

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

CONDOMINIUM PROJECT NAME	MAHINUI ESTATES
Project Address	45-536, 45-536A, 45-536B, 45-536C and 45-536D Mahinui Road, Kaneohe, Hawaii 96744
Registration Number	6325
Effective Date of Report	May 17, 2007
Developer(s)	H.K. Development, LLC.

Preparation of this Report

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

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

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

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

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

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

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

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, and NOT a subdivision. The "Limited Common Element Land Area" beneath and immediately adjacent to each unit is designated a LIMITED COMMON ELEMENT and is NOT a legally subdivided lot. The dotted or dashed lines on the Condominium Map bounding the designated number of square feet in each Limited Common Element Land Area are for illustrative purposes only and should not be construed to the property lines of legally subdivided lots.

No warranties are given to the purchaser as to the construction, materials or workmanship of the Project. The Project is being sold in "as is" condition.

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

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

TABLE OF CONTENTS

	<u>Page</u>
Preparation of this Report	1
General Information On Condominiums	2
Operation of the Condominium Project.....	2
1. THE CONDOMINIUM PROJECT	3
1.1 The Underlying Land.....	3
1.2 Buildings and Other Improvements.....	3
1.3 Unit Types and Sizes of Units.....	3
1.4 Parking Stalls	4
1.5 Boundaries of the Units.....	4
1.6 Permitted Alterations to the Units	4
1.7 Common Interest.....	4
1.8 Recreational and Other Common Facilities	4
1.9 Common Elements.....	5
1.10 Limited Common Elements.....	5
1.11 Special Use Restrictions	5
1.12 Encumbrances Against Title	5
1.13 Uses Permitted by Zoning and Zoning Compliance Matters	6
1.14 Other Zoning Compliance Matters	6
1.15 Conversions	7
1.16 Project In Agricultural District.....	8
1.17 Project with Assisted Living Facility	8
2. PERSONS CONNECTED WITH THE PROJECT.....	9
2.1 Developer.....	9
2.2 Real Estate Broker.....	9
2.3 Escrow Depository.....	9
2.4 General Contractor.....	9
2.5 Condominium Managing Agent.....	9
2.6 Attorney for Developer.....	9
3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS	10
3.1 Declaration of Condominium Property Regime	10
3.2 Bylaws of the Association of Unit Owners	10
3.3 Condominium Map.....	10
3.4 House Rules.....	11
3.5 Changes to the Condominium Documents	11
3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents.....	11
4. CONDOMINIUM MANAGEMENT	12
4.1 Management of the Common Elements	12
4.2 Estimate of the Initial Maintenance Fees	12
4.3 Utility Charges to be Included in the Maintenance Fee	12
4.4 Utilities to be Separately Billed to Unit Owner	12
5. SALES DOCUMENTS	13
5.1 Sales Documents Filed with the Real Estate Commission.....	13
5.2 Sales to Owner-Occupants	13
5.3 Blanket Liens.....	13
5.4 Construction Warranties	13
5.5 Status of Construction, Date of Completion or Estimated Date of Completion	14

TABLE OF CONTENTS

	<u>Page</u>
5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance.....	14
5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance	
5.6.2 Purchaser Deposits Will Be Disbursed Before Closing.....	14
5.7 Rights Under the Sales Contract.....	16
5.8 Purchaser's Rights to Cancel or Rescind a Sales Contract.....	16
5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract.....	16
5.8.2 Right To Cancel a Sales Contract if Completion Deadline Missed.....	17
5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change...	17
6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT.....	18
EXHIBIT A:	DISCLOSURES AND ESTIMATE OF MAINTENANCE FEES
EXHIBIT B:	DEVELOPER'S RESERVED RIGHTS TO CHANGE CONDOMINIUM DOCUMENTS
EXHIBIT C:	SPECIAL USE RESTRICTIONS
EXHIBIT D:	PERMITTED ALTERATIONS TO APARTMENTS
EXHIBIT E:	PARKING
EXHIBIT F:	DESCRIPTION OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS
EXHIBIT G:	ENCUMBRANCES AGAINST TITLE
EXHIBIT H:	CONSTRUCTION WARRANTIES
EXHIBIT I:	SUMMARY OF SALES CONTRACT
EXHIBIT J:	SUMMARY OF ESCROW AGREEMENT
EXHIBIT K:	SUMMARY OF DECLARATION OF HOLDING TANK FACILITY
EXHIBIT L:	SUMMARY OF CLUSTER HOUSING PERMIT APPROVAL

General Information On Condominiums

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

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

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

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

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

Operation of the Condominium Project

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

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

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner		
Address of Project	45-536, 45-536A, 45-536B, 45-536C and 45-536D Mahinui Road, Kaneohe, Hawaii 96744	
Address of Project is expected to change because	Not Applicable	
Tax Map Key (TMK)	(1) 4-5-097-019	
Tax Map Key is expected to change because	CPR numbers may be assigned to each unit.	
Land Area	Approximately .95 Acres	
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	Not Applicable	

1.2 Buildings and Other Improvements

Number of Buildings	FIVE (5)
Floors Per Building	TWO (2)
Number of New Building(s)	FIVE (5)
Number of Converted Building(s)	NONE
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, Wood, Steel, Glass

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Total Area
45-536	1	4/3	2,201 square feet	242	462 (Garage)	2,905
45-536A	1	4/2.5	2,204 square feet	235	460 (Garage)	2,935
45-536B	1	4/2.5	2,204 square feet	235	460 (Garage)	2,935
45-536C	1	4/2.5	2,204 square feet	235	460 (Garage)	2,935
45-536D	1	4/3	2,201 square feet	242	462 (Garage)	2,905
See Exhibit _____						

Five (5)	Total Number of Units
----------	------------------------------

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

1.4 Parking Stalls

Total Parking Stalls in the Project:	TEN (10)
Number of Guest Stalls in the Project:	NONE
Number of Parking Stalls Assigned to Each Unit:	TWO (2)
Attach Exhibit <u>E</u> specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

1.5 Boundaries of the Units

Boundaries of the unit: See Page 4a Attached Hereto
--

1.6 Permitted Alterations to the Units

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

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit _____
As follows:
Each of the five (5) units has a 20% common interest

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

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input checked="" type="checkbox"/>	Recreation Area (Private Park with swing set & barbeque area)
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): 8,003.24 square foot common element driveway

Each Unit shall be deemed to include the entire structure or building comprising the condominium Unit located on the limited common land area appurtenant thereto, including, but not limited to (a) all footings, floors, foundations, perimeter walls and roofs of the building and all other improvements from time to time located upon the limited common element land area appurtenant to the Unit; (b) all of the space, fixtures, walls and other improvements located within such footings, floors, foundations, perimeter walls and roofs; (c) all exterior surfaces and finishes of such footings, floors, foundations, perimeter walls and roofs; and (d) all decks, lanais, porches, steps, stairs or other improvements physically attached to any building and for the exclusive use of the owners and occupants of the Unit.

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit F.

Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit F.

Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input checked="" type="checkbox"/>	Pets:
<input checked="" type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See Exhibit "C" Attached Hereto
<input type="checkbox"/>	There are no special use restrictions.

1.12 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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit G describes the encumbrances against title contained in the title report described below.

Date of the title report: April 12, 2007

Company that issued the title report: Commonwealth Land Title Insurance Company

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning					
	Type of Use	No. of Units	Use Permitted by Zoning		Zoning
<input checked="" type="checkbox"/>	Residential	Five (5)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	R-5
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Other(specify)		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Describe any variances that have been granted to zoning code.					

1.14 Other Zoning Compliance Matters

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

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

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

1.15 Conversions

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

<p>Verified Statement from a County Official</p>
<p>Regarding any converted structures in the project, attached as Exhibit ____ is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p>or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>
<p>Other disclosures and information:</p>

1.16 Project In Agricultural District

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

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer(s)</p>	<p>Name: H.K. Development, LLC.</p> <p>Business Address: 3033 Polohilani Place, Honolulu, HI 96817</p> <p>Business Phone Number: (808) 595-4997 E-mail Address: N/A</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	
<p>2.2 Real Estate Broker</p>	<p>Name: PMREI, LLC Business Address: 49 South Hotel Street, #208 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 277-2020 E-mail Address: anthonypracerealtor@yahoo.com</p>
<p>2.3 Escrow Depository</p>	<p>Name: First Hawaii Title Corporation Business Address: 4211 Waialae Avenue, Suite 209 Honolulu, Hawaii 96816</p> <p>Business Phone Number: (808) 734-8777</p>
<p>2.4 General Contractor</p>	<p>Name: H.K. Construction Corp. Business Address: 905 Factory Street Honolulu, Hawaii 96819</p> <p>Business Phone Number: (808) 841-1800</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Equity Properties, Inc. Business Address: 99-860 Iwaena Street, #204 Aiea, Hawaii 96701-5608</p> <p>Business Phone Number: (808) 485-0855</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Erik W. Wong Business Address: 1609 Young Street Honolulu, Hawaii 96826</p> <p>Business Phone Number: (808) 946-3300</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	January 30, 2007	2007-072237

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	January 30, 2007	2007-072238

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

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

Land Court Map Number	
Bureau of Conveyances Map Number	4435
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

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

The House Rules for this project:

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

3.5 Changes to the Condominium Documents

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

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

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

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

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

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

The Initial Condominium Managing Agent for this project is (check one): Equity Properties, Inc.

<input checked="" type="checkbox"/>	Not affiliated with the Developer
<input type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit A contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV cable
<input checked="" type="checkbox"/>	Other (specify) <u>Water, Electricity and Insurance for common element Private Park</u>

4.4 Utilities to be Separately Billed to Unit Owner

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

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit I contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: February 18, 2007 Name of Escrow Company: Exhibit J contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other

5.2 Sales to Owner-Occupants

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

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

5.3 Blanket Liens

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

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

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Construction Loan	Purchaser's Interest will be cancelled and Purchaser shall be refunded his/her deposit(s).

5.4 Construction Warranties

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

Building and Other Improvements: See Exhibit "H" Attached Hereto
Appliances: See Exhibit "H" Attached Hereto

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

Status of Construction: All Five (5) Units were completed in late October 2006/early November 2006
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: Not Applicable
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: Not Applicable

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input checked="" type="checkbox"/>	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project.
-------------------------------------	---

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

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

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

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

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

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other:

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

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

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

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

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

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

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

(1) The purchaser has signed the sales contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

NOT A SUBDIVISION. This is a condominium project which should not be confused with a subdivision. A purchaser of a Unit will be conveyed a unit together with an "undivided" interest in the common elements of the project. The entire parcel of land upon which the project is situated is designated as a common element. That portion of the common element which each purchaser has the exclusive right to use is called a limited common element or limited common element land area, but it IS NOT a separate, legally subdivided lot.

MAINTENANCE FEES. Prospective Purchasers are hereby advised that they are purchasing a Unit within a condominium project and that the project contains common elements such as the approximately 8,003.24 square foot common element driveway and the approximately 2,585.46 square foot private park. All purchasers, upon purchasing a Unit in the project shall be assessed and must pay monthly maintenance fees to the project's managing agent. These maintenance fees shall be used to pay for common expenses of the project, such as repair, maintenance and/or replacement of the common element driveway, repairs and maintenance of the Private Park, including the swing set and barbeque area, liability insurance for the common elements, etc. All utilities for each Unit are separately metered; however, utilities for the common elements such as water and electricity for the private park are common expenses of the project.

RESERVES. Developer discloses that a "reserve study" was done or will be done in accordance with Section 514B-148, Hawaii Revised Statutes, and replacement reserve rules, subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

DISCLOSURE REGARDING "AS IS" SALE. The five (5) Units will be conveyed in their present "as is" condition. Potential buyers are strongly urged to have a professional home inspection to ascertain the exact condition of the property.

HAZARDOUS MATERIALS. The Developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The Developer has made no independent investigation as to asbestos or other hazardous substances in the Units or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated bipheyls, 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. There may be asbestos and other hazardous substances in the Units or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the Unit inspected to determine the extent (if any) of such contamination and any necessary remedial action. The Developer will not correct any defects in the Units or in the Project or anything installed or contained therein and Buyer expressly releases the Developer from any liability to Buyer if any hazardous materials are discovered.

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 require 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 know lead-based paint hazards is recommended prior to purchase.

WARNING TO PURCHASERS REGARDING PREREQUISITES TO FILING A LAWSUIT FOR CONSTRUCTION DEFECTS UNDER HAWAII REVISED STATUTES CHAPTER 672 E. Chapter 672E of the Hawaii Revised Statutes contains important requirements you must follow before you may file a lawsuit or other action for defective construction against the Contractor who designed, repaired or constructed your home or facility. Ninety days before you file your lawsuit or other action, you must serve on the Contractor a written notice of any construction conditions you allege are defective. Under the law, a Contractor has the opportunity to make an offer to repair and/or pay for the defects. You are not obligated to accept any offer made by the Contractor. These are strict deadlines and procedures under the law, and failure to follow them may negatively affect your ability to file a lawsuit or other action.

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

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

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

H.K. Development, LLC.

Printed Name of Developer

By: 
Duly Authorized Signatory*

April 23, 2007
Date

ANGIE CHANG KIM

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT A

DISCLOSURES AND ESTIMATE OF MAINTENANCE FEES

1. Project: MAHINUI ESTATES
45-536, 45-536A, 45-536B, 45-536C and 45-536D
Mahinui Road
Kaneohe, Hawaii 96744

2. Developer: H.K. Development, LLC.

- 2a. Developer's Address 3033 Polohilani Place
Honolulu, Hawaii 96817

3. Managing Agent: Equity Properties, Inc.
99-860 Iwaena Street, Suite 204
Aiea, HI 96701

4. Real Estate Broker: PMREI, LLC
49 South Hotel Street, Suite 208
Honolulu, HI 96813

Phone: (808) 277-2020

Email Address: anthonyacerealty@yahoo.com

5. Maintenance Fees: The maintenance and repair of each condominium Unit and its appurtenant limited common element land area, including all utility charges and issuance premiums, is the sole responsibility of each unit owner. All costs of every kind pertaining to each Unit and its respective limited common elements, including but not limited to the cost of landscaping, maintenance, repair and/or replacement of each unit and its respective limited common elements shall be borne entirely by the respective unit owners. All utilities are separately metered. Each condominium unit owner will be responsible and liable for paying his/her proportionate share of monthly maintenance fees to the Managing Agent for the maintenance, repair, and/or replacement of the common elements of the project, such as the private park and the common element driveway that provides ingress and egress to and from the project. Exhibit 1 attached hereto contains a schedule of estimated initial maintenance fees and maintenance fee disbursements.

6. Warranties: The Developer makes no warranties with respect to any building, fixtures or site conditions of any unit, or the common elements. No warranties are given as to appliances. Developer is disclaiming any warranties, either express or implied, including any implied warranty of habitability, with respect to the Project, the units or their contents, and Developer will not be liable to Buyer or any other unit owners for any construction or other defects, including any latent or hidden defects in the Project, the units or anything contained therein. This means that neither Buyer nor any other unit owner will have the right to file any lawsuit for damages against Developer for any defects discovered by them.

The Developer will assign all transferable manufacturer's and dealer's warranties covering all appliances installed in the units by Developer to the first owner of each unit. No Owner will have recourse against the Developer under any of said warranties.

7. Number of Units; Permitted Use. The Project contains five (5) Units. The Units are designated as 45-536, 45-536A, 45-536B, 45-536C and 45-536D Mahinui Road. All of the units are intended solely for residential use as private single family dwellings. There is no commercial development in the Project.

Each unit shall be occupied and used only as single family dwellings by the respective owner thereof, their tenants, families, domestic servants and social guests. No residential Unit shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The Units shall not be rented by the Unit owners thereof for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty (30) days; or (ii) any rental in which the occupants of the residential Unit are provided customary hotel services, such as room service for food and beverage, maid service, furnishing of laundry and linen, and bellboy service. Neither the Units nor any interest therein shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess a residential Unit or Units in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. Other than the foregoing restrictions, the owners of the respective Units shall have the absolute right to lease the same, provided that such lease covers an entire residential Unit, is in writing and is made subject to the covenants and restrictions contained in the Declaration and By-Laws for the Project, as amended.

8. No Expansion of Units Permitted. Pursuant to the Declaration of Condominium Property Regime, the building footprints for each of the units shall not be expanded beyond what is currently shown on the condominium map. No alterations, additions or improvements (i.e. expanding the living area of the unit) shall be made to any Unit if the effect thereof would be to increase the building footprint of the Unit.

Exhibit 1

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees

<u>Units</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
45-536	\$121.20 x 12 = \$1,454.40
45-536A	\$121.20 x 12 = \$1,454.40
45-536B	\$121.20 x 12 = \$1,454.40
45-536C	\$121.20 x 12 = \$1,454.40
45-536D	\$121.20 x 12 = \$1,454.40
	<hr/>
Total	\$7,236.00

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:

Monthly Fee x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

- common elements only
- common elements and apartments

\$150.00 x 12 = \$1,800.00

Elevator

Gas

- common elements only
- common elements and apartments

Refuse Collection

Telephone

Water

\$10.00 x 12 = \$120.00

Maintenance, Repairs and Supplies

\$75.00 x 12 = \$900.00

Building

Grounds

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

\$225.00 x 12 = \$2,700.00

Insurance (liability)

\$42.00 x 12 = \$504.00

Reserves (*)

\$91.00 x \$1,092.00

Taxes and Government Assessments

Audit Fees

Other (Non budgeted)

\$10.00 x 12 = \$120.00

TOTAL:

\$7,236.00

I, Enk W Wong, as agent for/and/or employed by _____,
the condominium managing agent/developer for the Mahiani Estates 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.

Enk W Wong
Signature

April 30, 2007
Date

EXHIBIT B

DEVELOPER'S RESERVED RIGHTS TO CHANGE CONDOMINIUM DOCUMENTS

Following is a brief summary of certain provisions in the Declaration, By-Laws and the Sales Contract, as indicated, wherein the Developer has reserved the right to change the condominium documents, including the Declaration, By-Laws and the Condominium Map:

I. DECLARATION

In paragraph S of the Declaration, the Developer reserves the right, at any time prior to the conveyance of a Unit to a buyer, to amend the Declaration and the By-Laws in any manner as the Developer may deem fit.

In paragraph U of the Declaration, the Developer reserves the right for itself and its agents, until such time as all the Units in the Project are sold, without the consent, joinder or approval of the Association or any Unit purchaser, to:

A. Grant utility and access easements and quitclaim any easements in favor of the Project which are not required for the Project. Unit owners agree, upon request, to join in and execute any and all documents designating, granting and quitclaiming any such easements.

B. Amend the Declaration, the Condominium Map and By-Laws consistent with any grants or reservations of the Developer under the Declaration.

C. Conduct sales of Units at the Project, including, but not limited to, maintaining model Units, operating a sales office, conducting advertising, placing signs, using parking spaces and erecting lighting in connection with such sales.

D. Amend the Declaration, the By-Laws and the Condominium Map, as may be required by law, by the Real Estate Commission of the State of Hawaii, by any title insurance company issuing a title insurance policy on the Project or any of the Units, by any institutional lender lending funds on the security of the Project or any of the Units, by any purchaser, insurer or guarantor of loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to purchase, insure or guarantee a loan made on the security of the Project or any of the Units, or by any governmental agency.

E. Reconfigure the Project or any Unit with respect to which a deed has not been recorded.

F. To modify all documents related to the Project including the Declaration, the By-Laws and the Condominium Map, to alter the Project and the Units (and to modify said documents accordingly). Without limiting the generality of the foregoing, Developer reserves the right to change the configurations of, or to alter the number of rooms of or to decrease or increase the size of, or to change the location of any Unit in accordance with complete plans

and specifications therefore prepared by a licensed architect or engineer, and to make other changes in the Units and in the common elements, and to increase or decrease the purchase price of the Unit or any other Unit in the Project.

G. Demolish and reconstruct or rebuild any Unit in the Project, provided that such demolition, rebuilding and/or reconstruction is done in compliance with all applicable codes, laws, rules, regulations and ordinances of any applicable governmental authority.

II. BY-LAWS

In Article II, Section 2 of the By-Laws, the Developer reserves the right to exercise the powers, vote and act for the Association and the Board on all matters until the first Unit in the Project is conveyed to a buyer (except as to those rights reserved to the Developer in paragraph U of the Declaration, which rights are reserved until all of the activities described therein have been completed).

III. SALES CONTRACT

The Developer, as Seller, reserves the right to modify all documents related to the Project, including the Declaration, By-Laws, Condominium Map, Condominium Deed, Disclosure Abstract and any exhibits to such documents.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF THE PROVISIONS CONTAINED IN THE DECLARATION, THE BY-LAWS AND THE SALES CONTRACT RESPECTING THE DEVELOPER'S RESERVED RIGHTS. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS RELATING TO THE DEVELOPER'S RESERVED RIGHTS CONTAINED IN THE AFORESAID DOCUMENTS.

EXHIBIT C

SPECIAL USE RESTRICTIONS

The following provisions in the Declaration and By-Laws, as indicated, contain restrictions on the use of the Units and the common elements of the Project:

I. DECLARATION

Pursuant to paragraph J of the Declaration, each Unit, shall be occupied and used only as private single family dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests. No Unit shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The Units shall not be rented by the owners thereof for transient or hotel purposes, as defined in the Declaration. No Unit nor any interest therein shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. Other than the foregoing restrictions, the Unit owners shall have the absolute right to lease the same, provided that such lease covers an entire Unit, is in writing and is made subject to the covenants and restrictions contained in the Declaration and in the By-Laws. Notwithstanding the foregoing, each Unit shall be occupied and used only for purposes permitted by the Land Use Ordinance for the City and County of Honolulu ("LUO") then in effect.

II. BY-LAWS

Article VIII, Section 5 of the By-Laws lists a variety of restrictions affecting the use of the Units and common elements, including, without limitation, restrictions as to the posting of advertisements, posters or other signs on or about the Project; noise; disposal of garbage; uses which may cause an increase in the ordinary premium rates or cancellation or invalidation of any insurance maintained by or for the Board; noxious or offensive activities; the storage of furniture, packages or other objects which could obstruct transit through the common elements; the construction or placement in the Project of any building or structure; the alteration of any common elements of the Project; installation or maintenance of any television or other antennas in the Project; and the keeping of pets.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF CERTAIN USE PROVISIONS STATED IN THE DECLARATION AND BY-LAWS. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE USE RELATED PROVISIONS CONTAINED IN THE AFORESAID DOCUMENTS.

EXHIBIT D

PERMITTED ALTERATIONS TO APARTMENTS

The Declaration and By-Laws permit alterations to the apartments as follows:

I. DECLARATION

Paragraph Q of the Declaration provides that a Unit owner with the consent by the holder of any mortgage affecting the owner's Unit (if required by such mortgage), shall have the right at his sole option at any time and from time to time without the consent of any other person, to improve, renovate, remodel, make additions to, enlarge, remove, replace or restore the improvements upon the limited common element land area appurtenant to his Unit (collectively, the foregoing are referred to "changes") subject to the following conditions:

1. All changes shall conform with (i) applicable setback requirements, building codes and zoning ordinances; provided however, notwithstanding any other provision in the Declaration to the contrary, the building footprints for the units shall not be expanded beyond what is currently shown on the Condominium Map. No exterior alterations or modifications to any unit are permitted if the effect thereof would be to increase the building footprint or expand the size of the unit.

2. All changes to a Unit shall be made within the limited common element land area to which the Unit is appurtenant.

3. No change to a Unit shall be made if the effect of such change would be to exceed the Unit's proportionate share of the Lot area coverage for the Land on which the project is located, pursuant to the then applicable zoning and building codes.

The "proportionate share" for each Unit shall be the same as its percentage interest in the common elements, as specified in the Declaration.

4. All such changes shall be at the expense of the owner making the change, shall be expeditiously made and completed in a manner that will not unreasonably interfere with or cause damage to the other owners' use of their units or land area.

5. During the entire course of such construction, the owner making such change will cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association shall be named as an additional insured.

6. Promptly upon completion of such changes, the owner shall duly record or file of record an amendment to the Declaration, together with a complete set of floor plans of the Unit as so altered, certified as built by a registered architect or

professional engineer; provided, however, that notwithstanding any provision in this Declaration to the contrary, any alterations or additions within a Unit may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the Unit so altered. All present and future Unit owners and their mortgagees, by accepting an interest in a Unit in the Project, shall be deemed to have given each Unit owner a power of attorney to execute such an amendment to this Declaration, so that each Unit owner shall have a power of attorney from all other Unit owners to execute such an amendment. This power of attorney shall be deemed coupled with each owner's interest in such owner's Unit and shall be irrevocable.

Developer does not give any assurances that the units can be expanded and Developer does not give any assurances that variances are obtainable from the City and County of Honolulu for any proposed improvements.

II. BY-LAWS

Article VIII, Section 4 of the By-Laws prohibits any owner from doing any work which could jeopardize the soundness or safety of the Project, reduce the value thereof, or impair any easement or hereditament, nor may any owner add any material structure or excavate any additional basement or cellar, without in every such case first obtaining the consent of sixty-seven percent (67%) of the unit owners, together with the consent of all owners whose units or limited common elements appurtenant thereto are directly affected.

THIS EXHIBIT CONTAINS EXCERPTS OF THE PROVISIONS CONTAINED IN THE DECLARATION AND THE BY-LAWS RESPECTING PERMITTED ALTERATIONS TO THE APARTMENTS. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS RELATING TO PERMITTED ALTERATIONS CONTAINED IN THE AFORESAID DOCUMENTS.

Exhibit "E"

PARKING

The project presently contains ten (10) designated parking stalls. Each of the five Units has a two-car garage which can accommodate two (2) regular sized cars. There are no guest parking stalls in the project.

EXHIBIT F
DESCRIPTION OF COMMON
ELEMENTS AND LIMITED COMMON ELEMENTS

I. COMMON ELEMENTS

Paragraph E of the Declaration describes the common elements as all portions of the land and improvements (other than the Units), the land on which the Units is located and all common elements mentioned in the Act which are actually constructed on the land described herein. Said common elements include, but are not limited to the following:

1. The fee simple land described in Exhibit "A" of the Declaration;
2. All central and appurtenant installations for services such as power, lights, telephone, hot and cold water lines, cable television lines, sewage disposal and other utilities which now or hereafter serve more than one Unit (including all pipes, ducts, wires, cables, conduits or other utility or service lines used in connection therewith, whether located in common areas or in Units), and all drainage ditches or appurtenant drainage structures and retaining walls (if any), which are located outside the Units or which are utilized for or serve more than one Unit.
3. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, and normally in common use and which are not part of any unit.
4. All roadways, including the approximately 8,003.24 square feet common element driveway for ingress and egress to the Project, curbs, if any, and street lights, if any, unless said street lights are located within the limited common element land area of a particular unit.

5. The private park containing an area of approximately 2,585.46 square feet as shown and designated on the Condominium Map, together with all improvements within the private park, such as swing sets and barbeque pits.

II. LIMITED COMMON ELEMENTS

Paragraph F of the Declaration describes the limited common elements as certain parts of the common elements which are set aside and reserved for the exclusive use of certain Units, which Units shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside for each Unit are as follows:

1. One (1) mailbox located on the project grounds, bearing the same number as the number of the Unit.

2. The land area on which each Unit is located, as shown and delineated on the Condominium Map, shall be a limited common element for the exclusive use of the Unit to which it is appurtenant; provided that each Unit owner shall be responsible for and shall bear the expense of installing and maintaining all landscaping within such limited common element land area, and of repairing, restoring or reinstating any walkways, stairways, fences, walls, pavement, water lines, holding tanks (if any) and other improvements located within such designated limited common element land area; provided, further, that in the event of any sewer stoppage which affects any individual Unit, the owner of such Unit shall be responsible for and shall bear the expense of cleaning any sewer line which connects to any main sewer line running beneath the Project. The limited common element land area appurtenant to each Unit is indicated on the Condominium Map and contains the following approximate number of square feet:

Unit 45-536	6,148.88 square feet
Unit 45-536A	6,422.25 square feet
Unit 45-536B	6,089.83 square feet
Unit 45-536C	6,000.56 square feet
Unit 45-536D	5,919.38 square feet

Within the limited common element land area appurtenant to units 45-536, 45-536B, 45-536C and 45-536D, is a sewer holding tank facility ("HTF") which serves each unit. The HTF shall be deemed to be a limited common element appurtenant to the unit that it serves. It is the responsibility of the unit owner and occupant of each unit to properly operate and maintain, at such unit owner's or occupant's sole cost and expense, the HTF appurtenant to his/her unit, including the actuator valve for such unit's holding tank facility. Each unit owner and occupant of units 45-536, 45-536B, 45-536C and 45-536D shall at all times comply with and abide by all covenants, conditions, obligations and/or restrictions set forth in that certain Declaration For Holding Tank Facility dated April 13, 2004 recorded in the Bureau of Conveyances as Document No. 2004-073832, including without limitations, paying for the services of a licensed consulting engineer to operate and maintain the HTF and submitting daily charts to the DPP at the end of each calendar year quarter. The Developer will not be liable to any owner, occupant or other person for any loss or injury in connection with the manhole cover or manhole. This means that no one will have the right to file any lawsuit against the Developer for any matter in connection with said items.

Paragraph F of the Declaration also provides that, notwithstanding any provision in the Declaration or in the By-Laws to the contrary all costs of every kind pertaining to each limited common element, including but not limited to, costs of landscaping,

maintenance, repair, replacements, additions and improvements, shall be charged to and borne entirely by the owner(s) of the unit(s) to which said limited common element is appurtenant. Expenses which are attributable to more than one (1) mailbox or land area shall be allocated among the affected mailboxes or land areas on a per mailbox or land area basis. Any expense, which cannot be separately identified or attributed to a limited common element, shall be charged as a common expense.

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

1. For real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. The terms, provisions, covenants, easements and reservations as contained in the following:

DECLARATION FOR HOLDING TANK FACILITY

Dated: April 12, 2004
Document No. 2004-073832

but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons

4. The terms, provisions, covenants, easements and reservations as contained in the following:

DECLARATION OF RESTRICTIVE COVENANTS (PRIVATE PARK)

Dated: April 12, 2004
Document No. 2004-073833

but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons

5. MORTGAGE

Loan No. 05-0338
Mortgagor: H. K. DEVELOPMENT, LLC, a Hawaii limited liability company
Mortgagee: SFG INCOME FUND VI, LLC, a Washington limited liability company

Dated: November 23, 2005

Document No. 2005-244485
Principal Sum: \$2,950,000.00
The present amount due should be determined by contacting the owner of the debt.

6. MORTGAGE

Loan No. "Not Available"
Mortgagor: H. K. DEVELOPMENT, LLC, a Hawaii limited liability company
Mortgagee: STANLEY KING WONG and BEATRICE LEONG WONG
Dated: January 06, 2003
Document No. 2004-026025
Principal Sum: \$300,000.00
The present amount due should be determined by contacting the owner of the debt.

SUBORDINATION AGREEMENT

Dated: November 28, 2005
Document No. 2005-244486
Re: The foregoing mortgage was subordinated to that certain mortgage shown as Exception No. 5.

7. FINANCING STATEMENT

Debtor: H. K. DEVELOPMENT, LLC
Secured Party: SFG INCOME FUND VI, LLC
Recorded: November 30, 2005
Document No. 2005-244487

8. GRANT

In Favor Of: HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation, and HAWAIIAN TELCOM, INC., a Hawaii corporation
Dated: October 27, 2006
Document No. 2006-200484
Purpose: granting an easement for utility and incidental purposes.

9. Condominium Map No.4435, filed in the Bureau of Conveyances of the State of Hawaii.

10. The covenants, agreements, obligations, conditions and other provisions set forth in the Declaration of Condominium Property Regime of MAHINUI ESTATES CONDOMINIM dated January 30, 2007, recorded in the Bureau of Conveyances of the State of Hawaii as Regular System Document No. 2007-072237.

11. The By Laws of the Association of Condominium Unit Owners of MAHINUI ESTATES dated January 30, 2007, recorded in the Bureau of Conveyances as Regular System No. 2007-072238.

EXHIBIT H

CONSTRUCTION WARRANTIES

The Sales Contract used in connection with the Project provides as follows:

Buyer understands and agrees that Seller is disclaiming any warranties, either express or implied, including any implied warranty of habitability, with respect to the Project, the units or their contents, and that Seller will not be liable to Buyer or any other unit owners for any construction or other defects, including any latent or hidden defects in the Project, the units or anything contained therein. This means that neither Buyer nor any other unit owner will have the right to file any lawsuit for damages against Seller for any defects discovered by them.

Pursuant to the construction contract between the Developer and the Project's general contractor, the general contractor agreed to provide a one year warranty, commencing on the "Date of Substantial Completion" (as defined in the construction contract) that (a) the materials and equipment furnished for construction of the Project will be 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. The Developer will assign said warranty, together with all transferable manufacturer's and dealer's warranties covering all appliances installed in the units by Developer, to the first owner of each unit.

Exhibit "I"

Summary of Sales Contract

1. With respect to the sale of a condominium unit the Developer will use the Hawaii Association of Realtors form of Deposit Receipt, Offer and Acceptance ("DROA") as the sales contract for the Project.

2. Until Purchaser has received a copy of the Developer's Public Report and has waived or is deemed to have waived his or her rights of cancellation, the Sales Contract shall constitute a mere reservation and may be canceled at any time by either Developer or Purchaser.

3. Purchaser has the right to rescind the Sales Contract if there are any material changes to the Project (other than any additions, deletions and modifications permitted by and made pursuant to Developers' reserved rights set forth in the Declaration of Condominium Property Regime) which directly, substantially and adversely affects the use or value of the unit or limited common elements appurtenant to the unit or those amenities of the project available for such Purchaser's use. Under certain circumstances as set forth in Chapter 514B, Hawaii Revised Statutes, the right of rescission may be waived by Purchaser.

4. The sales contract contains the price, description and location of the apartment and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the sales contract provides:

a. A section for financing to be filled in and agreed to by the parties which will set forth how the buyer will pay the purchase price.

b. That Buyer's deposits will be held in escrow until the sales contract is closed or cancelled. In the event Buyer fails to perform Buyer's obligations under this DROA (Seller not being in default), Seller may (a) bring an action for damages for breach of contract (b) retain the initial deposit and all additional deposits provided for herein as liquidated damages, and (c) Buyer shall be responsible for any costs incurred with this DROA.

c. That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

d. What will happen if there is a default under the sales contract by Seller or Buyer. If Buyer defaults, Seller may cancel the contract or bring legal action to force sale, obtain money damages or retain Buyer's deposit. If Seller defaults, Buyer can bring an action to force the sale.

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

e. Buyers are also made aware of the following:

“CHAPTER 672E OF THE HAWAII REVISED STATUTES CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT OR OTHER ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE CONTRACTOR WHO DESIGNED, REPAIRED OR CONSTRUCTED YOUR HOME OR FACILITY. NINETY DAYS BEFORE YOU FILE YOUR LAWSUIT OR OTHER ACTION, YOU MUST SERVE ON THE CONTRACTOR A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE. UNDER THE LAW, A CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR AND/OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY A CONTRACTOR. THESE ARE STRICT DEADLINES AND PROCEDURES UNDER THE LAW, AND FAILURE TO FOLLOW THEM MAY NEGATIVELY AFFECT YOUR ABILITY TO FILE A LAWSUIT OR OTHER ACTION.”

THIS IS ONLY A SUMMARY OF SELECTED PORTIONS OF THE SALES CONTRACT. IT IS INCUMBENT ON ALL PROSPECTIVE PURCHASERS TO CAREFULLY READ THE ENTIRE SALES CONTRACT AND TO REVIEW ALL PROVISIONS PRIOR TO SIGNING A SALES CONTRACT.

Exhibit J

1. All funds paid to Escrow (First Hawaii Title Corporation) shall be deposited into interest-bearing accounts. All interest earned on such deposits belongs to Owner (H.K. Development, LLC) unless otherwise specified in the sales contract.

2. Purchaser shall be entitled to a refund of his/her funds and Escrow shall pay said funds to Purchaser, without interest and less Escrow's cancellation fee, if Purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

- (a) Escrow receives a written request from Owner to return to Purchaser the funds of such Purchaser then held hereunder by Escrow prior to Purchaser's receipt of the Developer's Public Report; or
- (b) If the Purchaser's funds were obtained prior to the issuance of a Developer's Public Report and Purchaser decides to cancel the reservation prior to receipt of the Developer's Public Report.

Upon refund of said funds to Purchaser as aforesaid, Escrow shall return to Owner such Purchaser's sales contract and any conveyance document therefore delivered to Escrow, and thereupon neither the Purchaser nor Owner shall be deemed obligated thereunder.

3. If any time Owner shall certify in writing to Escrow that a Purchaser, whose funds are being held under by Escrow, has defaulted under the terms of his sales contract and that Owner has terminated said sales contract pursuant to the terms thereof, Escrow shall notify said Purchaser by registered mail of such default and shall thereafter treat all funds of such Purchaser paid under such contract, less Escrow's \$175.00 cancellation fee (in the event a cancellation takes place after purchaser receives a loan commitment to a finance his/her purchase, the cancellation fee shall be \$250.00), as escrow funds of Owner and not Purchaser.

4. If any dispute or difference arises between Owner and Purchaser, or if any conflicting demand shall be made upon Escrow, Escrow shall not be required to determine the same or take any action thereon; but may await settlement of the controversy by final appropriate legal proceedings or otherwise as it may require, or file a suit in interpleaded in any court having jurisdiction in the matter, for the purpose of having the respective rights of the parties adjudicated, and may deposit with the Court any and all monies held.

5. No disbursements of Purchasers' funds shall be made from escrow fund until Escrow is notified by Owner that the Real Estate Commission has issued a Developer's Public Report on the Project and that each Purchaser has been given a copy of said Developer's Public Report on the Project and receipted for the same; and Owner shall further have furnished to Escrow a written opinion that the requirements of Sections 514B-86 and 514B-87, Hawaii Revised Statutes, as amended, have been met; provided, further, that in the event Owner uses a performance bond issued by a non-surety company, Escrow will not release purchaser's funds to the Owner prior to the closing date unit: (a) construction of the purchaser's unit and all

improvement, in the condominium project is completed and (b) the applicable mechanic and materialmen's 45-day lien period has lapse.

THIS IS ONLY A SUMMARY OF SELECTED PORTIONS OF THE ESCROW AGREEMENT. BUYERS ARE URGED TO CAREFULLY REVIEW ALL PROVISIONS OF THE ESCROW AGREEMENT PRIOR TO SIGNING A SALES CONTRACT.

Exhibit K

SUMMARY OF DECLARATION FOR HOLDING TANK FACILITY

Condominium units 45-536, 45-536B, 45-536C and 45-536D are also subject to a Declaration For Holding Tank Facility. Some of the pertinent provisions of the Declaration For Holding Tank Facility, including Purchaser's obligations thereunder, are summarized as follows:

DECLARATION FOR HOLDING TANK FACILITY

Located within the limited common element land area appurtenant to units 45-536, 45-536B, 45-536C and 45-536D is a sewer holding tank facility ("HTF"), which serves each unit. The sewer holding tank facility shall be deemed to be a limited common element appurtenant to the unit that it serves. It is the responsibility of the unit owner and occupant of each unit to properly operate and maintain, at such unit owner's or occupant's sole cost and expense, the sewer holding tank facility appurtenant to his/her unit, including the actuator valve for such units holding tank facility. Each unit owner and occupant of units 45-536, 45-536B, 45-536C and 45-536D shall at all times comply with and abide by all covenants, conditions, obligations and/or restrictions set forth in that certain Declaration For Holding Tank Facility dated April 12, 2004, recorded in the Bureau of Conveyances as Document No. 2003-073832, including without limitations, paying for the services of a licensed consulting engineer to operate and maintain the HTF and submitting daily charts to the Department of Permitting and Planning at the end of each calendar year quarter. Failure to comply with the Declaration may result in severance of the connection of the City sewer system or other appropriate action. The Developer will not be liable to any owner, occupant or other person for any loss or injury in connection with the sewer holding tank facility, manhole cover or manhole. This means that no one will have the right to file any lawsuit against the Developer for any matter in connection with said items. Prospective purchasers of units 45-536, 45-536B, 45-536C and 45-536D are strongly urged to obtain a copy of said Declaration For Holding Tank Facility and to carefully review the obligations of the unit owner with respect to the maintenance and operation of the HTF and the cost and expense thereof. Any purchaser of units 45-536, 45-536B, 45-536C and 45-536D must comply with the obligations imposed by the Declaration For Holding Tank Facility, including without limitations, the obligation to operate and maintain the holding tank facility at such purchaser's sole cost and expense, the obligation to retain a licensed consulting engineer at such purchaser's sole cost and expense, and the obligation to chart daily the release of wastes into the City and sewer system and submit daily charts to the Department of Permitting and Planning each calendar year.

EXHIBIT "L"

SUMMARY OF CLUSTER HOUSING PERMIT APPROVAL

1. The Director of Planning and Permitting ("DPP") of the City and County of Honolulu approved the Project as a Cluster Housing Development on July 11, 2003, subject to a number of conditions contained in the "Director's Findings, Conclusions and Decision and Order" issued by the DPP. The Cluster Housing Permit Approval (Cluster Housing Permit Application No. 2003/CL-1) is available for inspection by all prospective purchasers of a Unit in the Mahinui Estates condominium project. All prospective purchasers are strongly urged to review that Cluster Housing Permit Approval with their own realtor(s) and attorney because all Unit purchasers and the Association of Condominium Unit Owners of Mahinui Estates ("Association") must comply with and abide by the numerous terms, conditions and/or requirements contained in said Cluster Housing Permit Approval.

2. In connection with the DPP approval of the Cluster Housing Permit, the Association and/or individual Unit owners must comply with the following:

a. After completion of the Project, the DPP must consent to any future additions or alterations to the common elements of the Project, any future additions or alterations to individual Units in the Project, and all project fences and walls. Unit owners do not have the right to expand their dwelling Units by adding any additions, renovations or alterations.

b. All landscaping in the project shall be retained and maintained in a healthy visual condition at all times or the DPP may require replacement landscaping.

c. All expansions, alterations and reconstruction in the Project, if approved by the DPP, shall be compatible in design with the existing and surrounding structures.

d. All private common elements including roadways, utilities, landscaping and drainage patterns shall be maintained by the Association and/or individual Unit owners. No parking is allowed on the common element driveway.

THE FOREGOING REPRESENTS A SUMMARY OF SOME OF THE PERTINENT PROVISIONS OF THE CLUSTER HOUSING PERMIT APPROVAL. PROSPECTIVE BUYERS ARE URGED TO EXAMINE THE DOCUMENT THEMSELVES, COPIES OF WHICH ARE ON FILE WITH THE DEVELOPER.