALE MAILI, hereby certify that a reserve study has been conducted in accordance with 514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.


Steve Pearmain, Community Association Manager

2/8/99
Date

EXHIBIT "C"
 HALE MAILI
 Estimated Annual Common Expense

	<u>Monthly</u>	<u>Annual</u>
Utilities and Services		
Television		
Air Conditioning		
Electricity (common elements only)		
Gas		
Water and Sewer	\$566.00	\$6,792.00
Refuse Collection		
Telephone/Communication		
Maintenance, Repairs, and Supplies		
Building		
Grounds		
Management		
Management Fee	\$260.00	\$3,120.00
Payroll and Payroll Taxes		
Office Expenses	\$44.00	\$528.00
Insurance	\$270.00	\$3,240.00
Reserves	\$54.00	\$648.00
Taxes and Government Assessments	\$8.00	\$96.00
Professional Services - Audit	\$50.00	\$600.00
Other - Legal Expenses		
Security		
Amenities		
TOTAL	<u>\$1,252.00</u>	<u>\$15,024.00</u>

I, STEVE PEARMAIN, as agent and employed by CERTIFIED MANAGEMENT, INC., the condominium managing agent or the developer, for the condominium project Hale Maili, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



 Steve Pearmain, Community Association Manager

2/8/99

 Date

EXHIBIT "D"

SUMMARY OF THE PROVISIONS
OF THE ESCROW AGREEMENT

Among other provisions of the Escrow Agreement, the Agreement provides that:

Disbursement from the escrow fund may be made to pay for construction costs upon certification and approval for payment by an architect or engineer, and approved by Seller's lender. However, the agreement further provides that no disbursement of Purchaser's funds shall be made until (a) Escrow is notified by Seller that Real Estate Commission has issued an effective date for a Final Public Report, superseding all prior reports, on the project and that each purchaser has been given a copy of said Final Public Report; (b) purchaser executes the form of Receipt for Public Report and Notice of Right to Cancel and waives his right to cancel; and (c) the completion of construction of the project and the forty-six day lien period has expired or Seller has posted a Surety Bond or submits title insurance with lien waivers.

Further, Purchaser shall be entitled to a refund of Purchaser's funds, and Escrow shall pay the funds to Purchaser, without interest and less Escrow's cancellation fee upon receipt by Escrow of a written request from Seller to return to Purchaser the funds of such Purchaser then held hereunder by Escrow.

Subject to such deduction as may be provided in the Sales Contract, and an escrow cancellation fee, the purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to the purchaser, without interest, upon purchaser's written request, and, if any, one of the following events has occurred:

(a) Seller has instructed Escrow in writing to return to the purchaser the funds of the purchaser then being held hereunder by Escrow; or

(b) Seller has notified Escrow in writing of the Seller's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated herein or otherwise available to the seller; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Public Report, the purchaser has exercised his right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; and, upon any such cancellation, purchaser shall be entitled to a prompt refund of all monies paid, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00; or

(d) A purchaser has exercised his right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended, or

(e) If, in accordance with Part VI, Chapter 514A, Hawaii Revised Statutes:

i) no sales contract is offered to purchaser who was placed on the Developer's reservation list of owner-occupants, or upon a request from a person who is on the final reservation list but who has elected not to execute a sales contract; or

ii) the purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his unit within fifty (50) calendar days following the end of the ten (1) calendar-day period during which the Developer is limited to selling to owner-occupants.

Upon the return of said funds to the purchaser as aforesaid, Escrow shall return to seller such purchaser's Sales Contract and any conveyancing documents theretofore delivered to Escrow pursuant to such Sales Contract. Other documents delivered to Escrow relating to the sale of the units identified in such Sales Contracts will be returned to the person from whom or entity from which they were received.

(f) In the event of default of the purchaser, purchaser's initial deposits shall be retained by Seller, as liquidated damages.

END OF EXHIBIT "D"

EXHIBIT "E"

SUMMARY OF SALE CONTRACT

The pertinent provisions of the sales contract for this project are as follows:

1. Deed:

Seller agrees to convey a good and marketable title to the property, free and clear of encumbrances except certain matters of record which do not materially affect the value of the property.

2. Binding Effect:

The contract also provides that, if it is executed and accepted prior to the completion of construction of the Apartment described herein, it will not be binding upon the Purchaser until; (a) An effective date for a Final Public Report superseding all prior reports, if any, has been issued by the Commission and true copy of such report (or a supplementary public report, if applicable) has been delivered to the Purchaser, either personally or by registered or certified mail; (b) The Purchaser has had full opportunity to read the report(s); and (c) The Purchaser executes the form of Receipt for Public Report and Notice of Right to Cancel delivered together with the aforesaid report(s) and waives his right to cancel.

Further the contract also provides that unless Purchaser has previously waived his right to cancel, he shall have the right to cancel this Contract prior to the earlier of (a) the conveyance of the Apartment to him, or (b) midnight of the 30th day following the date of delivery of the Final Public Report.

Upon such cancellation, Purchaser shall be entitled to a prompt and full refund of all monies paid, less escrow cancellation fees and other costs of purchase, up to a maximum of \$250.00.

Upon such refund, all rights of Seller and Purchaser under this Contract shall terminate and neither shall have any further liabilities hereunder. If Purchaser shall fail to make any payment when required or fails to perform any other obligation required of Purchaser under the Contract, Seller may, at Seller's option, cancel said contract and all sums paid by Purchaser shall belong absolutely to Seller as liquidated damages.

3. Closing Date: The contract provides that the closing of a sale shall be 46 days after the date of completion as defined by Sec 507-43 Hawaii Revised Statutes, or if completed then not earlier than thirty (30) days after acceptance of contract by seller, or such later date as the seller may set. Although the contract does not so state, the law provides that sales contract, for owner-occupants, the sales contract may (but not required to) be conditioned upon Purchaser obtaining adequate financing or a commitment for adequate financing by a date which is not earlier than fifty (50) days after the Seller executes and accepts the sales contract.

4. Default: In the event of default in the making of any payments, or failure to close, the seller may (1) cancel the contract and retain all deposits or payments made prior to default, or (2) decide not to cancel but charge a late fee of 10% of the amount then due and not paid.

5. Assignment of Contract: The Purchaser may assign the sales contract, prior to pre-closing, only with the prior written consent of the Seller, who may withhold the consent as Seller's discretion.

END OF EXHIBIT "E"

BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET, 2ND FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 523-4564 • FAX: (808) 523-4567



JEREMY HARRIS
MAYOR

RANDALL K. FUJIKI
DIRECTOR AND BUILDING SUPERINTENDENT
ISIDRO M. BAQUILAR
DEPUTY DIRECTOR AND BUILDING SUPERINTENDENT

Ex97-52

April 28, 1997

Mr. William H. Q. Bow
816 8th Avenue
Honolulu, Hawaii 96816

Dear Mr. Bow:

Subject: Condominium Conversion Project
87-154 A, B, K, L, N and
87-155 A, B, C and D Kakalena Street
Tax Map Key: 8-7-001: 016

This is in response to your letter dated April 25, 1996 requesting verification that the ten one-story single-family dwellings located at the above-mentioned addresses met all applicable code requirements at the time of construction.

Investigation revealed that the ten dwellings were reposted and/or relocated to this zoning lot prior to 1962. The ten dwelling units are considered nonconforming.

Investigation also revealed that the dwelling at 87-154 L Kakalena Street lacks the minimum yard setback.

The ten all-weather surface off-street parking spaces and the gravel surface driveway are considered nonconforming.

Since the ten dwelling units are considered to be nonconforming, if any dwelling is destroyed by any means to an extent of more than 50 percent of its replacement cost at the time of destruction, it shall not be reconstructed except in conformity with the provisions of Article 6 of the Land Use Ordinance unless an existing use permit is obtained from the Department of Land Utilization prior to its destruction.

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

Mr. William H. Q. Bow
Page 2
April 28, 1997

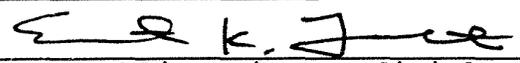
No variances or special permits were granted to allow deviations from any applicable codes.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto at 527-6341.

Very truly yours,


FOR RANDALL K. FUJIKI
Director and
Building Superintendent

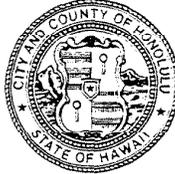
Subscribed and sworn to
before me this 30th day of
April, 1997.


Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: June 21, 1999

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
PHONE: (808) 523-4414 • FAX: (808) 527-6743

JEREMY HARRIS
MAYOR



DEC 30 1998

JAN NAOE SULLIVAN
DIRECTOR

LORETTA K.C. CHEE
DEPUTY DIRECTOR

CLOG-188
Ex98-82 (AS)

Mr. William H. Q. Bow
816 8th Avenue
Honolulu, Hawaii 96816

Dear Mr. Bow:

Subject: Condominium Conversion Project
87-154 A, B, K, L, N and
87-155 A, B, C and D Kakalena Street
Tax Map Key: 8-7-01: 16

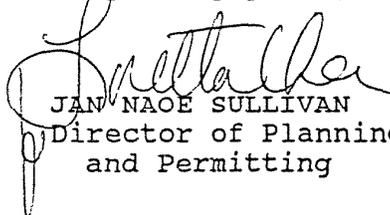
This is in response to your letter dated November 5, 1998 requesting confirmation that the deficiency mentioned in our letter dated April 28, 1997 has been corrected.

Inspection on December 17, 1998 revealed that the dwelling situated at 87-154L Kakalena Street has been reposted in accordance with building permit No. 422350 and no longer encroaches into the required side yard. The work is completed and the permit has been closed.

Also, building permit No. 423190 was issued on October 13, 1998 for the dwelling at 87-154K Kakalena Street. This permit is currently active. Completed, see 6/17/99 memo from lawyer.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto at 527-6341.

Very truly yours,


JAN NAOE SULLIVAN
Director of Planning
and Permitting

JNS:gi

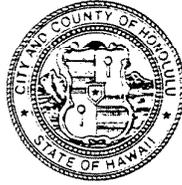
safety\ex98-82.as

EXHIBIT "F"

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DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
PHONE: (808) 523-4414 • FAX: (808) 527-6743



JEREMY HARRIS
MAYOR

JAN NAOE SULLIVAN
DIRECTOR

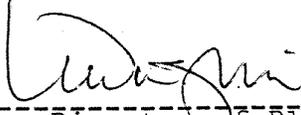
LORETTA K.C. CHEE
DEPUTY DIRECTOR

To Whom It May Concern:

The house number(s) assigned to Tax Map Key: 8-7-1:16(1)

is as follows:

- 87-037 Kulaaupuni Street
- 87-049 Kulaaupuni Street
- 87-154/A Kakalena Street
- 87-154/B Kakalena Street
- 87-154/C Kakalena Street
- 87-154/D Kakalena Street
- 87-155/A Kakalena Street
- 87-155/B Kakalena Street
- 87-155/C Kakalena Street
- 87-155/D Kakalena Street



for Director of Planning
and Permitting

January 26, 1999

Date

DECLARATION OF DEVELOPER AS TO CONDITION OF BUILDING

Subject: "HALE MAILI" CPR (conversion)

Declarant: HLP INVESTMENT, INC., a Hawaii corporation

The undersigned hereby make the following declaration as to the condition of the ten (10) residential units at 87-154 and 87-155 Kakalena Street, Waianae, Hawaii, which are being converted to condominium status.

Based on a report issued by ERNEST M. UMEMOTO, AIA, the Declarant states as follows:

1. As to the conditions of structural features:
 - Severe dry rot damage was observed in all structures;
 - Repair work to structure and finish is required.

2. As to the conditions of architectural integrity:
 - No plans or records available at Building Department;
 - Extensive termite and wood rot damage;
 - Water infiltration has and continues to be present;
 - No asbestos or lead paint or other toxic material test were taken;
 - It is possible for lead to be present on old paint;
 - Asbestos may be present in roofing, mastic, floor tile, etc.;
 - Some surfaces will have to be replaced for they are incapable of being refinished.
 - Windows and door not allowed between house and garage or carport;
 - Guardrails, handrails and stairways do not meet code.

3. The following conditions as to mechanical installation which consisted of water and sewer lines are:
 - Code compliance to UPC not examined;
 - Adequacy and function of fixtures and fittings not examined;
 - Due to age of units, high level of repair and replacement must be expected;
 - No test were done on water supply; and
 - Board of Water Supply and Wastewater Management requirements not examined.

DECLARATION OF DEVELOPER AS TO CONDITION OF BUILDING

Subject: "HALE MAILI" CPR (conversion)
Declarant: HLP INVESTMENT, INC., a Hawaii corporation

Continued, page 2

4. The following conditions as to electrical installation, including meter boxes, circuit breakers, and installations within the individual units are:
- Code compliance to NEC not examined;
 - Adequacy and function of fixtures and fittings not examined;
 - Required GFI units not present;
 - Adequacy of load capacity not examined;
 - Required smoke detectors not provided;
 - Due to age of units, high level of repair and replacement must be expected; and
 - HECO requirements not examined.

DATED: Honolulu, Hawaii, APR - 6 1999.

HLP INVESTMENT, INC.

By: 
Its President

DISCLOSURE ABSTRACT

"HALE MAILI"
(condominium Project)

DATE: April 21, 1999

I. PROJECT:

A. Name "Hale Maili"
B. Address 87-154 Kakalena Street and
87-037 & 87-049 Kulaaupuni Street
Waianae, Hawaii 96792

II. DEVELOPER; DEVELOPER'S AGENT; PROJECT MANAGER:

Developer: HLP Investments, Inc., a Hawaii corporation
1539 Ala Hahanui Street
Honolulu, Hawaii 96818
Tel Ph: (808) 540-3206

Developer's Agent: Buddy Gendrano Realty, Inc.
909 Lehua Avenue, 2nd Floor
Pearl City, Hawaii 96872
Tel Ph: (808) 839-2690

Project Manager: Bill Bow, Project Coordinator
816 8th Avenue
Honolulu, Hawaii 96816
Tel Ph: (808) 735-8546
Fax No: (808) 732-3492
Pager: (808) 571-2450

III. MAINTENANCE FEES: See attached schedule, Exhibit "C".

IV. WARRANTIES; NATURE:

A. Apartments: Each apartment is furnished with a refrigerator and stove.

Duration: There are no warranties.

Commencement Date: N/A

Expiration Date: N/A

B. Common Elements: Common Area E, as a common driveway for all apartments.

Duration: N/A

Commencement Date: N/A

Expiration Date: N/A

EXHIBIT "H"

DISCLOSURE ABSTRACT

"HALE MAILI"
(condominium Project)

DATE: April 21, 1999

Page 2

V. MIXED USED PROJECT; Residential & Hotel:

YES [] (Number of Apartments in each category) NO [X]

A. Residential _____

B. Hotel _____

VI. COMMERCIAL OR NON-RESIDENTIAL DEVELOPMENT:

YES [] NO [X]

END OF EXHIBIT "H"