

KA'IULANI OF PRINCEVILLE

DISCLOSURE ABSTRACT

**Issued by QEB II LLC
and filed with the
Real Estate Branch of the
Department of Commerce & Consumer Affairs,
State of Hawaii**

October 3, 2016

Project Name: KA'IULANI OF PRINCEVILLE

Project Address: 4100 Queen Emma Drive
Princeville, Hawaii 96722

Developer: QEB III LLC
P.O. Box 223382
Princeville, Hawaii 96722
Telephone: 808 826-1704

Condominium Managing Agent: HAWAIIANA MANAGEMENT COMPANY, LTD.
711 Kapiolani Boulevard, 7th Floor
Honolulu, Hawaii 96813
Telephone: 808 593-9100

Project Budget: See Attachment 1 attached hereto

Maintenance Fees: See Attachment 1 attached hereto

Warranties: See Attachment 2 attached hereto

Commercial Apartments: None

**Disclosure Regarding Commencement Of
Apartment Owners' Obligation to Pay Maintenance Fees**

The Developer elected to pay all of the actual common expenses incurred by the Association of Apartment Owners of Ka'iulani of Princeville through November 30, 2007 so that owners of apartments in the Project were not be obligated to pay their respective shares of the common expenses of the Project through that date. In accordance with Section 514A-15(b) of the Hawaii Revised Statutes, **the Developer hereby discloses and provides notice that as of December 1, 2007, the owners of apartments in the Project became obligated to pay their respective shares of common expenses of the Project.** Accordingly, as of December 1, 2007, Hawaiiiana Management Company, Ltd. commenced the assessment of common expenses and collection of maintenance fees from all owners of apartments in the Project.

Disclosure Regarding Completion of Construction of the Project

Construction of the Project was substantially completed on or around June 14, 2008.

**Disclosure Regarding Exercise of Reserved Rights
Under the Declaration of Condominium Property Regime
to Adjust Certain Boundaries Between
the Project Land
and
the Land Owned by Princeville Prince Golf Course LLC**

In 2014, the Developer, utilizing its reserved rights under the Declaration of Condominium Property Regime (the "Declaration"), adjusted certain portions of the boundaries between the Project land and the land owned by PGC Princeville Prince Golf Course LLC ("PGC"), by consolidating and resubdividing the Project land and the land owned by PGC (the "PGC Land"), and conveying to PGC all of the Developer's right, title and interest in and to the reconfigured PGC Land in exchange for PGC's conveyance to the Developer of all of PGC's right, title and interest in and to the reconfigured Project land. In connection with this reconfiguration of the Project land and the PGC Land, and as permitted under the Declaration, the Developer recorded that certain Amendment to Declaration of Condominium Property Regime of Ka'iulani of Princeville in the Bureau of Conveyances of the State of Hawaii (Document No. A-52740249) to substitute the legal description of the reconfigured Project land as the legal description of the Project land.

ATTACHMENT 1

Hawaiiana Management Company, Ltd

2016 Monthly Cash Operating Budget For

Kaiulani of Princeville

Approved by Board of Directors on November 5, 2015

Page 2

DESCRIPTION REVENUE	JAN 2016	FEB 2016	MAR 2016	APR 2016	MAY 2016	JUNE 2016	JULY 2016	AUG 2016	SEPT 2016	OCT 2016	NOV 2016	DEC 2016	ANNUAL TOTAL
MAINTENANCE FEES	79,620	79,620	79,620	79,620	79,620	79,620	79,620	79,620	79,620	79,620	79,620	79,620	955,444
INVESTMENT INTEREST	417	417	417	417	417	417	417	417	417	417	417	417	5,000
CHECKING INTEREST	5	5	5	5	5	5	5	5	5	5	5	5	60
TOTAL REVENUE	80,042	80,042	80,042	80,042	80,042	80,042	80,042	80,042	80,042	80,042	80,042	80,042	960,504

UTILITIES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
ELECTRICITY	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	49,000
WATER	958	958	958	958	958	958	958	958	958	958	958	958	11,500
SEWER	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	12,200
GAS	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
TELEPHONE	283	283	283	283	283	283	283	283	283	283	283	283	3,400
TOTAL UTILITIES	10,092	10,092	10,092	10,092	10,092	10,092	10,092	10,092	10,092	10,092	10,092	10,092	121,100

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
GROUNDS	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	2,667	5,667	2,667	35,000
BUILDINGS	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,600
GROUNDS - TREE TRIMMING					9,750						9,750		19,500
POOL/SPA/CHEMS/EQUIP	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	27,000
PEST CONTROL	1,225			1,225			1,225			1,225			4,900
FIRE SYSTEMS											1,200		1,200
SUPPLIES GENERAL	42	42	42	42	42	42	42	42	42	42	42	42	500
TOTAL MAINTENANCE	7,483	6,258	6,258	7,483	16,008	6,258	7,483	6,258	6,258	7,483	20,209	6,258	103,700

Approved by Board of Directors on November 5, 2015

DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUA
PROFESSIONAL SVCS	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	TOTAL
ADMIN SUPPLIES & SVCS	783	783	783	783	783	783	783	783	783	783	783	783	9,400
AOAO ADMIN EXPS (OFFICE)	325	325	325	325	325	325	325	325	325	325	325	325	3,900
VEHICLE ALLOWANCE	67	67	67	67	67	67	67	67	67	67	67	67	800
MANAGEMENT SRVCS	2,126	2,126	2,126	2,126	2,126	2,126	2,126	2,126	2,126	2,126	2,126	2,126	25,515
AUDIT	1,667												1,667
LEGAL FEES GENERAL	625	625	625	625	625	625	625	625	625	625	625	625	7,500
LEGAL FEES KA HAKU RD	208	208	208	208	208	208	208	208	208	208	208	208	2,500
RESERVE STUDY/SOFTWARE FE	600												600
TOTAL PROF. SERVICES	6,401	4,135	4,135	4,135	4,135	4,135	4,135	4,135	4,135	4,135	4,135	4,135	51,881

PAYROLL & BENEFITS	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
P/R - GM/CONCIERGE	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	57,500
P/R - GROUNDS	14,992	14,992	14,992	14,992	14,992	14,992	14,992	14,992	14,992	14,992	14,992	14,992	179,906
WORKERS COMP				2,939	2,939	2,939	2,939						11,756
TDI	225			225			225			225			902
HEALTH CARE	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	35,880
PAYROLL TAXES	1,792	1,792	1,792	1,792	1,792	1,792	1,792	1,792	1,792	1,792	1,792	1,792	21,509
PAYROLL PREP	167	167	167	167	167	167	167	167	167	167	167	167	2,000
GM'S HOUSING EXPENSE	542	542	542	542	542	542	542	542	542	542	542	542	6,500
TOTAL P/R & BENEFITS	25,500	25,275	25,275	28,439	28,214	28,214	28,439	25,275	25,275	25,500	25,275	25,275	315,953

OTHER EXPENSES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
PROPERTY INSURANCE	21,678	21,678	21,678	21,678	21,678	21,678	21,678	21,678	21,678	21,678			216,781
LIABILITY INSURANCE	234	234	234	234	234	234	234	234	234	234			2,338
D AND O INS	203	203	203	203	203	203	203	203	203	203			2,030
FIDELITY BOND INS	26	26	26	26	26	26	26	26	26	26			263
INSURANCE-UMBRELLA	102	102	102	102	102	102	102	102	102	102			1,017
STATE GET	38	38	38	38	38	38	38	38	38	38	38	38	450
TOTAL OTHER EXP.	22,280	22,280	22,280	22,280	22,280	22,280	22,280	22,280	22,280	22,280	38	38	222,879

TOTAL OP EXPENSE	71,757	68,039	68,039	72,429	80,728	70,978	72,429	68,039	68,039	69,490	59,747	45,797	815,513
LOAN PAYMENTS													
TRANSFER TO RESERVES	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	12,083	144,992

ATTACHMENT 1

KA'IULANI OF PRINCEVILLE

APARTMENT #	2016 MONTHLY MAINTENANCE FEE
1	\$1,134.43
2	\$1,134.43
3	\$1,134.43
4	\$1,134.43
5	\$1,134.43
6	\$1,134.43
7	\$1,206.33
8	\$1,206.33
9	\$1,206.33
10	\$1,206.33
11	\$1,206.33
12	\$1,206.33
13	\$1,134.43
14	\$1,134.43
15	\$1,134.43
16	\$1,134.43
17	\$1,206.33
18	\$1,206.33
19	\$1,206.33
20	\$1,206.33
21	\$1,206.33
22	\$1,206.33
23	\$1,206.33
24	\$1,206.33
25	\$1,206.33
26	\$1,206.33
27	\$1,206.33
28	\$1,206.33
29	\$1,206.33
30	\$1,206.33
31	\$1,206.33
32	\$1,206.33
33	\$1,206.33
34	\$1,206.33
35	\$1,206.33
36	\$1,206.33
37	\$1,564.22
38	\$1,526.56
39	\$987.85

KA'IULANI OF PRINCEVILLE

APARTMENT #	2016 MONTHLY MAINTENANCE FEE
40	\$1,049.56
41	\$987.85
42	\$1,049.56
43	\$1,049.56
44	\$987.85
45	\$1,049.56
46	\$987.85
47	\$1,049.56
48	\$987.85
49	\$987.85
50	\$1,049.56
51	\$1,049.56
52	\$987.85
53	\$1,049.56
54	\$987.85
55	\$987.85
56	\$1,049.56
57	\$752.17
58	\$707.67
59	\$752.17
60	\$752.17
61	\$707.67
62	\$752.17
63	\$752.17
64	\$707.67
65	\$752.17
66	\$752.17
67	\$707.67
68	\$752.17
69	\$752.17
70	\$707.67
71	\$752.17
72	\$752.17
73	\$707.67
74	\$752.17
75	\$752.17
76	\$707.67
77	\$752.17

CERTIFICATE

Hawaiiana Management Company, Ltd. hereby certifies that the 2016 annual operating budget and the 2016 schedule of monthly maintenance fees assessable against the owner(s) of each of the apartments in the Ka'iulani of Princeville condominium project (the "Project") set forth in this Attachment 1 to the Disclosure Abstract for the Project dated October 3, 2016 were prepared in accordance with generally accepted accounting principles.

HAWAIIANA MANAGEMENT COMPANY, LTD.

By J. Michael Hartley
Name: J. MICHAEL HARTLEY
Title: PRESIDENT

Date: October 3, 2016

Subscribed and sworn to before me
this 3rd day of October, 2016.

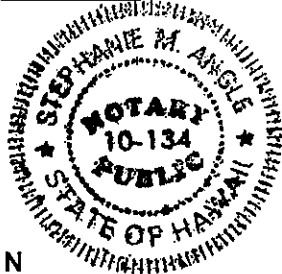
State of Hawaii
City & County of Honolulu

Date: October 3, 2016 # of Pages: 5

Doc. Description: Certificate of Managing Agent & Estimated
Annual Disbursements for: Ka'iulani of Princeville

Stephanie M. Angle 10/3/2016
Notary Public, State of Hawaii
Name: Stephanie M. Angle

No. & Expiration: 10-134
4/13/2018
First Circuit, State of Hawaii



NOTARY CERTIFICATION

ATTACHMENT 2

CONSTRUCTION WARRANTIES

1. The Developer makes no warranties itself, but the Developer agrees that upon the closing of the sale of an Apartment, the Developer shall purchase from American Home Shield or other similar provider, for the benefit of the Apartment purchaser, a one-year warranty covering the Apartment's air-conditioning units and other appliances, provided that such warranties are then available for purchase at commercially reasonable prices.
2. Except for the agreement expressly set forth in Paragraph 1 hereinabove, THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT, ANY CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED IN THE APARTMENT OR IN THE PROJECT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE APARTMENT FOR A PARTICULAR PURPOSE.