CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer ALII PARK PLACE, LLC
Address P.O. Box 9013, Kailua-Kona, HI 96745

Project Name (*): ALII PARK PLACE
Address: Lot 3, Royal Patent No. 1669, L.C. Aw. 8516-B, Apana 3 to M. Kamaikui, District of North Kona, Island and County of Hawaii, State of Hawaii
Registration No. 5059 Effective date: August 5, 2004
Expiration date: September 5, 2005

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

X **FINAL: (white)** (1st Increment only) The developer has legally created a condominium and has filed complete information with the Commission.
[ ] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[X] This report must be read together with First Supplementary Public Report dated August 4, 2004.

____ **SUPPLEMENTARY: (pink)** This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And [ ] Supersedes all prior public reports
[ ] Must be read together with _____
[ ] This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [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 developer.

[x] Changes made are as follows:

1. The Developer has issued a First Supplementary Public Report for the Project, with an effective date of August 4, 2004 (the "First Supplementary Public Report"). The First Supplementary Public Report describes the changes to the Project since the issuance of the Project's Preliminary Public Report, with an effective date of April 10, 2003.

2. The Developer has provided the Real Estate Commission with all information and documentation required for the issuance of a Final Public Report on twenty-four (24) apartments in the Project, numbered as shown in the Special Note below.

SPECIAL NOTE

THE PROJECT IS BEING CONSTRUCTED IN INCREMENTS. Although this Final Public Report describes the entire Project of 59 apartments and all common and limited common elements constructed or to be constructed as part of the Project, **ONLY APARTMENTS B101, B102, B201, B202, C101, C102, C201, C202, D101, D102, D201, D202, E101, E102, E201, E202, F101, F102, F201, F202, G101, G102, G201 AND G202 ARE COVERED BY THIS FINAL PUBLIC REPORT.** Until the Developer issues a subsequent Supplementary Public Report covering additional apartments and bringing them within the scope of this Final Public Report, **ONLY APARTMENTS B101, B102, B201, B202, C101, C102, C201, C202, D101, D102, D201, D202, E101, E102, E201, E202, F101, F102, F201, F202, G101, G102, G201 AND G202 MAY BE SOLD UNDER SALES CONTRACTS BINDING UPON A BUYER.** As additional apartments are ready to be constructed, the Developer will issue supplementary public reports, supplementing this Final Public Report and bringing the additional apartments within the scope of this Final Public Report so that they may be sold under binding contracts. **PLEASE SEE SECTION V.C.1 ON PAGE 20 BELOW.**

SPECIAL ATTENTION

THIS IS A CONDOMINIUM PROJECT, NOT A SUBDIVISION. It does not involve the sale of individual subdivided lots. The yard area immediately appurtenant to each ground floor unit is designated a **LIMITED COMMON ELEMENT** and not a legally subdivided lot. The drawings on the Condominium Map indicating the boundaries and disclosing the approximate number of square feet in each limited common element yard 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 government agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have 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 FOREGOING.**

C. **Additional Information Not Covered Above:**

1. Development in Increments. The fifty-nine apartments in the Project will be constructed in increments. **THIS FINAL PUBLIC REPORT COVERS THE FIRST CONSTRUCTION INCREMENT OF TWENTY-FOUR (24) APARTMENTS, NUMBERED B101, B102, B201, B202, C101, C102, C201, C202, D101, D102, D201, D202, E101, E102, E201, E202, F101, F102, F201, F202, G101, G102, G201 and G202.** As construction of each subsequent increment begins or is about to begin, the Developer will issue a Supplementary Public Report identifying the apartments in that increment and supplementing this Final Public Report, and the apartments in that increment will then be covered by this Final Public Report and will be sold to purchasers under binding sales contracts. However, the Developer may continue to market all of the apartments described herein and in that certain First Supplementary Public Report for the Project, with an effective date of August 4, 2004, and purchasers will be able to enter into nonbinding contracts for such apartments until such apartments have been brought within the scope of this Final Public Report. PLEASE SEE THE SPECIAL NOTE ON PAGE 2 OF THIS FINAL PUBLIC REPORT.

2. Burial Site Documents; Developer's Reserved Rights. The Project includes an area designated as an ancient Hawaiian burial site and the Project is subject to the terms of certain documents identified in the Declaration as the "Burial Site Documents." The Burial Site Documents include (but are not limited to) two documents that have not yet been executed or recorded as of the effective date of this Public Report, identified in the Declaration as the "Site Easement Grant" and the "Site Access Easement Grant." As more fully set forth in the Declaration and in the Bylaws, the Burial Site Documents (including the Site Easement Grant and the Site Access Easement Grant) create (or will create when executed and recorded) certain easements and impose certain obligations and restrictions upon the Association and upon each party who owns any interest in the Project, and each and every Apartment Owner and other person who acquires an interest in the Project or any part thereof shall be subject at all times to such obligations and restrictions and to the terms of the Burial Site Documents. In paragraph 8.9 of the Declaration, and in the Condominium Apartment Deed, the Developer has reserved the right, which right shall continue for so long as the Developer owns any interest in the Project and which right theDeveloper may exercise without the consent or joinder of the Association or any other person or entity or owner of any interest in the Project, to execute and record in the Bureau the Site Easement Grant and the Site Access Easement Grant and to amend the terms of the Declaration, the Bylaws, the Rules and Regulations and/or the Condominium Map to subordinate the Project and all interests therein to the easements and rights thereby granted, and to grant further easements, to enter into agreements that bind the Association and to amend the terms of the Declaration, the Bylaws, the Rules and Regulations and/or the Condominium Map in any manner that may be required by any governmental authority or agency for the purpose of compliance with the Burial Site Documents or the order of any court having jurisdiction over the Project and/or the lands subject to and affected by the Burial Site Documents and any other instruments and/or agreements directly related thereto.

SPECIAL NOTICE
REGARDING
CHANGES UNDER THIS PUBLIC REPORT

CHANGES TO THE PROJECT AND THE PROJECT'S DOCUMENTS MADE IN ACCORDANCE WITH THE DEVELOPER'S EXERCISE OF THE RIGHTS RESERVED TO THE DEVELOPER IN THE DECLARATION AND DISCLOSED IN THIS PUBLIC REPORT ***SHALL NOT*** BE DEEMED TO BE CHANGES THAT RENDER THIS PUBLIC REPORT MISLEADING AS TO PURCHASERS IN ANY MATERIAL RESPECT AND WILL NOT GIVE ANY PURCHASER WHO HAS WAIVED OR IS DEEMED TO HAVE WAIVED THE RIGHT TO CANCEL SUCH PURCHASER'S SALES CONTRACT UNDER THIS PUBLIC REPORT ANY ADDITIONAL RIGHTS TO CANCEL SUCH PURCHASER'S SALES CONTRACT. ACCORDINGLY, ***UPON THE OCCURRENCE OF ANY SUCH CHANGES, THE DEVELOPER WILL NOT BE REQUIRED TO AND WILL NOT ISSUE SUBSEQUENT PUBLIC REPORTS TO DISCLOSE SUCH CHANGES.*** HOWEVER, UPON THE OCCURRENCE OF ANY SUCH CHANGES, THE DEVELOPER WILL DELIVER TO THE REAL ESTATE COMMISSION AND TO EACH PROSPECTIVE PURCHASER (INCLUDING THOSE WHO HAVE ALREADY RECEIVED AND RECEIPTED FOR THIS PUBLIC REPORT) A DISCLOSURE STATEMENT DISCLOSING THE CHANGES.

TABLE OF CONTENTS

				Page
Preparation of this Report				1
Expiration Date of Reports				1
Type of Report				1
Disclosure Abstract				2
Summary of Changes from Earlier Public Reports				2
Table of Contents				3
General Information on Condominiums				4
Operation of the Condominium Project				4
I.	PERSONS CONNECTED WITH THE PROJECT			5
	Developer	Attorney for Developer	General Contractor	
	Real Estate Broker	Escrow Company	Condominium Managing Agent	
II.	CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS			
	A.	Declaration		6
	B.	Condominium Map (File Plan)		6
	C.	Bylaws		6
	D.	House Rules		7
	E.	Changes to Condominium Documents		7
III.	THE CONDOMINIUM PROJECT			
	A.	Interest to be Conveyed to Buyer		8
	B.	Underlying Land		9
	C.	Buildings and Other Improvements		10
	D.	Common Elements, Limited Common Elements, Common Interest		13
	E.	Encumbrances Against Title		14
	F.	Construction Warranties		15
	G.	Status of Construction		16
	H.	Project Phases		16
IV.	CONDOMINIUM MANAGEMENT			
	A.	Management of the Common Elements		17
	B.	Estimate of Initial Maintenance Fees		17
	C.	Utility Charges for Apartments		17
V.	MISCELLANEOUS			
	A.	Sales Documents Filed with the Real Estate Commission		18
	B.	Buyer's Right to Cancel Sales Contract		18
	C.	Additional Information Not Covered Above		20
	D.	Signature of Developer		21

EXHIBIT A: DESCRIPTION OF APARTMENTS
EXHIBIT B: BOUNDARIES OF APARTMENTS
EXHIBIT C: PERMITTED ALTERATIONS TO APARTMENTS
EXHIBIT D: COMMON ELEMENTS
EXHIBIT E: LIMITED COMMON ELEMENTS
EXHIBIT F: ENCUMBRANCES AGAINST TITLE
EXHIBIT G: DEVELOPER'S WITHDRAWAL RIGHTS
EXHIBIT H: ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS
EXHIBIT I: SUMMARY OF SALES CONTRACT AND ESCROW AGREEMENT

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: ALII PARK PLACE, LLC
Name*
P.O. Box 9013
Business Address
Kailua-Kona, Hawaii 96745

Phone: (808) 329-8775
(Business)

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):

The manager of ALII PARK PLACE, LLC, is Phillip B. Tinguely.
The sole member of ALII PARK PLACE, LLC, is Tinguely Development, Inc., a Hawaii corporation.
The officers of Tinguely Development, Inc., are Phil Tinguely (Pres/Sec) and John W. Hoffee II (VP/Treas).

Real Estate Broker*: Clark Realty Corporation (Keauhou branch)
Name
78-6831 Alii Drive, Suite 142
Business Address
Kailua-Kona, Hawaii 96740

Phone: (808) 331-1300
(Business)

Escrow: Title Guaranty Escrow Services, Inc., Kona Office
Name
75-170 Hualalai Road, C-310
Business Address
Kailua-Kona, Hawaii 96740

Phone: (808) 329-6666
(Business)

General Contractor*: Tinguely Development, Inc.
Name
P.O. Box 9013
Business Address
Kailua-Kona, HI 96745

Phone: (808) 329-8775
(Business)

Condominium Managing Agent*: Hawaii First, Inc.
Name
900 Fort Street Mall, Suite 1220
Business Address
Honolulu, Hawaii 96813

Phone: (808) 531-5566
(Business)

Attorney for Developer: Brooks Tom Porter & Quitiquit, LLP
Name
841 Bishop Street , Suite 2125
Business Address
Honolulu, Hawaii 96813
Attn: Jeffrey D. Watts, Esq.

Phone: (808) 526-3011
(Business)

* 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
[X] Recorded Bureau of Conveyances: Document No. 2004-127172
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]: First Amendment of Alii Park Place Declaration of Condominium Property Regime, dated June 24, 2004, recorded in the Bureau as Document No. 2004-131064.

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
[X] Recorded - Bureau of Conveyances Condo Map No. 3783
[ ] 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
[X] Recorded Bureau of Conveyances: Document No. 2004-127173
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 [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 changes:

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

* The percentage 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.

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

Under paragraph 23 of the Declaration, the Developer has reserved the right to amend the Declaration and the Condominium Map to withdraw land and/or unsold apartments from the Project, to change the common interests and/or to reconfigure the Project. These reservations are disclosed in Exhibit G attached hereto. Notwithstanding the lease, sale or conveyance of any of the Apartments, the Developer may amend the Declaration and the Condominium Map to file the "as-built" verified statement required by Section 514A-12 of the Act. For so long as the Developer retains any interest in an Apartment in the Project, the Developer shall have the right (but not the obligation) to amend the Declaration and the Bylaws (and the Condominium Map, if appropriate) without the consent or joinder of any Apartment Owner, lienholder or other person or entity, for the purpose of meeting any requirement imposed by (i) any applicable law, (ii) the Real Estate Commission of the State of Hawaii, (iii) any title insurance company issuing a title insurance policy on the Project or any of the Apartments, (iv) any institutional lender lending funds on the security of the Project or any of the Apartments, or (v) any other governmental or quasi governmental agency including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development or the Veterans Administration; provided, however, that no amendment which would change the common interest appurtenant to an Apartment or substantially change the design, location or size of an Apartment shall be made without the consent of all persons having an interest in such Apartment. Prior to the election of the first Board of Directors, the Developer may amend the Rules and Regulations in any manner without the joinder, consent or approval of any other party. For so long as the Developer owns any interest in the Project, the Developer may amend the Declaration, the Bylaws, the House Rules and/or the Condominium Map in any way necessary to comply with the Burial Site Documents described in the Declaration and on page 20 below. The Developer The Developer may also amend the Condominium Map until recordation of the last Apartment Deed to reflect addition of one or more maintenance buildings to the common elements, pursuant to Section 8.4 of the Bylaws.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

[ ] Leasehold or Subleasehold: 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 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.

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

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

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

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

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

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

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: Lot 3, Royal Patent No. 1669, L.C. Aw. 8516-B, Apana 3 to M. Kamaikui, District of North Kona, Island and County of Hawaii, State of Hawaii

Tax Map Key (TMK): (3) 7-5-19-43

[X] Address [ ] TMK is expected to change because street numbers will be assigned when building permits are issued.

Land Area: approx. 5.496 [ ] square feet [X] acre(s) Zoning: Multifamily (RM-4)

Fee Owner: Alii Park Place, LLC
Name
P.O. Box 9013
Address
Kailua-Kona, Hawaii 96745

Lessor: n/a
Name

Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 15 residential, 20 garages, 1 office, 1 pool pavilion Floors Per Building 1 and 2

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [ ] Hollow Tile [X] Wood

   [X] Other Stucco, glass, composition roofing and allied building materials

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning	
[X] Residential	59*	[X] Yes	[ ] No
[ ] Commercial		[ ] Yes	[ ] No
[ ] Mix Res/Comm		[ ] Yes	[ ] No
[ ] Hotel		[ ] Yes	[ ] No
[ ] Timeshare		[ ] Yes	[ ] No
[ ] Ohana		[ ] Yes	[ ] No
[ ] Industrial		[ ] Yes	[ ] No
[ ] Agricultural		[ ] Yes	[ ] No
[ ] Recreational		[ ] Yes	[ ] No
[ ] Other:		[ ] Yes	[ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[xx] Yes [ ] No

*Only Apartments B101, B102, B201, B202, C101, C102, C201, C202, D101, D102, D201, D202, E101, E102, E201, E202, F101, F102, F201, F202, G101, G102, G201 and G202 are covered by this Final Public Report.

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:

[X] Pets: No pets may be kept at the Project without prior Board approval in accordance with standards and restrictions set forth in the Rules and Regulations.

[ ] Number of Occupants: _____

[X] Other: The Project is subject to the "Burial Site Documents" described in the Declaration and the Bylaws. The Burial Site Documents impose certain restrictions on the use of a portion of the common elements containing an ancient Hawaiian burial site. The Burial Site Documents and Section 8.8 of Article VIII of the Bylaws also obligate the Association to provide access to the burial site to certain individuals who may not live at the Project, and to provide certain services in connection with the burial site. THE BUYER IS ENCOURAGED TO READ THE BURIAL SITE DOCUMENTS CAREFULLY.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Lanai Area (sf)	Net Combined Area (Living + Lanai) (sf)
1-1R	1	2/2	1112	142	1254
1-2, 1-2R	2	2/2	1129	126	1255
2-1, 2-1R	8	2/2	1081	142	1223
2-2, 2-2R	8	2/2	1138	112	1250
3-1, 3-1R	20	3/2	1262	142	1404
3-2, 3-2R	20	3/2	1294	140	1434

Total Apartments: 59 SEE EXHIBIT "A"

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

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

Boundaries of Each Apartment:

SEE EXHIBIT "B"

Permitted Alterations to Apartments:

SEE EXHIBIT "C"

Apartments Designated for Owner-Occupants Only:
Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section514A-102, HRS; or include the information here in this public report and in the announcement. Developer has elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 126

	Regular		Compact		Handicap		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)	59*	62				5	126
Guest							
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open	121		0		5		126

*Each apartment will have the exclusive use of 1 parking stall located in a covered garage. Some apartments will also have one or more assigned uncovered stalls. Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[X] Swimming pool [ ] Storage Area [X] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute/Enclosure(s)

[X] Other: The recreation area includes the swimming pool, restrooms, showers, and a pavilion.

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

[X] 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):

N/A

11. 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 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:

[X] described in Exhibit "D".

[ ] 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 use them, as described in the Declaration are:

[X] described in Exhibit "E".

[ ] as follows:

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

[X] described in Exhibit "A".

[ ] as follows:

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

Exhibit "F" describes the encumbrances against the title contained in the title report dated June 9, 2004 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

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

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**
NONE	N/A

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:

The construction contract requires the general contractor to provide a one-year warranty, commencing upon the date of "Substantial Completion", or such other date as the contractor specifies in the Certificate of Substantial Completion the contractor delivers to the Developer for the work that is under warranty. The contractor warrants that (a) the materials and equipment furnished for construction of the project will be of good quality and new, unless the construction contract requires or permits that the materials and equipment be otherwise; and (b) the construction and services required by the construction contract (including all labor, materials and equipment to be provided by the general contractor) will be free from defects, except for defects inherent in the quality of the construction and services required or permitted by the construction contract. Without incurring any legal liability, the developer will agree to cooperate with the buyer to try to have the general contractor perform all of the general contractor's warranties. (See section F.7 of the Sales Contract.)

2. Appliances:

The developer intends to transfer to the buyer any manufacturer's or dealer's warranties that are transferable and cover appliances sold with the apartments.

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

The Project will be constructed in increments. Construction of the first increment commenced in September of 2003. The Developer estimates that construction of the first increment will be completed in August of 2004. The Developer estimates that construction of the entire Project will be completed in March of 2005.

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):

SEE SECTION C.1 ON PAGE 20 BELOW.
SEE ALSO EXHIBIT "G" ATTACHED.

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:

[X] 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 "H" 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	[X] Electricity (_X_ Common Elements only	___ Common Elements & Apartments)
[ ]	Gas	(___ Common Elements only	___ Common Elements & Apartments)
[X]	Water	(___ Common Elements only	_X_ Common Elements & Apartments)
[X]	Sewer	(___ Common Elements only	_X_ Common Elements & Apartments)
[ ]	Television Cable		
[X]	Other: Telephone & refuse collection (Common Elements only)		

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[ ] Notice to Owner Occupants

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

[X] Escrow Agreement dated November 15, 2002
Exhibit "I" contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

A) Condominium Public Reports issued by the developer which have been given 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 Burial Site Documents described in the Declaration;

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

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is part of Registration No. 5059 filed with the Real Estate Commission on March 31, 2003.

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

[ ] YELLOW paper stock [X] WHITE paper stock [ ] PINK paper stock

C. **Additional Information Not Covered Above:**

1. Development in Increments. The fifty-nine apartments in the Project will be constructed in increments. **THIS FINAL PUBLIC REPORT COVERS THE FIRST CONSTRUCTION INCREMENT OF TWENTY-FOUR (24) APARTMENTS, NUMBERED B101, B102, B201, B202, C101, C102, C201, C202, D101, D102, D201, D202, E101, E102, E201, E202, F101, F102, F201, F202, G101, G102, G201 and G202.** As construction of each subsequent increment begins or is about to begin, the Developer will issue a Supplementary Public Report identifying the apartments in that increment and supplementing this Final Public Report, and the apartments in that increment will then be covered by this Final Public Report and will be sold to purchasers under binding sales contracts. However, the Developer may continue to market all of the apartments described herein and in that certain First Supplementary Public Report for the Project, with an effective date of August 4, 2004, and purchasers will be able to enter into nonbinding contracts for such apartments until such apartments have been brought within the scope of this Final Public Report. PLEASE SEE THE SPECIAL NOTE ON PAGE 2 OF THIS FINAL PUBLIC REPORT.

2. Burial Site Documents; Developer's Reserved Rights. The Project includes an area designated as an ancient Hawaiian burial site and the Project is subject to the terms of certain documents identified in the Declaration as the "Burial Site Documents." The Burial Site Documents include (but are not limited to) two documents that have not yet been executed or recorded as of the effective date of this Public Report, identified in the Declaration as the "Site Easement Grant" and the "Site Access Easement Grant." As more fully set forth in the Declaration and in the Bylaws, the Burial Site Documents (including the Site Easement Grant and the Site Access Easement Grant) create (or will create when executed and recorded) certain easements and impose certain obligations and restrictions upon the Association and upon each party who owns any interest in the Project, and each and every Apartment Owner and other person who acquires an interest in the Project or any part thereof shall be subject at all times to such obligations and restrictions and to the terms of the Burial Site Documents. In paragraph 8.9 of the Declaration, and in the Condominium Apartment Deed, the Developer has reserved the right, which right shall continue for so long as the Developer owns any interest in the Project and which right theDeveloper may exercise without the consent or joinder of the Association or any other person or entity or owner of any interest in the Project, to execute and record in the Bureau the Site Easement Grant and the Site Access Easement Grant and to amend the terms of the Declaration, the Bylaws, the Rules and Regulations and/or the Condominium Map to subordinate the Project and all interests therein to the easements and rights thereby granted, and to grant further easements, to enter into agreements that bind the Association and to amend the terms of the Declaration, the Bylaws, the Rules and Regulations and/or the Condominium Map in any manner that may be required by any governmental authority or agency for the purpose of compliance with the Burial Site Documents or the order of any court having jurisdiction over the Project and/or the lands subject to and affected by the Burial Site Documents and any other instruments and/or agreements directly related thereto.

SPECIAL NOTICE
REGARDING
CHANGES UNDER THIS PUBLIC REPORT

CHANGES TO THE PROJECT AND THE PROJECT'S DOCUMENTS MADE IN ACCORDANCE WITH THE DEVELOPER'S EXERCISE OF THE RIGHTS RESERVED TO THE DEVELOPER IN THE DECLARATION AND DISCLOSED IN THIS PUBLIC REPORT ***SHALL NOT*** BE DEEMED TO BE CHANGES THAT RENDER THIS PUBLIC REPORT MISLEADING AS TO PURCHASERS IN ANY MATERIAL RESPECT AND WILL NOT GIVE ANY PURCHASER WHO HAS WAIVED OR IS DEEMED TO HAVE WAIVED THE RIGHT TO CANCEL SUCH PURCHASER'S SALES CONTRACT UNDER THIS PUBLIC REPORT ANY ADDITIONAL RIGHTS TO CANCEL SUCH PURCHASER'S SALES CONTRACT. ACCORDINGLY, ***UPON THE OCCURRENCE OF ANY SUCH CHANGES, THE DEVELOPER WILL NOT BE REQUIRED TO AND WILL NOT ISSUE SUBSEQUENT PUBLIC REPORTS TO DISCLOSE SUCH CHANGES.*** HOWEVER, UPON THE OCCURRENCE OF ANY SUCH CHANGES, THE DEVELOPER WILL DELIVER TO THE REAL ESTATE COMMISSION AND TO EACH PROSPECTIVE PURCHASER (INCLUDING THOSE WHO HAVE ALREADY RECEIVED AND RECEIPTED FOR THIS PUBLIC REPORT) A DISCLOSURE STATEMENT DISCLOSING THE CHANGES.

D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)

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

ALII PARK PLACE, LLC, a Hawaii limited liability company
Printed Name of Developer

By: _____ 6/21/04
Duly Authorized Signatory* Date

Phillip B. Tinguely, Manager, Alii Park Place, LLC
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii
Planning Department, County of Hawaii

** 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.*

Alii Park Place: Final P.Rpt.1 (First Increment)

DESCRIPTION OF APARTMENTS

The Project contains eleven (11) different types of Apartments (including identical reverse types indicated by an "R") in three (3) different types of Residential Buildings. The Residential Buildings, as described in the Declaration and as shown on the Condominium Map, are designated as Types 1, 2 and 3. The Apartments, as described in the Declaration, are designated as Type 1-1R, Type 1-2 (or 1-2R), Type 2-1 (or 2-1R), Type 2-2 (or 2-2R), Type 3-1 (or 3-1R) and Type 3-2 (or 3-2R). The first number of an Apartment's Type indicates the type of Residential Building in which the Apartment is located. The second number of an Apartment's Type indicates whether the Apartment is on the first or second floor of its building. The Types of Apartments are more particularly described as follows:

TYPE 1-1R APARTMENT:

The Project contains a single Type 1-1R Apartment located on the first floor of the Project's single Type 1 Residential Building. The Type 1-1R Apartment includes two (2) bedrooms, two (2) bathrooms, a kitchen, a living room, and a dining room for a combined net living area of approximately 1,112 square feet. The Type 1-1R Apartment also includes a covered lanai with a net area of approximately 142 square feet, for a total aggregate net area of approximately 1,254 square feet.

TYPE 1-2 and 1-2R APARTMENTS:

The Project contains one (1) Type 1-2 Apartment and one (1) Type 1-2R Apartment, both located on the second floor of the Type 1 Residential Building. Both the Type 1-2 and Type 1-2R Apartments include two (2) bedrooms, two (2) bathrooms, a kitchen, a living room, and a dining room for a combined net living area of approximately 1,129 square feet. The Type 1-2 and 1-2R Apartments also include a covered lanai with a net area of approximately 126 square feet, for a total aggregate net area of approximately 1,255 square feet.

TYPE 2-1 and 2-1R APARTMENTS:

The Project contains four (4) Type 2-1 Apartments and four (4) Type 2-1R Apartments, each located on the first floor of one of the Project's four (4) Type 2 Residential Buildings. Each Type 2-1 and Type 2-1R Apartment includes two (2) bedrooms, two (2) bathrooms, a kitchen, a living room, and a dining room for a combined net living area of approximately 1,081 square feet. The Type 2-1 and 2-1R Apartments also include a covered lanai with a net area of approximately 142 square feet, for a total aggregate net area of approximately 1,223 square feet.

TYPE 2-2 and 2-2R APARTMENTS:

The Project contains four (4) Type 2-2 Apartments and four (4) Type 2-2R Apartments, each located on the second floor of one of the Project's four (4) Type 2 Residential Buildings. Each Type 2-2 and Type 2-2R Apartment includes two (2) bedrooms, two (2) bathrooms, a kitchen, a living room, and a dining room for a combined net living area of approximately 1,138

square feet. The Type 2-2 and 2-2R Apartments also include a covered lanai with a net area of approximately 112 square feet, for a total aggregate net area of approximately 1,250 square feet.

TYPE 3-1 and 3-1R APARTMENTS:

The Project contains ten (10) Type 3-1 Apartments and ten (10) Type 3-1R Apartments, each located on the first floor of one of the Project's ten (10) Type 3 Residential Buildings. Each Type 3-1 and Type 3-1R Apartment includes three (3) bedrooms, two (2) bathrooms, a kitchen, a living room, and a dining room for a combined net living area of approximately 1,262 square feet. The Type 3-1 and 3-1R Apartments also include a covered lanai with a net area of approximately 142 square feet, for a total aggregate net area of approximately 1,404 square feet.

TYPE 3-2 and 3-2R APARTMENTS:

The Project contains ten (10) Type 3-2 Apartments and ten (10) Type 3-2R Apartments, each located on the second floor of one of the Project's ten (10) Type 3 Residential Buildings. Each Type 3-2 and Type 3-2R Apartment includes three (3) bedrooms, two (2) bathrooms, a kitchen, a living room, and a dining room for a combined net living area of approximately 1,294 square feet. The Type 3-2 and 3-2R Apartments also include a covered lanai with a net area of approximately 140 square feet, for a total aggregate net area of approximately 1,434 square feet.

The numbers, types, approximate areas, assigned parking garage bays, assigned uncovered parking stalls and common interests of the Apartments are as shown in the chart that begins on the next page.

Apartment Number	Apartment Type	Bedrooms/ Bathrooms	*Approx. Net Living Area	*Approx. Lanai Area	Garage No. / Assigned Open Stall(s)	Common Interest
A101	1-1R	2/2	1,112	142	G1 / 2	1.400%
A201	1-2R	2/2	1,129	126	G1 / 3	1.400%
A202	1-2	2/2	1,129	126	G1 / 1	1.400%
B101	3-1	3/2	1,262	142	G2 / 20	1.835%
B102	3-1R	3/2	1,262	142	G2 / 23	1.835%
B201	3-2	3/2	1,294	140	G2 / 22	1.835%
B202	3-2R	3/2	1,294	140	G3 / 24	1.835%
C101	3-1R	3/2	1,262	142	G4 / 16	1.835%
C102	3-1	3/2	1,262	142	G4 / 18	1.835%
C201	3-2R	3/2	1,294	140	G4 / 17	1.835%
C202	3-2	3/2	1,294	140	G5 / 19	1.835%
D101	2-1	2/2	1,081	142	G3	1.400%
D102	2-1R	2/2	1,081	142	G3	1.400%
D201	2-2	2/2	1,138	112	G6	1.400%
D202	2-2R	2/2	1,138	112	G6	1.400%
E101	2-1R	2/2	1,081	142	G5	1.400%
E102	2-1	2/2	1,081	142	G5	1.400%
E201	2-2R	2/2	1,138	112	G8	1.400%
E202	2-2	2/2	1,138	112	G8	1.400%
F101	3-1	3/2	1,262	142	G6 / 26	1.835%
F102	3-1R	3/2	1,262	142	G7 / 28	1.835%
F201	3-2	3/2	1,294	140	G7 / 27	1.835%
F202	3-2R	3/2	1,294	140	G7 / 29	1.835%
G101	3-1R	3/2	1,262	142	G8 / 30	1.835%
G102	3-1	3/2	1,262	142	G9 / 32	1.835%
G201	3-2R	3/2	1,294	140	G9**	1.835%
G202	3-2	3/2	1,294	140	G9 / 33	1.835%
H101	3-1	3/2	1,262	142	G10 / 41	1.835%
H102	3-1R	3/2	1,262	142	G10 / 43	1.835%
H201	3-2	3/2	1,294	140	G10 / 42	1.835%
H202	3-2R	3/2	1,294	140	G10 / 44	1.835%
J101	3-1	3/2	1,262	142	G11 / 45	1.835%
J102	3-1R	3/2	1,262	142	G11 / 46	1.835%
J201	3-2	3/2	1,294	140	G11 / 51	1.835%
J202	3-2R	3/2	1,294	140	G11 / 52	1.835%
K101	3-1R	3/2	1,262	142	G12 / 34	1.835%
K102	3-1	3/2	1,262	142	G12 / 36	1.835%
K201	3-2R	3/2	1,294	140	G12 / 35	1.835%
K202	3-2	3/2	1,294	140	G12 / 37	1.835%
L101	3-1R	3/2	1,262	142	G13 / 40	1.835%

Apartment Number	Apartment Type	Bedrooms/ Bathrooms	*Approx. Net Living Area	*Approx. Lanai Area	Garage No./Assigned Open Stall(s)	Common Interest
L102	3-1	3/2	1,262	142	G13 / 53	1.835%
L201	3-2R	3/2	1,294	140	G13 / 47	1.835%
L202	3-2	3/2	1,294	140	G13 / 48	1.835%
M101	3-1	3/2	1,262	142	G14 / 55	1.835%
M102	3-1R	3/2	1,262	142	G14 / 57	1.835%
M201	3-2	3/2	1,294	140	G15 / 56	1.835%
M202	3-2R	3/2	1,294	140	G15 / 62	1.835%
N101	3-1R	3/2	1,262	142	G16 / 64	1.835%
N102	3-1	3/2	1,262	142	G16 / 66	1.835%
N201	3-2R	3/2	1,294	140	G17 / 65	1.835%
N202	3-2	3/2	1,294	140	G17 / 67	1.835%
O101	2-1	2/2	1,081	142	G18	1.400%
O102	2-1R	2/2	1,081	142	G18	1.400%
O201	2-2	2/2	1,138	112	G19	1.400%
O202	2-2R	2/2	1,138	112	G19	1.400%
P101	2-1R	2/2	1,081	142	G20	1.400%
P102	2-1	2/2	1,081	142	G20	1.400%
P201	2-2R	2/2	1,138	112	G21	1.400%
P202	2-2	2/2	1,138	112	G21	1.400%

Total Common Interest: 100.000%

* The approximate net living areas and lanai areas shown above are in square feet.

** In addition to an assigned parking bay in garage G9 (as indicated above), Apartment G-201 also has the following uncovered parking stalls as appurtenant limited common elements: 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 21, 25, 31, 38, 39, 49, 50, 54, 58, 59, 60, 61 and 63.

COMMON INTERESTS

The common interest for each Apartment was determined by assigning an equal 1.400% interest to each two-bedroom apartment and an equal 1.835% interest to each three-bedroom apartment.

PARKING

Garage Stalls. Each Apartment has one assigned garage parking bay that includes a parking stall located in a multi-car garage. The Apartment's garage number is shown on the chart above with a "G" followed by a number. On the Condominium Map, each garage parking bay bears the same number as the Apartment to which the parking bay is assigned. For example, Apartment A101 has an assigned parking bay located in garage G1 (as shown on the chart above) and numbered as stall A101 (as shown on the Condominium Map).

Uncovered Stalls. Some apartments also have one or more additional assigned uncovered or "open" parking stalls as indicated above. For example, the chart shows that in addition to having a parking bay in garage G1, Apartment A101 is also assigned "open" parking stall number 2.

Handicap Stalls. Handicap stalls are indicated on the Condominium Map by a wheelchair symbol and are numbered 14, 21, 38, 50 and 58.

Loading Stall. The Project includes one (1) loading stall, numbered L-1 on the Condominium Map and located in the vicinity of Building C and the Project's entry gate.

Transfer of Stalls. Apartment Owners may transfer assigned uncovered limited common element parking stalls pursuant to the Declaration. Under certain circumstances described in paragraph 9.2 of the Declaration, the Owner of an Apartment to which a handicap parking stall is assigned may be required to transfer such stall to another Apartment in exchange for a non-handicap stall.

BOUNDARIES OF APARTMENTS

Each Apartment shall be deemed to include: (i) all the walls and partitions which are not load-bearing within its perimeter walls, (ii) the interior decorated or finished surfaces of all walls, floors and ceilings, including floor coverings, (iii) any doors and door frames, windows or panels along the perimeters, window frames, (iv) all fixtures originally installed therein, (v) the air space within and bounded by the interior decorated or finished surfaces of the perimeter walls, floors and ceilings, and (vi) the decorated or finished surface of the floor, walls (if any) and ceiling of the lanai(s) appurtenant to the Apartment, the railing (if any) of such lanai(s) and the lanai air space. The respective Apartments shall not be deemed to include: (a) the undecorated or unfinished interior surfaces of the perimeter walls, floors and ceilings, (b) the interior load-bearing walls, (c) the exterior portions and components of the Residential Building in which the Apartment is located, including walls, siding, roofs, attic space, stairways, breezeways, landings and utility rooms and areas outside of the perimeter walls of the Apartment, and (d) any pipes, shafts, wires, conduits or other utility or services lines running through such Apartment, the same being deemed common elements as provided in the Declaration.

Should the descriptions and divisions set forth in the Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control. The Condominium Map, however, is intended to show only the layout, location, Apartment numbers and dimensions of the Apartments and elevations of the buildings and is not intended and shall not be deemed to contain or make any other representation or warranty.

The approximate areas of the Apartments are set forth in Exhibit "A" of this Public Report and are based on measurements taken from the interior surface of all perimeter walls, except that no reduction is made to account for interior walls, ducts, vents, shafts, and the like located within the perimeter walls. The areas set forth in Exhibit "A" are not exact but are approximations based on the floor plans of each type of apartment. The measurements set forth in Exhibit "A" may not follow the designation of the limits of the apartments (the legally designated areas of the apartments) set forth above and the net living areas set forth in Exhibit "A" may be greater than the floor areas of the apartments as so designated and described above.

PERMITTED ALTERATIONS

Subject to the provisions of the Declaration and Chapter 514A of the Hawaii Revised Statutes (the "Act"), and except as otherwise provided in the Bylaws, no Owner of an Apartment shall, without the prior written approval of the Board of Directors of the Association (the "Board") make any structural alterations in or additions to his Apartment or make any alterations in or additions to the exterior of his Apartment (including painting, awnings, jalousies and screens) or to the common elements.

An Owner may make non-structural alterations and additions solely within his Apartment, or solely within a limited common element appurtenant to and for the exclusive use of his Apartment, at the Owner's sole cost and expense, provided that such alterations or additions do not affect any other Apartment or other common elements or change the exterior or appearance of the Project, and provided, further, that any building permit required for such alterations or additions is first duly obtained and filed with the Board and the proposed alteration or addition will not adversely affect the Project's insurance rating or premiums.

No Apartment Owner shall, without the prior written approval of the Board, install any wiring for electrical or telephone installations, television antenna, machines or air-conditioning units, or other equipment, fixtures, appliances or appurtenances whatsoever on the exterior of the Residential Building in which the Apartment is located or the Garage in which the Apartment's assigned parking bay is located, or protruding through the walls, windows or roofs thereof.

No Apartment Owner shall, without the prior written approval of the Board, make any structural modifications, changes, additions or alterations to the Apartment's lanai(s) or add any awnings, screens, sunscreens, louvers or enclosures of any kind, exhaust vents, wind baffles, or drain.

No Owner of a ground floor Apartment shall, without the prior written approval of the Board, erect any structures of any kind within the limited common element yard area appurtenant to such Owner's Apartment or permit any trees, shrubs or other growing plants within such area to exceed a height of twelve (12) feet, or permit any branches or leaves or other parts of any trees, shrubs or plants to extend horizontally over the top of the fence or wall enclosing such yard.

If any portion of an upper floor Apartment's flooring is hard surfaced, at least sixty percent (60%) of the floor area that is hard surfaced shall at all times be covered by throw rugs or other floor coverings that minimize noise to the Apartment below.

It is intended that the exterior of the Project present a uniform appearance. To effect that end, all interior window coverings (including curtains, drapes and screens of any kind) visible from outside of the Apartment shall include a backing of a type, color and appearance approved by the Board. In addition, Owners may not, without the prior written approval of the Board: (i) apply any substance, material or process to the exterior or interior surfaces of the Apartment's windows which may alter the exterior color, appearance or reflectivity of the windows; or (ii)

paint or repaint perimeter doors, door frames, window frames, window sills or any part of the Apartment or limited common elements appurtenant to the Apartment that is visible from outside the Apartment except in a color and with a paint type approved in writing by the Board.

The Owner of any two or more adjacent Apartments separated by a common element wall may alter or remove all or portions of such wall if the structural integrity of the building in which the Apartments are located is not thereby affected and if the finish of the remaining common element(s) is restored to a condition substantially comparable to that of the common element prior to such alterations. Such alteration shall require only the written approval of the Board, including the Board's approval of the Owner's plans for such alteration, together with the approval of the holders of first mortgages on all Apartments affected by such alteration, and the approval of the appropriate agencies of the State of Hawaii and/or the County of Hawaii if such agencies so require. The Board's approval may be conditioned upon the Board having first received a certified written statement of a registered Hawaii architect or engineer that the proposed alterations shall not adversely affect the structural integrity of any part of the Project or jeopardize the soundness or safety of the Project in any way. Such alteration may be undertaken without an amendment to the Bylaws or to the Declaration or the filing of a complete set of floor plans of the Project as so altered. If, in the reasonable judgment of the Board, the alterations or additions are substantial in nature, the Board may require that the Owner of the Apartments affected provide evidence satisfactory to the Board of sufficient financing to complete such alterations or additions or, in lieu thereof, require that the Owner obtain a performance and lien payment bond, naming as obligees the Board, the Association and all Apartment Owners and their mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such construction. Prior to the termination of the common ownership of any such adjacent Apartments, the Owner of such Apartments shall be obligated to restore the intervening wall between the Apartments to substantially the same condition in which the wall existed prior to its alteration or removal.

Notwithstanding anything to the contrary contained in the Bylaws, the Declaration or the Rules and Regulations, Owners with disabilities shall be permitted to make reasonable modifications to their Apartments and/or common elements, at their expense (including the cost of obtaining any bonds required by the Declaration, the Bylaws or the Act), if such modifications are necessary to enable them to use and enjoy their Apartments and/or the common elements, as the case may be, provided that any Owner with a disability desiring to make such modifications shall make such request, in writing, to the Board of Directors. That request shall set forth, with specificity and in detail, the nature of the request and the reason that the requesting party needs to make such modifications. The Board of Directors shall not unreasonably withhold or delay their consent to such request, and any such request shall be deemed to be granted if not denied in writing, within forty-five (45) days of the Board's receipt thereof, or within forty-five (45) days of the Board's receipt of additional information reasonably required in order to consider such request, whichever shall last occur.

Article VIII of the Bylaws contains additional information regarding alterations to the Apartments, the common elements and the limited common elements.

COMMON ELEMENTS

The common elements consist of all portions of the Project other than the Apartments, including specifically, but not limited to:

(a) The Project's land (the "Land"), in fee simple;

(b) The limited common elements described in paragraph 5 of the Declaration and in Exhibit "E" of this Public Report;

(c) All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roofs, exterior stairs and stairways, breezeways, landings, pumps, ducts, pipes, wires, conduits, or other utility or service lines located outside of the Apartments, and generally all equipment, apparatus, installations and personal property existing for common use in any of the buildings or located on the Land;

(d) All pipes, wires, ducts, conduits or other utility or service lines running through an Apartment;

(e) All recreational facilities and other amenities of the Project, including, but not limited to, the swimming pool and spa;

(f) The Office Building, the Pavilion Building and a small pool equipment storage area;

(g) All driveways and other common ways, all uncovered parking and loading spaces, the Garages (including the three-car Garage comprising a portion of Residential Building A) and parking areas located therein, all gates and kiosks or gatehouses (if any) at the entryway to the Project, all storage areas not located within an Apartment, all landscaping, courtyards, fences, gates, retaining walls, mailboxes, trash areas, maintenance structures and facilities and accessory equipment areas, including electrical and mechanical rooms or facilities located on the Land or within any of the buildings and serving more than one Apartment;

(h) That portion of the Burial Site (as described in the Declaration) located on the Land and the entire Preservation Easement Area (as described in the Declaration) located in the vicinity of Residential Buildings H and J and Garages G10 and G11 as shown on the Condominium Map; and

(i) All other parts of the Project and improvements on the Land that are not part of any Apartment.

LIMITED COMMON ELEMENTS

The limited common elements set aside and reserved for the exclusive use of the Apartments to which they are assigned are as follows:

(a) Each Apartment shall have appurtenant thereto as limited common elements all pipes, wires, ducts, conduits or other utility or service lines located within or running through the Apartment and utilized by or serving only that Apartment.

(b) Each Apartment located on an upper floor shall have appurtenant thereto as a limited common element the air space (if any) between the Apartment's ceiling and that portion of the building's roof immediately above the Apartment.

(c) Each Apartment shall have appurtenant thereto as a limited common element the parking bay bearing the same number as the Apartment and located in a Garage identified on Exhibit "A" attached hereto and made a part hereof. Each parking bay shall be deemed to include an interior surface area of approximately 276 to 278 square feet (depending upon whether the bay is in a two-, three- or four-bay Garage), bounded by three walls and a garage door, the interior decorated or finished surfaces of the perimeter walls, ceiling and floor of the bay, any window and window frame located in a bay wall, together with the bay's garage door and any mechanical and/or electrical apparatus and equipment connected to or made part of the door, and together also with any cabinets, shelves, light fixtures, electrical outlets and switches and other electrical or mechanical facilities located within the bay and serving only the bay, and together also with the airspace bounded by the bay's floor, ceiling, walls and garage door. Each parking bay shall not be deemed to include any structural components of the Garage within which the bay is located, nor the Garage's attic space, nor any of the Garage's exterior surface areas (including roofs), coverings or components, nor the slab upon which the Garage is located, the foregoing all being common elements as herein provided. Some Apartments shall also have appurtenant thereto as limited common elements one or more uncovered parking stalls as shown on Exhibit "A" attached hereto.

(d) Each ground floor Apartment shall have appurtenant thereto as a limited common element the enclosed yard area adjacent to the Apartment, shown as shaded on the Condominium Map and bearing the same number as the Apartment to which it is reserved. Each yard area has the approximate area in square feet shown on the Condominium Map and shall be deemed to include all fences or walls surrounding or partially surrounding such yard area and any gates in such fences or walls.

(e) Any other common element of the Project which is rationally related to less than all of the Apartments shall be deemed a limited common element appurtenant to and for the exclusive use of the Apartment or Apartments to which such common element is rationally related; provided, however, that (except for the Apartments, as provided in Section 3 of the Declaration, and the parking bays in garage G1 comprising part of Residential Building A) the Residential Buildings shall be deemed common elements and not limited common elements,

notwithstanding that each Residential Building may be deemed to be rationally related to less than all of the Apartments in the Project.

ENCUMBRANCES AGAINST TITLE

That certain Preliminary Report dated **June 9, 2004**, issued by Title Guaranty of Hawaii, Inc., discloses that the land of the Project is subject to the following encumbrances:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

2. Proposed Alii Drive Realignment and slope easement as shown on survey map prepared by Nobuchika Santo, Land surveyor, with Island Survey, Inc., dated January 26, as contained in Deed dated December 1, 1988, recorded in Liber 22629 at Page 599.

3. Governmental laws, ordinances and regulations applicable to burial places and the disposition of human remains.

4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT	:	IN SITU BURIAL AGREEMENT
DATED	:	November 8, 1993
RECORDED	:	Document No. 94-002225
PARTIES	:	JAMES L. WATSON and STATE OF HAWAII, by its Board of Land and Natural Resources

5. GRANT

TO	:	HAWAII ELECTRIC LIGHT COMPANY, INC. AND VERIZON HAWAII INC.
DATED	:	August 12, 2003
RECORDED	:	Document No. 2003-184741
GRANTING	:	a perpetual right and easement for utility purposes

6. Real Property taxes as may be due and owing. Refer to the County of Hawaii Director of Finances for further information.

7. In addition to the foregoing encumbrances, the Project is also subject to the following documents that were recorded after the date of the Preliminary Report referred to above:

   (A) ALII PARK PLACE DECLARATION OF CONDOMINIUM PROPERTY REGIME, dated June 21, 2004, recorded in the Bureau of Conveyances as Document No. 2004-127172, as amended by FIRST AMENDMENT OF ALII PARK PLACE DECLARATION OF CONDOMINIUM PROPERTY REGIME, dated June 24, 2004, recorded in the Bureau as Document No. 2004-131064.

(B) ALII PARK PLACE CONDOMINIUM MAP NO. 3783 filed in the Bureau of Conveyances.

(C) BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF ALII PARK PLACE, dated June 21, 2004, recorded in the Bureau as Document No. 2004-127173.

NOTE:

PURSUANT TO THE DECLARATION, THE DEVELOPER HAS RESERVED THE RIGHT TO GRANT EASEMENTS PERTAINING TO ACCESS TO AND PRESERVATION OF THE BURIAL SITES LOCATED ON PART OF THE PROJECT'S LAND. WHEN GRANTED, THESE EASEMENTS WILL BE ADDITIONAL ENCUMBRANCES. PAGE 20 OF THIS PUBLIC REPORT CONTAINS MORE INFORMATION ABOUT THIS RESERVATION AND THE BURIAL SITES AT THE PROJECT.

DEVELOPER'S RESERVED WITHDRAWAL AND ALTERATION RIGHTS

Paragraph 23 of the Declaration provides as follows:

23. **Reservation to Withdraw Land and Apartments and Reconfigure the Project.**

23.1 Any other provision in this Declaration to the contrary notwithstanding, the Developer shall have the right (but shall not be obligated) in its sole discretion under this paragraph 23, without being required to obtain the consent or joinder of any person or group of persons, including the Association, any Apartment Owner or any mortgagee, lien holder, Apartment purchaser, or any other person who may have an interest in the Project or in any Apartment, to change the type, layout and dimensions of any unbuilt and unsold Apartment and/or the limited common elements appurtenant thereto, and/or to remove and delete from the Project and from the effect of this Declaration and the Act unimproved portions of the Land, all or any unbuilt and unsold Apartments and any related unbuilt or unimproved common elements and limited common elements; provided, however, that the right to withdraw shall not apply to the recreational amenities described in paragraph 4(e) above, nor to any roadways, walkways, parking areas, landscaped areas, easements or any other part of or interest in the Project actually utilized by or serving any Apartment owned by any person other than the Developer at the time of such withdrawal. For purposes of this paragraph 23, "unsold Apartment" shall mean an Apartment owned by the Developer and for which no sales contract for the purchase and sale of the Apartment has become binding upon both the seller and the buyer under the contract.

23.2 Upon such removal and deletion as set forth in this paragraph 23, and with no further action required, no Apartment Owner, mortgagee, lien holder, Apartment purchaser or any other person (other than the Developer and the holder of any blanket mortgage covering the unsold portion of the Project) who may have an interest in the Project or any Apartment shall have any legal or equitable interest in the portion of the Land and the Apartments so removed and deleted (it being the intent hereof that upon such removal and deletion, fee simple title to the Land and Apartments so removed and deleted will be vested solely in the Developer). If deemed necessary to effect the intent of this Paragraph 23, each Apartment Owner, mortgagee, lien holder and any other person who may have an interest in the Project or any Apartment shall, if requested by the Developer, unconditionally quitclaim and/or release its interest (if any) in that portion of the Land and common elements so removed and deleted to the Developer.

23.3 In the exercise of the rights reserved in this paragraph 23, the Developer may at any time (i) file and process to final approval an application with the County of Hawaii for the legal subdivision of that portion of the Project to be withdrawn, (ii) file or record supporting file plans, maps or other instruments in the Bureau, (iii) record one or more amendments to this Declaration in the Bureau containing an amended description of the Land and/or Apartments covered by this Declaration and deleting therefrom that portion of the Land and/or the Apartments removed and deleted from the Project (if any), and amending the common interests appurtenant to the remaining Apartments (by increasing such common interests if necessary) so that the aggregate common interest appurtenant to all remaining Apartments equals

100%, (iv) file in the Bureau an amended Condominium Map reflecting the changes to the Apartments and/or the removal and deletion of the withdrawn Land and/or Apartments, and (v) if deemed appropriate, apply for and obtain from the Real Estate Commission of the State of Hawaii a Supplementary Public Report describing the changes made in the Project pursuant to the terms of this paragraph 23. Any changes to the Apartments and/or the common interests and/or removal and deletion of any portion of the Land and/or Apartments made pursuant to this paragraph 23 shall be deemed effective for all purposes upon the recordation in the Bureau of the amendment(s) to this Declaration and Condominium Map referenced herein.

23.4 The Developer shall have the absolute right, notwithstanding the lease, sale or conveyance of any Apartment, and without being required to obtain the consent or joinder of any Apartment Owner, lien holder or other persons, to effect the changes to the Apartments and/or limited common elements and/or the removal and deletion of portions of the Project in accordance with this paragraph 23, and to execute, record and/or file the herein described application, amendments, quitclaims, releases and any and all other instruments necessary or appropriate for the purpose of effecting the changes and/or removal and deletion of portions of the Land and/or Apartments as contemplated hereby. Any such action shall be deemed taken by the Developer as the true and lawful attorney-in-fact of the respective Apartment Owners and lien holders. Each and every person acquiring an interest in any Apartment, the Project or the Land covered by this Declaration, by such acquisition, consents to such changes (including an increase in the common interest appurtenant to any Apartment owned by such person and a concomitant increase in such person's ownership interest in the Project's remaining common elements), deletion and/or removal and to the recordation of such documents as may be necessary to effect the same; agrees to execute such documents and do such other things as may be necessary or convenient to effect the same; and appoints the Developer his, her or its attorney-in-fact with full power of substitution to execute such documents and do such other things on his, her or its behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of any such person.

23.5 The rights of the Developer under this paragraph 23 shall extend to the Developer and its respective successors and assigns.

23.6 Notwithstanding any provision herein to the contrary, this paragraph 23 may not be amended without the written consent and joinder of the Developer.

EXHIBIT H

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS
FOR
ALII PARK PLACE CONDOMINIUM

Estimate of Initial Maintenance Fees:

Apartment Type	Monthly Fee	X 12 Months	= Yearly Total
1-1	$ 263.55		$ 3,162.60
1-2	$ 263.55		$ 3,162.60
2-1	$ 263.55		$ 3,162.60
2-2	$ 263.55		$ 3,162.60
3-1	$ 345.44		$ 4,145.28
3-2	$ 345.44		$ 4,145.28

Apartment owners shall not be obligated for the payment of their respective shares of the common expenses until such time as the Developer files with the Real Estate Commission an amended abstract providing that, commencing upon a date certain stated in the amended abstract, each apartment owner shall become obligated to pay his respective share of the common expenses.

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

Estimate of Maintenance Fee Disbursements: For maintenance and service of the Common Elements only.**

	Monthly Fee	X 12 Months = Yearly Total
Utilities and Services		
Electricity	$ 900.00	$ 10,800.00
Refuse	$ 950.00	$ 11,400.00
**Water/Sewer (Common Elements & Apts.)	$ 2,700.00	$ 32,400.00
Telephone	$ 55.00	$ 660.00
Entry Gate Service Contract	$ 125.00	$ 1,500.00
Pest Control	$ 125.00	$ 1,500.00
Maintenance, Repairs and Supplies		
Building	$ 300.00	$ 3,600.00
Grounds	$ 4,000.00	$ 48,000.00
Pool Service	$ 250.00	$ 3,000.00
Supplies	$ 500.00	$ 6,000.00
Payroll and Benefits		
Wages and Salaries	$ 1,500.00	$ 18,000.00
Insurance	$ 150.00	$ 1,800.00
Taxes	$ 175.00	$ 2,100.00
Health Care	$ 250.00	$ 3,000.00
Management		
Administrative Supplies	$ 25.00	$ 300.00
Audit/Tax fees	$ 50.00	$ 600.00
Legal fees	$ 25.00	$ 300.00
Management fees	$ 1,460.00	$ 17,520.00
Management Reimbursable Expenses	$ 150.00	$ 1,800.00
GET Taxes	$ 10.00	$ 120.00
Insurance		
Condominium Property & Liability Insurance	$ 3,425.00	$ 41,100.00
Fidelity Bond	$ 30.00	$ 360.00
Directors and Officers Liability Insurance	$ 70.00	$ 840.00
Other: Miscellaneous	$ 100.00	$ 1,200.00
Reserves (*)	$ 1,500.00	$ 18,000.00
TOTAL	$ 18,825.00	$ 225,900.00

I, Richard Emery, as agent and employed by Hawaii First Inc., the condominium managing agent for the Alii Park Place 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.

Dated: April 30, 2004

(*) Mandatory reserves assessment and collection in effect beginning1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXPLANATION REGARDING RESERVES

In arriving at the figure for "Reserves" in this Exhibit "H", the Developer conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

SUMMARY OF SALES CONTRACT AND ESCROW AGREEMENT

The Sales Contract provides for the sale of a condominium apartment (the "Apartment") by the Developer to a Buyer. The Escrow Agreement provides how the funds paid by the Buyer under the Sales Contract to Escrow are to be held and released. Both the Sales Contract and Escrow Agreement contain many important provisions which are not set out here and should be carefully reviewed by every prospective Buyer.

The Sales Contract provides for the number, amount and timing of payments the Buyer is to make to Escrow. The Escrow Agreement provides that Escrow is to collect these payments and hold them in accounts with banks or savings institutions that are federally insured. The Sales Contract and Escrow Agreement provide who gets to keep interest that may be earned on the funds with Escrow. If the Sales Contract is signed before the Real Estate Commission has issued an effective date for a Final (or Supplementary) Public Report covering the Apartment and before certain other things have happened (as described in the Sales Contract), the Sales Contract shall not be binding on the Buyer or the Seller, and either of them may cancel it at any time before it becomes binding. After the Sales Contract becomes binding, it may be cancelled by the Developer, among other reasons, if the Buyer is obtaining financing and fails to obtain a lender commitment within a certain time period specified in the Sales Contract, or if the Buyer is a cash buyer and fails to furnish satisfactory evidence of ability to pay within other time periods. In certain cases, the Buyer may be responsible for cancellation fees.

The Sales Contract provides that commencing upon the date the Sales Contract becomes binding between Buyer and Seller in accordance with Section F.1(b) of the Sales Contract, Escrow may disburse to Seller all or portions of Buyer's funds deposited with Escrow (i) prior to closing and completion of construction of Buyer's Apartment to pay construction costs of the building(s) and other improvements of the Project, and (ii) after closing but prior to completion of construction of Buyer's Apartment to pay construction and other costs (including architectural, engineering, finance and legal fees and other incidental expenses of the Project), in accordance with and subject to the requirements of Hawaii's condominium law (Chapter 514A of the Hawaii Revised Statutes, as amended) and the Escrow Agreement. The Sales Contract provides that no interest will be earned or paid on Buyer's funds that are used to pay construction costs in accordance with the Sales Contract and the Escrow Agreement and the condominium law.

The Escrow Agreement provides for the closing or settlement of the sale. Escrow collects all payments and other amounts owed under the Sales Contract, including closing costs which are shared between the Developer and the Buyer as set forth in the Sales Contract.

If the Buyer defaults under the Sales Contract after an effective date is issued for a Final Public Report for the Project and the Final Public Report is "accepted" by the Buyer, the Buyer may lose all of the deposits with Escrow and the Developer, at its option, may pursue other legal remedies. If the Developer defaults under the Sales Contract, the Buyer shall be entitled to specific performance of the Sales Contract, or shall have the right to cancel and terminate the Sales Contract. Under the Sales Contract, the Developer promises to complete construction of

the Apartment within two (2) years from the effective date of the Sales Contract, provided that the two (2) year period may be extended under certain circumstances specified in Section F.6 of the Sales Contract.

If the Buyer cancels and terminates the Sales Contract because of the Developer's default, the Developer shall repay to the Buyer all sums the Buyer has paid to the Developer or to Escrow under the Sales Contract, and the Buyer may pursue other legal or equitable remedies.

The Sales Contract confirms that the Buyer has had the opportunity to read and approve certain important legal documents for the Project, including the Declaration, Bylaws, and Rules and Regulations. The Sales Contract also provides that the rights of any construction lender with a mortgage against the Project will be superior to the rights of the Buyer under the Sales Contract.

The Sales Contract discloses that the Seller has reserved various rights under the Declaration, including rights to change the Project's documents in certain ways under certain circumstances and to execute and record additional documents that will be binding on the Buyer and the Project, without the Buyer's joinder or consent.

The Sales Contract limits the Buyer's right to assign the Sales Contract and provides that the Seller may require a consent fee for any transfer. The Sales Contract provides for "pre-closing." "Pre-closing" means that Escrow may set a time for the Buyer to sign all of the documents Escrow asks the Buyer to sign, including the Apartment Deed and other closing documents, and the Buyer will pay the Buyer's share of the closing costs, as estimated by Escrow, even though the Buyer's Apartment may not be ready for occupancy. Buyer's share of closing costs include one-half of Escrow's fee, all recording fees, real property taxes and other prorations, Buyer's notary fees, up to four (4) months' maintenance start-up fees, title report and title insurance fees, conveyance tax, and fees charged by a lender if the Buyer is financing the purchase of his Apartment with a loan. Escrow then handles the closing, the transfer of title in accordance with the Escrow Agreement. The Apartment must be conveyed to the Buyer free and clear of any blanket liens, such as mortgages covering more than one apartment.

By signing the Sales Contract, the Buyer acknowledges that sales and construction activity at the Project by the Developer may continue after closing of the Buyer's purchase.

The Escrow Agreement provides certain protections to Escrow in the event of a dispute between the Buyer and the Developer. These protections include the right to file an "interpleader" and the right to recover certain fees and costs. In an interpleader action the escrow deposit is given to the court to decide what action to take. The Escrow Agreement sets out escrow fees, escrow cancellation fees and the fees for certain policies of title insurance.

THIS SUMMARY IS NOT COMPLETE AND WILL NOT CONTROL IN THE EVENT OF ANY CONFLICT WITH A PROVISION IN THE SALES CONTRACT OR THE ESCROW AGREEMENT. PROSPECTIVE BUYERS ARE CAUTIONED AND

ENCOURAGED TO READ CAREFULLY THE SALES CONTRACT AND ESCROW AGREEMENT.