CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer 1459 Pele, LLC
Address 680 Iwilei Road, Suite 700, Honolulu, Hawaii 96817

Project Name(*): Queen's Villa
Address: 1459 Pele Street, Honolulu, Hawaii 96813

Registration No. 5210 (conversion)

Effective date: October 21, 2003
Expiration date: November 21, 2004

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:

X **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.

____ **FINAL:** (white) — 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.
[ ] This report must be read together with _____

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

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

(*) Exactly as named in the Declaration

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

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

7636/1/341167.2

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.

[X] No prior reports have been issued by the developer.*

[ ] Changes made are as follows:

*It should be noted that the building that is the subject of this public report was previously registered as a condominium project under a different developer and a different name. On February 23, 1995, an effective date was issued to Hale Ilima Joint Venture for a Final Condominium Public Report for the Hale Ilima Condominium Project (Registration No. 3205 (conversion)). None of the individual apartments in that project was sold to individual purchasers and the Final Public Report for that project has expired and is of no effect. The building was sold in bulk to the predecessor of the current developer, which is now registering the building under a new name (Queen's Villa).

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

Until there is 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: Name*

1459 Pele, LLC
Name*

680 Iwilei Road, Suite 700
Business Address

Honolulu, Hawaii 96817

Phone: (808) 523-7750 (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):

Robert N. Iwamoto, Jr. (Member)

Real Estate Broker*:

Properties Unlimited, Inc.
Name

4510 Salt Lake Blvd., Unit B-4
Business Address

Honolulu, HI 96818-3154

Phone: (808) 487-3855 (Business)

Escrow:

Title Guaranty Escrow Services, Inc.
Name

235 Queen Street, First Floor
Business Address

Honolulu, Hawaii 96813

Phone: (808) 521-0211 (Business)

General Contractor*:

N/A
Name

Business Address

Phone: N/A (Business)

Condominium Managing Agent*:

Not Yet Determined
Name

Business Address

Phone: (Business)

Attorney for Developer:

Case, Bigelow & Lombardi (David F. Andrew)
Name

737 Bishop Street, Suite 2600
Business Address

Honolulu, Hawaii 96813-3283

Phone: (808) 547-5400 (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. 94-172375
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]:

1. First Amendment to Declaration of Condominium Property Regime of Hale Ilima Condominium Project dated January 12, 1995, recorded as Document No. 95-010409.

2. An additional amendment to the Declaration will be recorded.

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 Condominium Map No. 2128
[ ] Filed - Land Court Condominium Map No. _____

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

1. First Amendment to Declaration of Condominium Property Regime of Hale Ilima Condominium Project dated January 12, 1995, recorded as Document No. 95-010409.

2. An additional amendment to the Condominium Map will be recorded.

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. 94-172376
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]:

1. An amendment to the Bylaws will be recorded.

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:

[X] Proposed [ ] Adopted [ ] Developer does not plan to adopt House Rules

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

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

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

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

2. Developer:

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

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

See Exhibit "F" to this Public Report.

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

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

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

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

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

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

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

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

For Sub-leaseholds:

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

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

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

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

Exhibit ____I____ 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: January 31, 2041 Rent Renegotiation Date(s): February 1, 2011; February 1, 2021; February 1, 2031

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

Exhibit ___J_____ contains a schedule of the lease rent for each apartment per: [X] 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: 1459 Pele Street, Honolulu, Hawaii 96813 Tax Map Key: (1) 2-1-22-38 (TMK)

[ ] Address [ ] TMK is expected to change because _____

Land Area: 11,299 [X] square feet [ ] acre(s) Zoning: A-2

Fee Owner: R & H Yee Family Limited Partnership
Name

4781 Aukai Avenue
Address

Honolulu, Hawaii 96816

Lessor: R & H Yee Family Limited Partnership
Name

4781 Aukai Avenue
Address

Honolulu, Hawaii 96816

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 1 Floors Per Building 4

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [X] Concrete [ ] Hollow Tile [ ] Wood

   [ ] Other _____

4. Uses Permitted by Zoning:

		No. of Apts.	Use Permitted By Zoning	
[X]	Residential	33	[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?
[X] Yes [ ] No

5. Special Use Restrictions:

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

[X] Pets: No animals, except certified guide dogs and signal dogs (See House Rules, Section I.8)

[X] Number of Occupants: Limited to what is allowed under the laws of the City and County of Honolulu

[X] Other: See House Rules; no time-sharing or apartment used as tenement or rooming house

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 1 Stairways: 2 Trash Chutes: 1 (serves all 3 floors)

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
A	5	1/1	327	36	Lanai**
B	28	1/1	327	36	Lanai**

Total Number of Apartments: 33

*The floor areas shown are approximate only.

**The Developer makes no representations with respect to the ability to enclose any portion of the lanais.

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. *The areas of the apartments are likely to vary* somewhat. Even apartments of the same type may differ in their actual areas. The Developer makes no representations or warranties whatsoever as to the floor area of any particular apartment.

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

Boundaries of Each Apartment:

All walls, columns and partitions which are not load-bearing within the Apartment's perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, any doors, door frames, windows and window frames along the perimeters, the airspace within the perimeters, the lanai, shown on the Condominium Map, to the inner decorated or finished surfaces of the perimeter walls of such lanai and to the interior edge of the exterior railings or other boundaries of the lanai, all fixtures originally installed in the Apartment, and all pipes, plumbing, air conditioning units (if any), wires, conduits and other utility or service lines and facilities serving only the Apartment; provided, however, that the exterior portion of the entry door for each Apartment shall be painted, repaired and maintained only as directed by the Board.

Permitted Alterations to Apartments: See Page 20

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 section 514A-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: 26

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	TOTAL
Assigned	22	0	0	4	0	0	26
Guest	0	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0	0
Extra for Purchase	0	0	0	0	0	0	0
Other: _____	0	0	0	0	0	0	0
Total Covered & Open:	22		4		0		26

Each apartment will have the exclusive use of at least N/A parking stall(s).

Buyers are encouraged to find out which stall(s) will be available for their use (if any).

Twenty-six (26) units will be assigned one parking stall each. Seven (7) units (203, 204, 205, 206, 207, 208 and 209) will not be assigned any parking stall.

Parking stall number 2 is appurtenant to Apartment 306. The buyer of Apartment 306 should be aware that parking stall number 2 is directly adjacent to the room where the Project's large trash container is kept. The trash container must be emptied approximately four times per week. During such times, there cannot be a vehicle in parking stall number 2, so the buyer of Apartment 306 must arrange for any vehicle to be removed from parking stall number 2 during that time. Failure to keep stall number 2 cleared during such times will result in a special assessment being levied upon the owner of Apartment 306.

By taking title to an Apartment, buyers who are getting parking stalls will be deemed to have inspected their parking stall and to have accepted and approved its location.

NOTE: Because the building was built when different parking stall size requirements were in effect, some or all of the parking stalls (even those of "regular" size) may not be able to accommodate larger vehicles (such as sport utility vehicles) or may result in "tight fits" and difficulty getting in and out of the vehicles.

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

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.
[ ] Swimming pool [ ] Storage Area [ ] Recreation Area
[X] Laundry Area [ ] Tennis Court [X] Trash Chute/Enclosure(s)
[ ] Other:_____

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):

Based upon a report prepared by an independent Hawaii registered architect, all structural components and mechanical and electrical installations material to the use and enjoyment of the project appear to be in fair condition. However, no representations or warranties of any kind are made as to the expected useful life, if any, of the structural components and mechanical and electrical installations of the Project.

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 C.

[ ] 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 C.

[ ] 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.

[X] as follows:

Each of the thirty-three (33) apartments will have an equal 1/33 undivided fractional interest in all of the common elements.

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 D describes the encumbrances against the title contained in the title report dated August 4, 2003 and issued by Title Guaranty of Hawaii, Incorporated.

Blanket Liens:

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

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

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

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	The buyer's interest will be terminated and buyer's deposit returned, less escrow cancellation fees.
Ground Lease	To be partially released as apartments are sold to buyers. The Ground Lease will be fully released upon the conveyance of all 33 apartments.

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 project is a conversion of a fully constructed and existing building to condominium status. NO REPRESENTATIONS OR WARRANTIES FOR FITNESS OF USE OR MERCHANTABILITY OR ANY OTHER KIND ARE MADE AS TO THE INDIVIDUAL CONDOMINIUM APARTMENTS OR THE COMMON ELEMENTS OF THE PROJECT. PURCHASERS ARE ADVISED AND ENCOURAGED TO CONDUCT THEIR OWN INSPECTION OF THE APARTMENT THEY DESIRE TO PURCHASE. THE APARTMENTS ARE SOLD "AS IS."

2. Appliances:

No representations or warranties of any kind are given with respect to any appliances included in any of the apartments.

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

Construction of the building and the apartments was completed in 1979.

H. **Project Phases:**

The developer [ ] has [X] 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):

N/A

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 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 __E__ contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change). *

*At closing, purchasers will be required to make a security deposit equal to three months' of lease rent, a lease rent pre-payment equal to three months' of lease rent, a project start-up fee payment equal to one month of maintenance fees, and a pre-payment of maintenance fees equal to two months' of maintenance fees.

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)

[x] Gas (___X___Common Elements only ___ Common Elements & Apartments)

[x] Water [x] Sewer [ ] Television Cable

[x] Other __elevator, refuse collection, elevator emergency telephone, interphone_____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[X] Notice to Owner Occupants

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

[X] Escrow Agreement dated August 29, 2003
Exhibit G contains a summary of the pertinent provisions of the escrow agreement.

[X] Other Condominium Conveyance Document (Exhibit I contains a summary of the Condominium Conveyance Document)

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

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

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

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

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

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

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

This Public Report is a part of Registration No. 5210 filed with the Real Estate Commission on October 8, 2003.

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

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

C. **Additional Information Not Covered Above**

Disclaimer by Lessor. Lessor (fee owner of the land) has joined in the execution of the Declaration and the Bylaws (including their various amendments) for the limited purpose of submitting its fee simple ownership of the land to the Condominium Property Regime. The Lessor did not prepare the condominium documents for the Project, or any part thereof, and has not monitored the use and occupancy of the Project. The improvements are not owned by the Lessor. The improvements are owned by Lessee (the developer). The Lessor is not making, and does hereby disclaim, any and all warranties, express or implied, relating to any of the improvements situated on the land, including, without limitation, any warranty of merchantability, habitability, and any warranty for fitness of any particular use or purpose. Lessee and each apartment owner and their successors and assigns agree to waive any and all claims, rights, or causes of action they may have against Lessor arising out of or relating to any real or personal property interest in any portion of the improvements.

Alteration of Project. Restoration or replacement of the Project or of any building, or construction of any additional building or structural alteration or addition to any structure, different in any material respect from the Condominium Map, shall be undertaken by the Association or any Apartment owners only pursuant to an amendment of the Declaration of Condominium Property Regime, duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the Apartment owners and accompanied by the written consent of the holders of first mortgages covering seventy-five percent (75%) of the Apartments in the Project or such higher percentage as may be required by the Act, and in accordance with complete plans and specifications therefor first approved in writing by the Board and by the Lessor, and promptly upon completion of such restoration, replacement, construction, alteration or addition, the Association shall duly record or file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer; provided, however, that notwithstanding any provision in the Declaration to the contrary, nonmaterial structural additions to the common elements, or any alterations or additions within an Apartment or within a limited common element appurtenant to and for the exclusive use of such Apartment which do not alter any of the characteristics of such Apartment or limited common element shall require the written consent thereto and the written approval of the Apartment owner's plans therefor by only the holders of all liens affecting such Apartment (if the lien holders require such consent and approval), the Board and all other Apartment owners thereby directly affected (as determined by the Board), and may be undertaken without an amendment to the Declaration or filing of a complete set of floor plans of the Project as so altered. "Nonmaterial structural additions," as used herein, shall mean a structural addition to the common elements which does not jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement or hereditament, detract from the appearance of the Project, interfere with or deprive any nonconsenting owner of the use or enjoyment of any part of the Project or directly affect any nonconsenting owner.

Asbestos/Hazardous Materials. The developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever with respect to matters that might or would be disclosed by such an assessment. The developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws.

However, in April of 1995, the previous owner of the building commissioned an analysis by Muranaka Environmental Consultants, Inc. of some samples from a portion of the building to determine the presence of asbestos-containing material ("ACM"). The report on that analysis concluded that there was evidence of ACM in certain of the samples. At the time, the broker for the previous owner prepared a memo stating that "We were assured that there is no danger if the materials are not disturbed."

Buyer acknowledges that there is asbestos and there may be other hazardous substances in at least some of the apartments and, possibly, other parts of the Project. Because of the possible presence of such substances, Buyer should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The developer will not correct any defects in the apartments or in the Project or anything installed or contained therein and Buyer expressly releases the developer from any liability to Buyer with respect to any asbestos or other hazardous materials and the effects thereof.

Lead Warning Statement. Pursuant to federal law, 42. U.S.C. 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based hazards is recommended prior to purchase."

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

1459 Pele, LLC
Printed Name of Developer

By: _____ 8/29/03
Duly Authorized Signatory* Date

Robert N. Iwamoto, Jr., Member
Print Name and Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

27636/1/341167.2

EXHIBIT A

SCHEDULE OF APARTMENTS AND COMMON INTERESTS
FOR QUEEN'S VILLA

Apt. No.	Unit Type	Interior Living Area (sq. ft.)	Lanai (sq. ft.)	Common Interest
201	A	327	36	1/33
202	B	327	36	1/33
203	A	327	36	1/33
204	B	327	36	1/33
205	A	327	36	1/33
206	B	327	36	1/33
207	B	327	36	1/33
208	B	327	36	1/33
209	B	327	36	1/33
210	B	327	36	1/33
211	B	327	36	1/33
301	B	327	36	1/33
302	B	327	36	1/33
303	B	327	36	1/33
304	B	327	36	1/33
305	B	327	36	1/33
306	B	327	36	1/33
307	B	327	36	1/33
308	B	327	36	1/33
309	B	327	36	1/33
310	B	327	36	1/33
311	A	327	36	1/33
401	B	327	36	1/33
402	B	327	36	1/33
403	B	327	36	1/33
404	B	327	36	1/33
405	B	327	36	1/33
406	A	327	36	1/33
407	B	327	36	1/33
408	B	327	36	1/33
409	B	327	36	1/33
410	B	327	36	1/33
411	B	327	36	1/33

The common interest appurtenant to each apartment shall be permanent.

EXHIBIT B

INDIVIDUAL APARTMENT DESCRIPTIONS

The Queen's Villa condominium project consists of thirty-three (33) condominium apartments. Each apartment is located within a reinforced concrete building, containing one bedroom, one bath, a living room/dining room/kitchenette, refrigerator, range/oven, disposal, and wall-to-wall carpeting in certain parts of the apartment. Some apartments include an air conditioning unit and/or ceiling fan, and drapes. The net interior living area of each apartment is approximately 327 square feet. Each apartment also includes a lanai consisting of approximately 36 square feet. The apartments are constructed according to two unit types: Unit Type A and Unit Type B. The unit types are substantially similar except that Unit Type A Apartments have double sliding closet doors between the bedroom and bathroom (allowing direct passage between those two rooms), and Unit Type B Apartments have just one sliding closet door on the bedroom side with a gypsum board wall between the closet and the bathroom. Apartments 201, 203, 205, 311 and 406 are Unit Type A Apartments, with the remainder of the Apartments being Unit Type B Apartments.

EXHIBIT C

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS OF THE PROJECT

Common Elements

The common elements of the Project shall specifically include, but are not limited to, the following:

1. The Land and any and all appurtenances thereto.

2. All undecorated or unfinished portions of all perimeter party walls or perimeter non-party walls and interior load-bearing walls, the undecorated or unfinished portions of floors and ceilings, all structural components, foundations, floor slabs, columns, girders, beams, supports, shafts, ceilings and spaces between the ceiling and the floor slab or roof above, roofs, the office/storage room on the second floor, the laundry rooms on the third and fourth floors, transformers, and exterior surfaces of the building, including any paint or coating thereon.

3. All yards, grounds, trees, gardens, entries, planters, plants, landscaping, garbage chutes, refuse containers and other refuse facilities, if any, whether within or appurtenant to the Project, which are not defined as part of an Apartment.

4. All sidewalks, pathways, walkways, retaining walls, fences, gates, loading areas or zones, driveways, roads, parking areas and parking stalls.

5. All ducts, pumps, valves, sewer lines, electrical equipment, cables, chutes, transformers, wiring, pipes, shafts, wires, conduits or other utility or service lines and facilities which are utilized for or serve more than one Apartment and other central and appurtenant transmission facilities and installations over, under and across the Project which are utilized by or serve more than one Apartment for services such as power, light, water, gas, sewer, refuse, telephone and radio and television signal distribution.

6. All areas, rooms, spaces, structures, housings, boilers or facilities of the Project within or outside of the building, which are for common use or which serve more than one Apartment, such as electrical, maintenance, service, machine, mechanical and equipment rooms and the equipment, machinery and facilities therein.

7. The fire sprinkler system in the trash room.

8. Those portions of the interphone system and the elevator emergency telephone that are not part of the personal property (e.g., telephones) of the Apartment owners or their tenants.

9. All storage areas, hallways, corridors, stairs, stairways, elevators, elevator lobbies, and other similar areas which are not part of an Apartment.

10. Mailboxes and parcel lockers located on the ground floor.

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

12. All other parts of the Project which are not included in the definition of an Apartment, provided that the window air conditioner units for certain of the Apartments are part of the respective Apartments, even though they may be partially located outside the perimeter of the Apartment.

Limited Common Elements

Certain parts of the common elements, called "limited common elements", are designated and set aside for the exclusive use of certain apartments as follows:

1. Parking Stalls:

Certain apartments shall have appurtenant to them, as a limited common element, the exclusive right to use the vehicle parking stall designated in Exhibit "K" below, located as shown on the Condominium Map.

2. Mailboxes:

Each mailbox bearing the same identification as an apartment is a limited common element appurtenant to that Apartment.

EXHIBIT D

Encumbrances Against Title

1. Ground Lease dated January 30, 1981, by and between Robert Chong Hee Yee and Helen Tom Yee, as Lessor, and Iris Riber and JYC and Associates, as Lessee, recorded in the Bureau of Conveyances of the State of Hawaii in Book 15322, Page 656, as amended by Correction to Ground Lease and Consent to Assignment of Ground Lease dated July 28, 1988, recorded in Book 22202, Page 047. By Assignment of Lease dated April 22, 2002, by and between Robert N. Iwamoto, Jr., as Assignor, and 1459 Pele, LLC, as Assignee, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-113187, the Lessee's interest under the Ground Lease was assigned to 1459 Pele, LLC. (This will be partially released upon conveyance of an apartment to a purchaser.)

2. Mortgage, Security Agreement and Financing Statement dated April 26, 1999, by and between Robert N. Iwamoto, Jr.., as Mortgagor, and Central Pacific Bank, as Mortgagee, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 99-066773. (This Mortgage will be partially released upon conveyance of an apartment to a purchaser.)

3. Assignment of Lessor's Interest in Leases and Rents dated September 28, 1998, by and between Robert N. Iwamoto, Jr.., as Assignor, and Central Pacific Bank, as Assignee, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 98-147208. (This will be partially released upon conveyance of an apartment to a purchaser.)

4. Declaration of Condominium Property Regime of Hale Ilima Condominium Project acknowledged October 3, 1994 and October 19, 1994 and recorded in said Bureau as Document No. 94-172375.

5. First Amendment to Declaration of Condominium Property Regime of Hale Ilima Condominium Project dated January 12, 1995 recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 95-010409.

6. By-Laws of the Association of Apartment Owners for the Hale Ilima Condominium Project acknowledged October 3, 1994 and October 19, 1994 and recorded-in the Bureau of Conveyances of the State of Hawaii as Document No. 94-172376.

7. The Condominium Map recorded in the Bureau of Conveyances of the State of Hawaii as Condominium Map No. 2128.

8. For Real Property Taxes that may be due and owing, refer to the Director of Finance, City and County of Honolulu.

9. Encroachment(s) as shown on the survey sketch prepared by Lester Shimabukuro, Land Surveyor, with Towill , Shigeoka & Associates, dated April 27, 1998.

10. Structure position discrepancies as shown on the survey sketch prepared by Lester Shimabukuro, Land Surveyor, with Towill , Shigeoka & Associates, dated April 27, 1998.

11. Any recorded and unrecorded leases and matters arising from or affecting the same.

EXHIBIT E

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee	x 12 months	=	Yearly Total
201	$180.43	x 12		$2,165.16
202	$180.43	x 12		$2,165.16
203	$180.43	x 12		$2,165.16
204	$180.43	x 12		$2,165.16
205	$180.43	x 12		$2,165.16
206	$180.43	x 12		$2,165.16
207	$180.43	x 12		$2,165.16
208	$180.43	x 12		$2,165.16
209	$180.43	x 12		$2,165.16
210	$180.43	x 12		$2,165.16
211	$180.43	x 12		$2,165.16
301	$180.43	x 12		$2,165.16
302	$180.43	x 12		$2,165.16
303	$180.43	x 12		$2,165.16
304	$180.43	x 12		$2,165.16
305	$180.43	x 12		$2,165.16
306	$180.43	x 12		$2,165.16
307	$180.43	x 12		$2,165.16
308	$180.43	x 12		$2,165.16
309	$180.43	x 12		$2,165.16
310	$180.43	x 12		$2,165.16
311	$180.43	x 12		$2,165.16
401	$180.43	x 12		$2,165.16
402	$180.43	x 12		$2,165.16
403	$180.43	x 12		$2,165.16
404	$180.43	x 12		$2,165.16
405	$180.43	x 12		$2,165.16
406	$180.43	x 12		$2,165.16
407	$180.43	x 12		$2,165.16
408	$180.43	x 12		$2,165.16
409	$180.43	x 12		$2,165.16
410	$180.43	x 12		$2,165.16
411	$180.43	x 12		$2,165.16
		TOTAL:		$71,450.28

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency. In addition to the ordinary monthly assessment of maintenance fees, at closing, purchasers will be required to make a security deposit equal to three months' of lease rent and a lease rent reserve payment equal to two months' of lease rent.

Estimate of Maintenance Fee Disbursements:

	Monthly	x 12 months	=	Yearly Total
Utilities and Services				
Electricity				
[x] common elements only	$405.38	x 12	=	$4,864.56
[]common elements and apartments				
Elevator	377.59	x 12	=	4,531.08
Gas	668.03	x 12	=	8,016.36
[X] common elements only				
[ ]common elements and apartments				
Refuse Collection	286.46	x 12	=	3,437.52
Telephone (elevator and interphone)	97.17	x 12	=	1,166.04
Water and Sewer	1,186.59	x 12	=	14,239.08
Laundry Credit (approximate)	(210.33)	x 12	=	(2,523.96)
Maintenance, Repairs and Supplies				
Building	832.00	x 12	=	9,984.00
Grounds	162.49	x 12	=	1,949.88
Management				
Management Fees	667.08	x 12	=	8,124.96
Other Services	131.18	x 12	=	1,574.16
		x 12	=	
Insurance				
Property	577.99	x 12	=	6,935.88
General Liability	129.05	x 12	=	1,548.60
Reserves (*) Estimated	500.00	x 12	=	6,000.00
Taxes and Government Assessments	8.33	x 12	=	99.96
Audit Fees	125.00	x 12	=	1,500.00
Other		x 12	=	
TOTAL	$5,954.01	x 12	=	$71,448.12

I, ROBERT N. IWAMOTO, JR., as member of 1459 Pele, LLC, the developer for the Queen's Villa 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.

Signature

8/29/03
Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 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.

Developer's Explanation Regarding Replacement Reserve Figure

In arriving at the figure for "Reserves," as set forth in this Exhibit E to the Condominium Public Report, the developer did not conduct a reserve study in accordance with HRS § 514A-83.6 or HAR § 16-107-65. The figure is an estimate, based on reasonable projections of reserve requirements.

1459 PELE, LLC,
a Hawaii limited liability company

By: _____
Name: ROBERT N. IWAMOTO, JR.
Title: MEMBER

Date: 8/29/03

EXHIBIT F

RESERVED RIGHTS

A. Until all of the apartments have been sold, the Developer may amend the Declaration, the Bylaws and/or the Condominium Map to make such amendments as may be required by law, by the Real Estate Commission, by the title insurance company, by a mortgage lender, or by any governmental agency (including the VA, HUD, FNMA and/or FHLMC), provided that no such amendments change the common interest appurtenant to an apartment or substantially change the design, location or size of an apartment.

B. Until all of the apartments have been sold and the "as built" statement is filed, the Developer may amend the Declaration and the Condominium Map to (i) reflect alterations in any apartment which has not been sold; and (ii) reflect minor changes in any apartment or in the common elements which do not affect the physical location, design or size of any apartment (other than minor changes to the size or dimensions of the yard area appurtenant to any apartment) which has been sold.

C. Developer has reserved the right, by amendment to the Declaration executed only by Developer, to assign or change, from time to time, the assignments of individual parking stalls to individual apartments that have not been conveyed by Developer.

D. The Developer has reserved various easements and has various reserved rights relating to easements, as set forth in Paragraph 7 of the amended Declaration.

EXHIBIT G
SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement between Title Guaranty Escrow Services, Inc. ("Escrow") and 1459 Pele, LLC (the "Developer") sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by Escrow, as a neutral party. Under the Escrow Agreement, these things will or may happen:

(a) Escrow will let the purchaser know when payments are due.

(b) Escrow will arrange for the purchaser to sign all necessary documents.

(c) Except under certain circumstances as set forth in the Sales Contract, all interest on deposits toward the purchase price shall be the property of the Developer.

(d) The purchaser will be entitled to a refund of his or her funds deposited with Escrow, upon written request by purchaser to Escrow, if the purchaser exercises purchaser's right to cancel or rescind the Sales Contract pursuant to the Hawaii Condominium Act, as set forth in the Sales Contract (less a cancellation fee commensurate with the work done by Escrow prior to such cancellation, up to $250.00).

(e) No disbursements of funds held in Escrow shall be made to the Developer until certain conditions, as set forth in the Escrow Agreement and in accordance with the Hawaii Condominium Act, have been fulfilled, including delivery of a copy of the Contingent Final Public Report or the Final Public Report, as applicable, to the purchaser and waiver (or deemed waiver) of the purchaser's right to cancel the Sales Contract.

(f) Upon a default by the purchaser under the Sales Contract, and the Developer's termination of the Sales Contract as a result of such default, all funds of the purchaser deposited with Escrow shall be treated as funds of the Developer and not as funds of the purchaser, and shall be disbursed to the Developer upon request by the Developer.

The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. Purchasers and prospective purchasers should carefully read the signed Escrow Agreement on file with the Real Estate Commission.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. WHILE ONE CAN USE THIS SUMMARY TO GET A GENERAL IDEA OF SOME OF THE TERMS OF THE ESCROW AGREEMENT, ONE MUST READ AND UNDERSTAND THE ACTUAL ESCROW AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE ESCROW AGREEMENT, THE ESCROW AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

EXHIBIT H

SUMMARY OF SALES CONTRACT

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

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.

(b) That the purchaser acknowledges having received and read a public report (either preliminary, contingent, final or supplementary) for the Project prior to signing the Sales Contract.

(c) That the Developer makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefit to be derived from the purchase of an apartment.

(d) That the Sales Contract may be subordinate to the lien of the Developer's lender.

(e) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(f) Requirements relating to the purchaser's financing of the purchase of an apartment.

(g) That the apartment and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(h) That the apartments and appurtenant improvements may be in need of substantial maintenance and repairs, that the Developer is selling the apartments and appurtenant improvements in "as is" condition, that the Developer is giving no warranties or representations to purchasers with respect to the construction or materials of the apartments or workmanship or appurtenant improvements, and that the Developer makes no warranties or representations regarding the apartment, the Project or anything installed or contained in the apartment or the Project.

(i) That the Project will be subject to ongoing improvement and sales activities, which may result in certain annoyances to the purchaser.

(j) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(k) That the Developer has reserved certain rights and powers relating to the Project and the purchaser acknowledges and consents to the exercise of such rights and powers.

(l) That except under certain circumstances, as set forth in the Sales Contract, all interest on deposits toward the purchase price shall be the property of the Developer.

(m) That in the event of a default by the purchaser under the Sales Contract, all sums paid by the purchaser under the Sales Contract shall belong to the Developer as liquidated damages, and the Developer may, in addition to such damages, pursue any other remedy, including specific performance, permitted by law or equity under the Sales Contract.

(n) That, because the building was built prior to 1978, the Apartments may present exposure to asbestos materials and to lead from lead-based paint.

The Sales Contract contains various other important provisions relating to the purchase of an apartment in the Project. Purchasers and prospective purchasers should carefully read the specimen Sales Contract on file with the Real Estate Commission.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE SALES CONTRACT. WHILE A PURCHASER CAN USE THIS SUMMARY TO GET A GENERAL IDEA OF SOME OF THE TERMS OF THE SALES CONTRACT, THE PURCHASER MUST READ AND UNDERSTAND THE ACTUAL SALES CONTRACT TO DETERMINE THE PURCHASER'S RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE SALES CONTRACT, THE SALES CONTRACT WILL CONTROL AND NOT THIS SUMMARY.

Purchasers who sign the Sales Contract pursuant to a preliminary condominium public report will, upon receipt of the contingent final condominium public report or final condominium public report, as applicable, be required to sign a "Confirmation of Deposit Receipt, Reservation and Sales Agreement" (the "Confirmation"), pursuant to which the Developer and the Purchaser will confirm and agree that the Sales Contract has become a binding contract. A specimen form of the Confirmation is on file with the Real Estate Commission and is available for inspection at the Purchaser's request.

EXHIBIT I

SUMMARY OF CONDOMINIUM CONVEYANCE DOCUMENT

The Condominium Conveyance Document (the "CCD") is a legal document, which, in accordance with Section 514A-13(g), Hawaii Revised Statutes, as amended, is comprised of both a deed of an apartment and a percentage interest in the common elements (except the Land (defined below)) and a ground lease of an undivided interest in the land on which the Queen's Villa condominium project (the "Project") is built (the "Land").

The CCD provides as follows:

The ground lease interest conveyed by the CCD shall have a term commencing on the effective date of the CCD and terminating at midnight on January 31, 2041.

The lease rent for the ten-year period from February 1, 2001 to January 31, 2011 is $1,021.00 per annum.

For and during each of the three (3) successive 10-year periods commencing February 1, 2011, the purchaser, as the Grantee under the CCD (the "Grantee"), will pay "Grantee's Proportionate Share" of the total net annual rent for the Land as determined by mutual agreement of the Lessor and the Board of Directors (the "Board") of the Association of Apartment Owners of Queen's Villa (the "Association") in writing not later than ninety (90) days prior to the commencement of each such period. In case of failure to agree prior to said ninety (90) day period, rental is to be determined by arbitration as provided in the CCD and summarized below. The new yearly rent for each ensuing 10-year period shall in no event be less than the yearly rent payable during the last year of each immediately preceding rent period.

With respect to the three (3) successive ten-year periods commencing February 1, 2011, if Lessor and the Board of Directors of the Association are not able to agree on the rent for the Land ninety (90) days before each such period, then the value will be determined by arbitration as provided in the CCD. The CCD provides that, if it is not going to be net annual rent payable for the lease year preceding the new rent period, the net annual rental for the Land for each such 10-year period shall be an amount equal to the product of (1) a rate of return comprising the highest of (a) eight percent (8%), or (b) the then prevailing rate of return as charged under then new leases of comparable real property in the City and County of Honolulu, or (c) the discount rate specified in any law permitting the condemnation of the Land and the resale thereof to Grantee in which one method of computing the compensation to be paid to Lessor therefor is based on the rent payable under the CCD, and (2) the then fair market value of the land in fee simple, based on either (a) the highest and best use of the Land which had been permitted by the zoning or classification in effect as of February 1, 1981, or (b) the then highest and best use of the Land permitted by the zoning or classification then in effect, whichever shall give the higher value, and in either case exclusive of any buildings and improvements thereon, and free and clear of all encumbrances, including but not limited to the CCD and all tenancies thereunder, and upon the assumption that the Land is then available for immediate development, which rate of return and fair market value shall be determined by arbitration as set forth in the CCD if the parties are not otherwise able to mutually agree on such figures.

Until such rent is determined, the Grantee shall pay on account thereof the Grantee's share of rent to the Lessor in the same amounts and at the same times and manner as were payable for the last lease year preceding the period in question, and the Grantee shall within fifteen (15) days after such determination pay to the Lessor the amount of the Grantee's share of any increase in rent which shall have accrued since the expiration of the preceding rental period.

If the Grantee wishes to convey the Grantee's Apartment to a third party before the end of the term (or upon sooner termination) of the lease, the Grantee will have to deed the Grantee's interest in the Apartment and assign the Grantee's interest in the ground lease to the third-party buyer of the Apartment. The Grantee will not be released from the terms of the ground lease unless the Lessor consents to such a release.

At the end of the term (or upon sooner termination) of the lease, the Grantee will deliver to the Lessor possession of the Land. The Grantee will, at that time, sign and deliver to the Lessor a document for recording in the Bureau of Conveyances which conveys the Grantee's Apartment to the Lessor. If the Grantee does not sign such a document the Lessor shall have a special power of attorney giving the Lessor the right, at that time, to sign such a document for the Grantee and to have that document recorded in the Bureau.

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

EXHIBIT J

SCHEDULE OF MONTHLY LEASE RENT

Apartment	Monthly Lease Rent: Until January 31, 2011	Monthly Lease Rent: After January 31, 2011
201	$85.09	To be determined
202	85.09	To be determined
203	85.09	To be determined
204	85.09	To be determined
205	85.09	To be determined
206	85.09	To be determined
207	85.09	To be determined
208	85.09	To be determined
209	85.09	To be determined
210	85.09	To be determined
211	85.09	To be determined
301	85.09	To be determined
302	85.09	To be determined
303	85.09	To be determined
304	85.09	To be determined
305	85.09	To be determined
306	85.09	To be determined
307	85.09	To be determined
308	85.09	To be determined
309	85.09	To be determined
310	85.09	To be determined
311	85.09	To be determined
401	85.09	To be determined
402	85.09	To be determined
403	85.09	To be determined
404	85.09	To be determined
405	85.09	To be determined
406	85.09	To be determined
407	85.09	To be determined
408	85.09	To be determined
409	85.09	To be determined
410	85.09	To be determined
411	85.09	To be determined

EXHIBIT K

PARKING STALL DESIGNATIONS

Apartment No.	Parking Stall No.
201	14
202	15
203	No parking stall
204	No parking stall
205	No parking stall
206	No parking stall
207	No parking stall
208	No parking stall
209	No parking stall
210	10
211	11
301	16
302	17
303	12 (compact)
304	13 (compact)
305	1 (compact)
306	2*
307	18
308	19
309	20
310	25
311	26 (compact)
401	3
402	4
403	21
404	22
405	23
406	24
407	7
408	8
409	9
410	5
411	6

***The buyer of Apartment 306 should be aware that parking stall number 2 is directly adjacent to the room where the Project's large trash container is kept. The trash container must be emptied approximately four times per week. During such times, there cannot be a vehicle in parking stall number 2, so the buyer of Apartment 306 must arrange for any vehicle to be removed from parking stall number 2 during that time. Failure to keep parking stall number 2 cleared during such times will result in a special assessment being levied upon the owner of Apartment 306.**

NOTE: Because the building was built when different parking stall size requirements were in effect, some or all of the parking stalls (even those of "regular" size) may not be able to accommodate larger vehicles (such as sport utility vehicles) or may result in "tight fits" and difficulty getting in and out of the vehicles.