

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer FILEMON PADRE ANCHETA and LETICIA PINGET ANCHETA, and FELIX P. SORIANO and JANE R. SORIANO
Business Address 45-552 Hakuahale Street, Kaneohe, Hawaii 96744

Project Name(*): 87-1732 FARRINGTON HIGHWAY CPR
Address: 87-1732 Farrington Highway, Waianae, Hawaii 96792

Registration No. 3429 Effective date: May 2, 2007
(Conversion) Expiration date: June 2, 2008

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

 FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with _____

 X **SUPPLEMENTARY:** This report updates information contained in the:
(pink)
[] Preliminary Public Report dated: _____
[X] Final Public Report dated: December 28, 1995
[] Supplementary Public Report dated: _____

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

(*) Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

1. The Developer has designated Brooks T. Bowman (R), dba Hawaii Discount Realty, as the Real Estate Broker for the Project [See page 5 of this Public Report].
2. The Developer has designated Fidelity National Title & Escrow of Hawaii, Inc. as the Escrow company for the Project [See page 5 of this Public Report].
3. The name of the Developer's attorney has changed [See page 5 of this Public Report].
4. Exhibits "E" through "H" of the Public Report have been replaced with Exhibits "E" through "I" attached to this Public Report.
5. The Developer has obtained updated title reports for the Units of the Project. The encumbrances affecting title to or the use of the Units are set forth in Exhibit "E" attached to this Public Report.
6. The form of sales contract has been revised. A summary of the pertinent provisions of the sales contract is set forth in Exhibit "F" attached to this Public Report.
7. The form of apartment deed has been revised. The revised form of apartment deed is on file with the Real Estate Commission.

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT and not a subdivision. The land area beneath and immediately appurtenant to each apartment unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The broken lines on the Condominium Map bounding the designated number of square feet within each limited common element land area are for illustrative purposes only, and should in no way be construed to be the property lines of legally subdivided lots.

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

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

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: FILEMON PADRE ANCHETA and LETICIA PINGET ANCHETA, and FELIX P. SORIANO and JANE R. SORIANO Name* Phone: (808) 239-6927
47-552 Hakuhale Street Business Address (Business)
Kaneohe, Hawaii 96744

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

N/A

Real Estate Broker*: Brooks T. Bowman (R), dba Hawaii Discount Realty Name Phone: (808) 593-4444
201 Merchant St. Ste 2310 Business Address (Business)
Honolulu, Hawaii 96813

Escrow: Fidelity National Title & Escrow of Hawaii, Inc. Name Phone: (808) 536-0404
201 Merchant Street, Suite 2100 Business Address (Business)
Honolulu, Hawaii 96813

General Contractor*: N/A Name Phone: _____ (Business)
 _____ Business Address

Condominium Managing Agent*: Self-managed by the Association of Apartment Owners Name Phone: _____ (Business)
 _____ Business Address

Attorney for Developer: Anders G. O. Nervell, Esq. Name Phone: (808) 535-8400
Clay Chapman Crompton Iwamura & Pulice Business Address (Business)
700 Bishop Street, Suite 2100
Honolulu, Hawaii 96813

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

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

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 93-210694
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

Amendment and Restatement of Declaration Submitting Property to the Condominium Property Regime dated May 18, 1995, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 95-103430.

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 1975
 Filed - Land Court Condo Map No. _____

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

Amendment and Restatement of Declaration Submitting Property to the Condominium Property Regime dated May 18, 1995, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 95-103430.

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. 93-210695
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</u>

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

2. Developer:

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

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

SEE EXHIBIT "A"

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Sub-leaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is: Canceled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 84-850 Farrington Highway Tax Map Key (TMK): (1) 8-7-33-23
Waianae, Hawaii 96792

Address TMK is expected to change because _____

Land Area: 34,010 square feet acre(s) Zoning: R-5

Fee Owner: FILEMON PADRE ANCHETA and LETICIA PINGET ANCHETA,
 FELIX P. SORIANO and JANE R. SORIANO, and
SHERWIN PINGET ANCHETA and JEANIE CALUMPIT ANCHETA

Lessor: N/A
 Name _____
 Business Address _____

C. Buildings and Other Improvements:

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

2. Number of Buildings: 3 Floors Per Building: 1

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Uses Permitted by Zoning

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>5</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> 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	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

Yes No

5. Special Use Restrictions:

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

- Pets: Permitted, however, excessive noise or running at large in common areas prohibited.
- Number of Occupants: _____
- Other: _____
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: none Stairways: none Trash Chutes: none

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>Unit 1</u>	<u>1</u>	<u>3/1½</u>	<u>960</u>	_____	_____
<u>Unit 2</u>	<u>1</u>	<u>3/1½</u>	<u>864</u>	_____	_____
<u>Unit 3</u>	<u>1</u>	<u>3/1½</u>	<u>864</u>	_____	_____
<u>Unit 4</u>	<u>1</u>	<u>3/1½</u>	<u>864</u>	_____	_____
<u>Unit 5</u>	<u>1</u>	<u>3/1½</u>	<u>864</u>	_____	_____

Total Number of Apartments: 5

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

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

Boundaries of Each Apartment: The apartments consist of three free standing buildings and the perimeter of each of the apartments into which the project is so divided shall be established by the exterior face of the free standing buildings' walls; the exterior face of any glass windows, doors, panels or railings along the perimeter of each free standing building; and the inner decorated or finished surfaces of the floors and ceilings.

Permitted Alterations to Apartments: SEE EXHIBIT "B"

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has elected to provide the information in a published announcement or advertisement.

11. Conformance to Present Zoning Code

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>X*</u>	_____	_____
Structures	<u>X*</u>	_____	_____
Lot	<u>X*</u>	_____	_____

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

[X] described in Exhibit “C” .

[] as follows:

*Note: Existing Use Permit 88/EU-5, dated October 20, 1988, was issued by the Department of Land Utilization (now Department of Planning and Permit) of the City and County of Honolulu (See Exhibit “I”). Prospective purchasers must carefully review and note the terms and conditions set forth in the Existing Use Permit as they affect alternations, additions, repairs and reconstruction of the apartments.

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

There are no limited common elements in this project.

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

described in Exhibit “D”*

as follows:

*Note: Land areas referenced herein are not legally subdivided lots.

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

described in Exhibit _____.

as follows: The percentage of common interest appurtenant to each apartment in the Project is 20%.

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

Exhibit “E” describes the encumbrances against the title contained in the title report dated March 16 and 22, 2007, and April 5, 2007 and issued by Fidelity National Title Insurance Company

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	Buyer's interest is subordinate to mortgagee's and is subject to termination. Buyer is entitled to return of any deposits paid, less escrow cancellation fees.

F. **Construction Warranties:**

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

1. Building and Other Improvements: None. Units to be conveyed "as is".

2. Appliances: None. Appliances sold "as is".

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

Unit 1 was constructed in 1977, and Units 2, 3, 4, and 5 were constructed in 1989.

H. **Project Phases:**

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

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

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

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

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

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

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

*Note: Developer has not conducted a reserve study in accordance with §514B-148, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

C. **Utility Charges for Apartments:**

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

- None
- Electricity (_____ Common Elements only _____ Common Elements & Apartments)
- Gas (_____ Common Elements only _____ Common Elements & Apartments)
- Water
- Sewer
- Television Cable
- Other _____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit "G" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated April 18, 2007
Exhibit "H" contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

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

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

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

This Public Report is a part of Registration No. 3429 filed with the Real Estate Commission on October 10, 1995.

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

YELLOW paper stock WHITE paper stock PINK paper stock

C. **Additional Information Not Covered Above**

1. **Not a Subdivision.** This is a condominium project which should not be confused with a subdivision. A purchaser of an apartment will be conveyed an apartment unit together with and "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 area, but is not a separate, legally subdivided lot.
2. **Reserves.** Developer discloses that no "reserve study" was done in accordance with Section 514B-148, Hawaii Revised Statutes.
3. **Insurance.** In accordance with Section 514B-143(c), Hawaii Revised Statutes, each owner shall at its own expense obtain and maintain property insurance and name the Association as an additional insured. Prospective purchasers should consult with their own insurance professionals to obtain an estimate for individual property insurance.
4. **Disclosure Regarding "AS-IS" Sale.** The apartments will be conveyed in their present "as is" condition. Prospective purchasers are strongly urged to have a professional home inspection to ascertain the exact condition of the property.
5. **Maintenance Fees.** Developer believes that there will be no maintenance fees. This is because all costs of every kind pertaining to each apartment and its respective limited common elements, including but not limited to, costs of landscaping, maintenance, repair, replacement and improvement shall be borne entirely by the respective apartment owner. Although there is a common element driveway, the Developer believes that the owners would rather treat any replacement as a special assessment rather than collect and maintain a reserve fund. All utilities are separately metered.
6. **Disclosure re. Selection of Real Estate Broker for Units 4 and 5.** The Developer plans to sell the apartments in the project. However, with respect to Units 4 and 5, the Developer is not prepared to make any current offerings of sale. This public report shall not bind a purchaser to the sale of Units 4 and 5 until: (1) the Developer first submits to the Real Estate Commission a duly executed disclosure abstract identifying the designated sales agent and a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker covering Units 4 and 5; and (2) gives a copy of said disclosure abstract to the purchaser, together with a copy of this public report.

The broker listing agreements submitted to the Real Estate Commission prior to the issuance of this report covers only Units 1, 2 and 3.
7. **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 apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Purchaser acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of such substances, Purchaser should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The Developer will not correct any defects in the apartments or in the Project or anything installed or contained therein and Purchaser expressly releases the Developer from any liability to Purchaser if any hazardous materials are discovered.
8. **Lead Warning Statement.** Pursuant to federal law, 42, U.S.C 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

FILEMON PADRE ANCHETA and LETICIA PINGET ANCHETA, and
 FELIX P. SORIANO and JANE R. SORIANO

Print Name of Developer

By: 
 FILEMON PADRE ANCHETA

April 18, 2007
 Date

By: 
 LETICIA PINGET ANCHETA

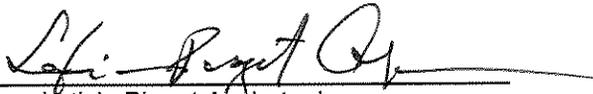
April 18, 2007
 Date

FELIX P. SORIANO

By: 
 Leticia Pinget Ancheta, his
 Attorney-in-Fact

April 18, 2007
 Date

JANE R. SORIANO

By: 
 Leticia Pinget Ancheta, her
 Attorney-in-Fact

April 18, 2007
 Date

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT "A"

Developer's Reserved Rights

The Developer (Declarant) has reserved the following rights to change the Declaration, Condominium Map, By-Laws or House Rules:

1. Paragraph 22 of the Declaration, as amended, provides:

(1) At any time prior to the first filing in the Bureau of Conveyances of the State of Hawaii of a conveyance of a Unit, the Declarant may amend the Declaration (including all exhibits) and the By-Laws in any manner, without the consent of any Unit purchaser; and (b) at any time thereafter, the Declarant may amend this Declaration (and when applicable, the Condominium Map) to file the "As Built" verified statement required by Section 514A-12 of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plan thereto filed fully and accurately depicts layout, location, apartment numbers, and the dimensions of an improvement or change in a Unit as built; or (ii) so long as the plans filed therewith involve only immaterial changes to the layout, location, or dimension of the apartments as built or any change in any apartment number.

2. Paragraph 23 of the Declaration, as amended, provides:

The Declarant has reserved the right for itself and its agents to do the following:

23.1 Declarant shall have the right to maintain development facilities and conduct sales of Units until deeds are issued to unit purchasers with respect to all Units in the Project. Such right shall include, but not be limited to, maintaining model units, operating a sales and construction office, conducting advertising, placing signs, using parking spaces and erecting lighting in connection with such sales; provided, however, that the Declarant shall not use any unit with respect to which a unit deed has been issued (other than to the Developer) and provided, further, that in exercising such right, the Declarant shall not interfere with the rights of any Unit Owner to the use of, or access to, his Unit or any of the common elements appurtenant thereto.

23.2 The Declarant shall have the right to enter upon the Land and the Project and carry on such design, development, construction and demolition activities as may be necessary in connection with such alterations, modifications and restorations, including, but not limited to, parking and storage of construction equipment and materials, provided that the Declarant shall not interfere with the rights of any unit owner to the use of, or access to, his unit or any of the common elements appurtenant thereto.

END OF EXHIBIT "A"

EXHIBIT "B"

Permitted Alterations to Apartments

Paragraph 21.1 of the Declaration, as amended and restated, states:

"Changes to the Project or any building thereof or construction of any additional building or structural alteration or addition to any building, different in any material respect from the Condominium Map of the Project, shall be undertaken by the Association of Apartment owners only pursuant to an amendment of the Declaration, duly executed by or pursuant to vote of all the Unit Owners and accompanied by the written consent of the holders of all liens affecting any of the Units, and in accordance with complete plans and specifications therefore first approved in writing by the Board, and promptly upon completion of such restoration, replacement or construction, the Association shall duly file such amendment in said office, together with a complete set of the floor plans of the project as so altered, certified as built by a registered architect or professional engineer."

Paragraph 21.3 of the Declaration as amended, stated:

"In the event any unit owner seeks to rebuild, modify and/or add to their respective unit, the Association shall cooperate with the unit owner and reasonable amend this declaration to allow such rebuilding, modification and/or addition; provided, however, that all improvements of the unit owner shall be (i) located on the areas designated as a limited common element for the said unit owner, (ii) set back at least five (5) feet from the perimeter of the said unit owner's limited common area as shown on the Condominium Map, and (iii) in compliance with all building code requirements of the City and County of Honolulu and the State of Hawaii. In addition, all unit owners shall consent to such improvements and shall use their best faith efforts to obtain the written consent of holders of all liens affecting the project, if any."

END OF EXHIBIT "B"

EXHIBIT "C"

Description of Common Elements

Paragraph 5 of the Declaration, as amended and restated, designates certain portions of the Project as "common elements", including specifically but not limited to:

1. The Land in fee simple;
2. The " Common elements for Road, Utility and Recreational Purposes" as shown on the Condominium Map.
3. All yards, grounds, landscaping, refuse facilities, building walkways, pathways, driveways and roads within the Project.
4. All ducts electrical equipment, wiring and other central and appurtenant installations, including power, light, water, sewer, gas and telephone; all pipes, plumbing, wires, conduits or other utility service lines, which run through a unit but which are utilized by or serve more than one unit; and air conditioning and like utilities, if installed.
5. All other portions of the Land and improvements not specifically designated in the Declaration as "Units", but which are intended for common use and all other devices and installations existing for or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Property Regime.

END OF EXHIBIT "C"

EXHIBIT "D"

Description of Limited Common Elements

Paragraph 6 of the Declaration, as amended and restated, designates:

1. Certain parts of the common elements as the "Limited Common Elements", which are set aside for the exclusive use of each Unit, and each Unit shall have appurtenant thereto exclusive easements for the use of such limited common elements.

2. The site of each Unit, called on the Condominium Map a "Unit", consisting of the land beneath the Unit and adjacent thereto, as shown and delineated as a "Unit" on said Condominium Map. "Unit 1" is for the exclusive use of Unit 1. "Unit 2" is for the exclusive use of Unit 2. "Unit 3" is for the exclusive use of Unit 3. "Unit 4" is for the exclusive use of Unit 4. "Unit 5" is for the exclusive use of Unit 5.

3. The land designated as "For road, utility and recreational purposes" as shown on the Condominium Map, is for the exclusive use of Units 1, 2, 3, 4 and 5.

4. The two open parking stalls designated on the Condominium Map as "1 and 2" are for the exclusive use of Unit 1.

5. The two open parking stalls designated on the Condominium Map as "3 and 4" are for the exclusive use of Unit 2.

6. The two open parking stalls designated on the Condominium Map as "5 and 6" are for the exclusive use of Unit 3.

7. The two open parking stalls designated on the Condominium Map as "7 and 8" are for the exclusive use of Unit 4.

8. The two open parking stalls designated on the Condominium Map as "9 and 10" are for the exclusive use of Unit 5.

9. The two open parking stalls designated on the Condominium Map as "11 and 12" are for the exclusive use of guests of Units 1, 2, 3, 4 and 5.

END OF EXHIBIT "D"

EXHIBIT "E"

List of Encumbrances Against Title

Encumbrances against the title as contained in the Preliminary Title Reports dated March 16 and 22, 2007, and April 5, 2007, and issued by Fidelity National Title Insurance Company are as follows:

1. Real property taxes due and payable. For more information contact the City and County of Honolulu, Department of Finance, Real Property Tax Assessment.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. Easement(s) for utility purposes and rights incidental thereto, as set forth in a document dated May 4, 1953 in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company (now known as Hawaiian Telcom, Inc.), recorded in the Bureau of Conveyances of the State of Hawaii in Liber 2675, Page 95.
4. Condominium Map No. 1975, filed in said Bureau of Conveyances.
5. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin), as set forth in that certain Declaration of Condominium Property Regime dated September 30, 1993, recorded in said Bureau of Conveyances as Document No. 93-210694. Said Declaration was amended by that certain instrument recorded in said Bureau of Conveyances as Document No. 95-103430.
6. By-Laws of the Association of Apartment Owners dated October 8, 1993, recorded in said Bureau of Conveyances as Document No. 93-210695.
7. Terms, provisions and conditions as contained in the original apartment deed and the effect of any failure to comply with such terms, provisions and conditions.
8. Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as said Declaration may be amended from time to time in accordance with the law and/or in said original apartment deed, and/or as delineated on said Condominium Map.
9. FOR UNITS 1, 2 and 3 ONLY:
 - a. Mortgage dated June 4, 1991 in favor of Central Pacific Bank, recorded in said Bureau of Conveyances as Document No. 91-082349.
 - b. Assignment of Rents dated June 4, 1991, recorded in said Bureau of Conveyances as Document No. 91-082351.
10. FOR UNITS 1 and 2 ONLY:
 - a. Mortgage dated May 19, 2005 in favor of Central Pacific Bank, recorded in said Bureau of Conveyances as Document No. 2005-103598.
11. FOR UNIT 5 ONLY:
 - a. Mortgage dated July 31, 2006 in favor of Mortgage Electronic Registration Systems, Inc., a separate corporation acting solely as nominee for Central Pacific HomeLoans, Inc., recorded in said Bureau of Conveyances as Document No. 2006-141651.

END OF EXHIBIT "E"

EXHIBIT "F"
ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
Unit 1	None
Unit 2	None
Unit 3	None
Unit 4	None
Unit 5	None

No common expenses contemplated.

No reserve study done in accordance with Section 514B-148, Hawaii Revised Statutes.

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
- Elevator
- Gas
 - common elements only
 - common elements and apartments
- Refuse Collection
- Telephone
- Water and Sewer

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance

Each unit owner will purchase his own insurance and name the Association as an additional insured

Reserves(*)

Taxes and Government Assessments

Audit Fees

Other

TOTAL

FILEMON PADRE ANCHETA and LETICIA PINGET ANCHETA, and FELIX P. SORIANO and JANE R. SORIANO, the developer for the 87-1732 FARINGTON HIGHWAY CPR condominium project, hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Filemon Pedro Ancheta
FILEMON PADRE ANCHETA

4/18/07
Date

FELIX P. SORIANO and JANE R. SORIANO

Leticia Pinget Ancheta
LETICIA PINGET ANCHETA

4/18/07
Date

By: *Leticia Pinget Ancheta* 4/18/07
Leticia Pinget Ancheta, their Date
Attorney-in-Fact

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514B-148, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514B-148, HRS, a new association need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT "G"

Summary of Pertinent Provisions of Sales Contract

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:

1. 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.
2. That a buyer's deposits will be held in escrow until the sales contract is closed or cancelled.
3. That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
4. That in the event of default:
If buyer defaults:
 - (1) Seller may bring an action for breach of contract;
 - (2) Seller may retain the deposits as liquidated damages;
 - (3) Buyer is responsible for any costs incurred under the sales contract.If seller defaults:
 - (1) Buyer may bring an action for breach of contract;
 - (2) Buyer may bring an action for specific performance;
 - (3) Seller is responsible for any costs incurred under the sales contract.

The prevailing party is entitled to recover all costs incurred including reasonable attorney's fees. Escrow fees incurred shall be deducted before disbursement to the prevailing party.

THE SALES CONTRACT CONTAINS VARIOUS OTHER PROVISIONS WHICH THE BUYER SHOULD BECOME ACQUAINTED WITH. THE INFORMATION CONTAINED HEREIN IS ONLY A SUMMARY OF THE TERMS OF THE SALES CONTRACT. FOR MORE DETAILED INFORMATION, YOU MUST SECURE A COPY OF THE SALES CONTRACT AND READ IT THOROUGHLY.

END OF EXHIBIT "G"

EXHIBIT "H"

Summary of Pertinent Provisions of Escrow Agreement

The following is a summary of the pertinent provisions of the Escrow Agreement dated April ____, 2007, and entered into by and between FIDELITY NATIONAL TITLE & ESCROW OF HAWAII, INC. ("Escrow") and FILEMON PADRE ANCHETA and LETICIA PINGET ANCHETA, and FELIX P. SORIANO and JANE R. SORIANO ("Seller"), which Escrow Agreement is referred to herein as the "Agreement".

The escrow agreement establishes an arrangement under which the deposits a buyer makes under a Deposit, Receipt, Offer and Acceptance ("sales contract") will be held by a neutral party (i.e., Escrow). Under the escrow agreement these things will or may happen:

- (a) Signed copies of the sales contract will be provided to Escrow.
- (b) Escrow will collect payments due pursuant to the sales contract.
- (c) Seller will notify Escrow who in turn will notify buyer when payments are due.
- (d) Escrow will accept buyer's payments pursuant to the sales contract and will hold the funds or make payments according to the escrow agreement.
- (e) The escrow agreement states under what conditions escrow will disburse buyer's funds. Escrow will disburse upon receipt of the following:
 - 1. the conveyance document;
 - 2. all necessary releases of encumbrances;
 - 3. the full amount of the purchase price;
 - 4. any mortgage or other instrument securing payment; and
 - 5. purchaser's share of the closing costs.
- (f) Under the escrow agreement buyer shall be entitled to a refund, if buyer makes a written request for a refund and Escrow has received a written request from Seller to return buyer's funds. In addition, by law, (under Sections 514A-62 and 63, Hawaii Revised Statutes) buyer has a right to rescind a sales contract.
- (g) The escrow agreement states what will happen to a buyer's funds upon default under the sales contract. Seller is required to certify to Escrow in writing that buyer defaults and that Seller is terminating the contract. Escrow will notify buyer by certified mail that Seller has cancelled contract. Escrow will treat the buyer's funds as belonging to the Seller subject to the provisions relating to dispute and conflicting demands.
- (h) Escrow will coordinate and supervise the signing of all necessary documents.
- (i) The escrow agreement sets forth Escrow's responsibilities in the event of any disputes.

THE ESCROW AGREEMENT CONTAINS VARIOUS OTHER PROVISIONS AND ESTABLISHES CERTAIN CHARGES WITH WHICH THE PURCHASER SHOULD BECOME ACQUAINTED. THE INFORMATION CONTAINED HEREIN IS ONLY A SUMMARY OF THE TERMS OF THE AGREEMENT. FOR MORE DETAILED INFORMATION, YOU MUST SECURE A COPY OF THE AGREEMENT AND READ IT THOROUGHLY.

END OF EXHIBIT "H"

DEPARTMENT OF LAND UTILIZATION
CITY AND COUNTY OF HONOLULU

400 SOUTH KING STREET
HONOLULU, HAWAII 96813 • PHONE 535-4434



FRANKY FARM
04164

JOHN P. WALLEN
DIRECTOR

ROSLAND B. LEE
DEPUTY DIRECTOR

88/EU-5 (AM)

October 20, 1988

Mr. Patrick M. Cummins
Austin, Tsutsumi & Associates, Inc.
501 Summer Street, Suite 521
Honolulu, Hawaii 96817-5031

Dear Mr. Cummins:

Subject: Section 3.130 Existing Use (LUO)
Location: 87-1723 Farrington Highway, Waianae, Oahu
Tax Map Key: 8-7-33: 23
Owner: Elwin and Lawrence Goo

This is in response to your application for an existing use under Section 3.130 of the Land Use Ordinance (LUO) for the subject property.

We understand the following:

1. There are 3 structures with 5 dwelling units (2 two-family detached and a single-family detached) existing on the property of 34,038 square feet, zoned R-3 Residential District.
2. The 2 two-family detached structures (4 dwelling units) were placed on the property in 1962 with building permit Nos. 189429 and 189430.
3. The single-family dwelling was constructed in 1977 with building permit No. 79476. However, this permit for a single-family dwelling was issued illegally in 1977 since a total of only 2 dwelling units were permitted on the lot at that time.
4. Your request for an existing use is to legally establish the 5 dwelling units which existed since 1977.

EXHIBIT " I "

Mr. Patrick Cummins
Page 1

Based on the above, your application is approved as an existing use under Section 3.130 of the LMO in accordance with the application plans (2 sheets time stamped July 13, 1988) subject to the following conditions:

1. The single-family detached dwelling unit is approved subject to compliance with the requirements of the Park Dedication Ordinance for this unit prior to issuance of any building permits on the property;
2. Approval is only for alterations, additions, repairs and reconstruction of the existing dwelling units and accessory uses. All proposed improvements shall be subject to compliance with the Land Use Ordinance such as heights, yards, parking and lot coverage, Subdivision Rules and Regulations, Building Code and other applicable regulations and requirements;
3. Reconstruction of the existing units shall be in the same general location and size, and the architectural character shall be compatible with the existing and surrounding neighborhood structures. Final plans for reconstruction shall be approved by the Department of Land Utilization prior to issuance of building permits;
4. The existing coral driveway shall be improved to a minimum 15-foot wide paved, all-weather roadway for two-way vehicular traffic with a turnaround;
5. Two common guest parking stalls shall be provided for the property;
6. A landscape plan showing new and existing plants with species, size and location, and existing trees to be removed or relocated, shall be submitted to the Department of Land Utilization for approval prior to issuance of building permits. Landscape plan shall include a minimum of one canopy form tree, minimum of 15-gallon size, 1 1/2-inch trunk diameter, for each dwelling unit in the front yard. All landscaping shall be completed and maintained in a healthy, visual condition at all times.
7. The number of dwelling units (5) on the property shall not be increased; and

Mr. Patrick Cummins

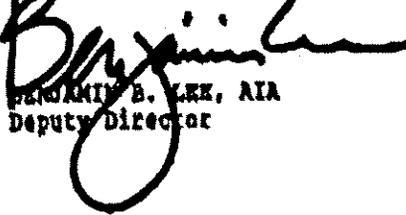
Page 3

8. All final construction plans such as roadways, guest parking, fire hydrants, utilities, and landscaping shall comply with all requirements of affected governmental agencies and shall be reviewed and approved by the City Departments of Land Utilization, Fire, Public Works, Transportation Services, and Board of Water Supply prior to issuance of building permits for the project.

The existing use approval does not certify that the existing structures and improvements comply with requirements of the Land Use Ordinance or other regulations. They are subject to separate review and approval.

Should you have any questions, please contact Mr. Art Muraoka, Chief-Design Division, at 533-4251.

Very truly yours,



BENJAMIN B. LEE, AIA
Deputy Director

RBL:gc
0116K

cc: Building Department