

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by:

Developers: ALEXANDER MICHAEL AGUSTIN and VICTORIA MARIE AGUSTIN
Address: 85-180 Maillili Road, Waianae, Hawaii 96792

Project Name (*): 84-802 FARRINGTON HIGHWAY
Address: 84-802 A and 84-802 B Farrington Highway, Waianae, Hawaii 96792

Registration No. 6088

Effective date: October 6, 2006
Expiration date: November 6, 2007

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY:**
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
- FINAL:**
(white) The developer has legally created a condominium and has filed complete information with the Commission.
[x] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with _____
- SUPPLEMENTARY:**
(pink) This report updates information contained in the:
[] Preliminary Public Report dated: _____
[] Final Public Report dated: _____
[] Supplementary Public Report dated: _____
- And [] Supersedes all prior public reports.
[] Must be read together with _____
[] This report reactivates the _____
public report(s) which expires 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.

FORM: RECO-30286/986/189/1190/892/0197/1098/0800/0203/0104

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:

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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: Alexander Michael Agustin Phone: (808) 697-8134
and Victoria Marie Agustin
 Name* (Business)

Business Address:
85-180 Mailiili Road
Waianae, Hawaii 96792

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*: Toan Doran Phone: (808) 735-4200
 Name (Business)

Business Address:
Prudential Locations LLC
3465 Waiialae Ave., 4th Flr., Honolulu, HI 96816

Escrow: First American Title Company, Inc. Phone: (808) 536-3866
 Name (Business)

Business Address:
1177 Kapiolani Boulevard
Honolulu, Hawaii 96814

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

Business Address:

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

Business Address:

Attorney for Developer: Jonathan S. Durrett Phone: (808) 526-0892
 Name (Business)

Business Address:
841 Bishop Street, Suite 702
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:

<input type="checkbox"/>	Proposed			
<input type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. _____	
			Book _____	Page _____
<input checked="" type="checkbox"/>	Filed -	Land Court:	Document No. <u>3446069</u>	

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

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:

<input type="checkbox"/>	Proposed			
<input type="checkbox"/>	Recorded -	Bureau of Conveyances	Condo Map No. _____	
<input checked="" type="checkbox"/>	Filed -	Land Court	Condo Map No. <u>1823</u>	

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

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

The Bylaws for this condominium are:

<input type="checkbox"/>	Proposed			
<input type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. _____	
			Book _____	Page _____
<input checked="" type="checkbox"/>	Filed -	Land Court:	Document No. <u>3446070</u>	

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

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

The House Rules for this condominium are:

Proposed 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 attached page 7a

The Declaration provides in Article XVI as follows:

Except as otherwise provided herein or in said Condominium Property Act, this Declaration may be amended at a duly constituted meeting of the Association of Unit Owners or by written consent by affirmative vote of seventy-five percent (75%) of all unit owners and shall be effective only upon the recording of an instrument setting forth such amendment and both duly executed by such owner, by the proper officers of the Association, or by the Declarant prior to the Association being formed; provided that the By-Laws shall also set forth the requirements of Section 514A-82, Hawaii Revised Statutes, as the same now exist or may be amended from time to time.

Notwithstanding the foregoing the Declarant or any unit owner may amend this Declaration to file the "as built" verified statement (with plans including any changes therefor, if applicable) required by Section 514A-12, Hawaii Revised Statutes, (1) by having the registered architect or professional engineer making a verified statement certifying that the final plans heretofore filed fully and accurately depict the layout, location, unit numbers and dimensions of the unit as built or, (2) by having the registered architect or professional engineer making a verified statement certifying that the plans heretofore filed has been amended and the plans as amended fully and accurately depict the layout, location, unit number and dimension of the unit as built; and provided, that the owner of any unit may amend this Declaration with respect to an addition to or alteration of such unit, as provided in Paragraph XV hereof, together with a map showing such alteration or addition. In the case of a modification or amendment to the By-Laws, this Declaration may be amended to set forth such modification or amendment pursuant to such percentage vote as is required by the By-Laws to render the modifications or amendments thereof effective.

In the case of an owner constructing additional improvements or structures, such owner shall file an amendment to this Declaration and the Condominium Map together with an "as-built" certificate of architect or engineer. The Association shall join in such amendment if required by the Bureau of Conveyances or Land Court for recording purposes, provided that such improvements or structure was built in accordance with the restrictions contained in this Declaration and all applicable building codes and zoning ordinances. The costs of preparing and filing the amendment shall be borne by the unit owner.

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	<input type="checkbox"/>	Monthly	<input type="checkbox"/>	Quarterly
	<input type="checkbox"/>	Semi-Annually	<input type="checkbox"/>	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	<input type="checkbox"/>	Monthly	<input type="checkbox"/>	Quarterly
	<input type="checkbox"/>	Semi-Annually	<input type="checkbox"/>	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: 84-802 A & 84-802 B Farrington Hwy. Tax Map Key (TMK): (1) 8-4-016-064
Waiānae, Hawaii 96792

[] Address [x] TMK is expected to change because each unit is entitled to its own street address and tax map key number

Land Area: 15,648 [x] square feet [] acres Zoning: R-5

Fee Owner: Alexander Michael Agustin
and Victoria Marie Agustin
 Name

Address: 85-180 Mailili Road
Waianae, Hawaii 96792

Lessor: N/A
 Name

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: 2 Floors Per Building: 1

Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other: Allied building materials

4. Uses Permitted by Zoning:

	No. of <u>Apts.</u>	<u>Use Permitted by Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>2</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: _____
- Number of Occupants: _____
- Other: _____
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<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> A </u>	<u> 1 </u>	<u> 3/1 </u>	<u> 880 </u>	<u> 33 </u>	<u> Lanai </u>
<u> B </u>	<u> 1 </u>	<u> 3/1 </u>	<u> 720 </u>	<u> 16 </u>	<u> Lanai </u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 2

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

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

Boundaries of Each Apartment: See Exhibits A and B

Permitted Alterations to Apartments:

Apartments designated for Owner-Occupants Only: Not Applicable

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 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.

7. Parking Stalls:

Total Parking Stalls: 4*

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	<u> </u>	<u> 4 </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> 4 </u>
Guest	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open:	<u> 4 </u>	<u> </u>	<u> 0 </u>	<u> </u>	<u> 0 </u>	<u> </u>	<u> 4 </u>

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

*Parking stalls in the Project are not designated but there should be ample room to park at least 2 cars in each limited common element of each Apartment.

- Commercial parking garage permitted in condominium project.
- Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

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

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

- There are no violations. Violations will not be cured.
- Violations and cost to cure are listed below: Violations will be cured by:

(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

See attached Statement by Developer Disclaiming Representations Regarding the Present Condition of Structural Components and Mechanical and Electrical Installations at 84-802 Farrington Highway.

11. Conformance to Present Zoning Code

- a. 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>	<u> </u>	<u> </u>
Structures	<u> X </u>	<u> </u>	<u> </u>
Lot	<u> X </u>	<u> </u>	<u> </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:

described in Exhibit C

as follows:

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

There are no limited common elements in this project.

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 in Exhibit D 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:

Apartment A	-	50%
Apartment B	-	50%

*NOTE: The common interest was determined by allocating an equal percentage to both apartments.

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 July 5, 2006 Issued by First American Title Company, Inc.

Blanket Liens:

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

- There are no blanket liens affecting title to the individual apartments.
- There are blanket liens which may affect title to the individual apartments.

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

<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 will be affected. Conveyance to Buyer will be solely in the discretion of Mortgagee.

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. There are no warranties, express or implied, being made by the Developer. Sales are "as-is".

2. Appliances:
 - None. There are no warranties, express or implied. Sales are "as-is". Developer will assign over any manufacturer warranties for the appliances, if any.

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

The units were constructed in 1958 and 1969. This is a conversion.

H. **Project Phases**

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

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

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 the Developer or Developer's affiliate
 self-managed by the Association of Apartment Owners
 Other _____

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

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

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

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

See Page 20.

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 F contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated July 25, 2006
Exhibit G 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 sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

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

This Public Report is a part of Registration No. 6088 filed with the Real Estate Commission on June 29, 2006.

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 unit will be conveyed an apartment unit together with an "undivided" percentage 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. **MAINTENANCE FEES.** Developer believes that there will be no maintenance fees. All costs pertaining to each apartment and its respective common element, including but not limited to, cost of landscaping, maintenance, repair, replacement and improvement shall be borne entirely by the respective apartment owner. All utilities are separately metered. Based on the foregoing, there is no schedule of maintenance fees to this Public Report.

Section 514A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners to purchase fire insurance to cover the improvements of the Project, and that the premiums for the insurance be common expenses. Developer anticipates that the Association will elect to permit individual apartment owners to obtain and maintain separate policies of fire insurance and name the Association as an additional insured. In such case, fire insurance premiums will be the responsibility of individual apartment owners and not common expenses. Prospective purchasers should consult with their own insurance professionals to obtain an estimate for individual fire and hazard insurance.

3. **RESERVES.** Developer discloses that no "reserve study" was done in accordance with Section 514A-83.6, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

4. **DEPARTMENT OF PLANNING AND PERMITTING.** Department of Planning and Permitting's letter dated June 2, 2006 is attached hereto as Exhibit H. The letter indicates that the structures met all applicable codes at the time of construction.

- D. The developer declares subject to the penalties set forth in Section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of developer's knowledge, information and belief, true, correct and complete.

ALEXANDER MICHAEL AGUSTIN and VICTORIA MARIE AGUSTIN

Printed Name of Developer

By  6/28/06
Duly Authorized Signatory* Date

By  6/28/06
Duly Authorized Signatory* 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

DESCRIPTION OF APARTMENTS

Two (2) apartments are hereby established in the Project as shown on the Condominium Map.

The apartments are identified by apartment number as shown on the Condominium Map and are located in the Project as shown on the Condominium Map.

The approximate floor area for the apartments are based on measurements taken from the interior surface of all perimeter walls, except that no reduction is made to account for interior walls, ducts, vents, shafts, stairways and the like located within the perimeter walls.

The square footage of each apartment is as follows:

<u>Apartment</u> <u>No.</u>	<u>Living Area</u>	<u>Lanai Area</u>
A	880 sf	33 sf
B	720 sf	16 sf

The land area surrounding each apartment as delineated and described in the Condominium Map is a limited common element for each apartment, and is for the exclusive use of such apartment.

EXHIBIT B

DESCRIPTION OF BOUNDARIES OF APARTMENTS

Notwithstanding the floor areas set forth in Exhibit A and the manner in which such floor areas are measured, the respective apartments shall be deemed to include the finished surfaces of the perimeter walls and interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, footings, supports, roofs and ceilings located within or at the perimeter of or surrounding such apartment, any pipes, wires, vents, shafts, ducts, conduits, or other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within the Apartments.

EXHIBIT C

DESCRIPTION OF COMMON ELEMENTS

- a. Said Land in fee simple.
- b. The access easement from Farrington Highway running along the front side of the Project;
- c. All pipes, cables, conduits, ducts, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, electrical rooms, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one Apartment for services such as power, light, gas (if any), sewer, water, telephone and television signal distribution (if any);
- d. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT D

DESCRIPTION OF LIMITED COMMON ELEMENTS

The land area delineated and designated on the Condominium Map as limited common elements are limited common elements of an apartment and consist of the following:

1. Apartment A: The land area surrounding and under Apartment A is a limited common element of Apartment A and is for the exclusive use of Apartment B, and consists of approximately 6,480 square feet.

2. Apartment B: The land area surrounding and under Apartment B is a limited common element of Apartment B and is for the exclusive use of Apartment B, and consists of approximately 7,140 square feet.

3. Any fences, walls or utility systems or lines which are located within the limited common land area and which services or benefits only one Apartment shall be deemed a limited common element of such apartment.

EXHIBIT E

ENCUMBRANCES

1. Real property taxes that may be due and owing. Reference is made to the Tax Assessor's Office, City and County of Honolulu.
2. Easement 380 for utility purposes, as shown on Map 290 filed with Land Court Application No. 1052, as set forth by Land Court Order No. 150919, filed on May 27, 2003.
3. Easement 382 for utility purposes, as shown on Map 290 filed with Land Court Application No. 1052, as set forth by Land Court Order No. 150919, filed on May 27, 2003.
4. A Grant of Easement for vehicle access rights filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on November 27, 2002 as Document No. 2865530.
5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration of Condominium Property Regime for "84-802 Farrington Highway" condominium project dated June 28, 2006, filed in said Office as Document No. 3446069 and Condominium Map No. 1823, and any amendments thereto.
6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the By-Laws of the Association of Apartment Owners dated June 28, 2006, filed in said Office as Document No. 3446070.
7. Mortgage in favor of Mortgage Electronic Registration Systems, solely as nominee for Countrywide Home Loans, Inc., a New York corporation, filed on March 2, 2005 in said Office as Document No. 3236313.
8. Mortgage in favor of Countrywide Home Loans, Inc., a New York corporation, filed on March 2, 2005 in said Office as Document No. 3236314.

EXHIBIT F

SUMMARY OF SALES CONTRACT

1. Seller has entered into an Escrow Agreement dated July 25, 2006 with First American Title Company, Inc.
2. Seller may terminate Sales Contract and refund to Buyer all money Buyer has paid without interest, if Seller determines that Buyer's ability to make payments or if the financial ability of Buyer has decreased at the time the credit report is updated.
3. Risk of loss to the apartment and percentage interest in the common elements will be borne by Seller until the date of final closing at which time risk of loss will be borne by Buyer.
4. The contract will not be assignable without the prior written consent of Seller and any attempt to assign without this consent will be null and void.
5. Seller reserves the right to modify the Declaration, By-Laws, House Rules, Escrow Agreement and Apartment Deed, provided that these modifications do not increase the Buyer's share of common expenses, reduce the obligations of Seller for common expenses on unsold apartments, reduce the size of the apartments, increase the cost of the apartments, or impair or modify any obligations given or undertaken by Seller. Seller also reserves the right to make minor changes that may improve the apartment.
6. Seller may appoint the initial management agent for the Project.
7. Seller reserves the right to exercise all of the power of the Association until the election of the Board of Directors and officers of the Association of Apartment Owners and may vote and exercise all the powers of the Board and officers of the Association including voting of owners of apartments remaining unsold.
8. Buyer may have the right to rescind the Sales Contract and obtain a refund of all money paid by Buyer without interest if there is any material change in the Condominium (other than any additions, deletions, modifications and reservations including, without limitation, the merger of increments accomplished pursuant to the terms of the

Condominium Declaration) which directly, substantially, and adversely affects the use or value of the apartment or the limited common elements appurtenant thereto.

9. If the Buyer defaults when a payment is required, the Seller will notify the Buyer by registered mail of such default. If the default is not cured within seven (7) days after mailing the notice, the Sales Contract may be terminated by Seller with written notice to Buyer. If this occurs, the money paid by the Buyer will belong to the Seller as liquidated damages.

EXHIBIT G

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits which a Buyer makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement the following will or may happen:

(a) Seller will require all payments due to be made to Escrow.

(b) All money received by Escrow will be deposited in an interest-bearing account in a federally-insured bank or savings and loan institution. All interest earned in the account will be credited to the account of the Seller.

(c) If the Buyer under a reservation as an owner-occupant is not offered an apartment or if the Buyer refuses to enter into a Sales Contract, Escrow will promptly refund the deposit made by Buyer without interest. If Buyer enters into Sales Contract but rescinds the Sales Contract because of hardship or because the Buyer no longer intends to be an owner-occupant, Seller will cancel Sales Contract and Escrow will promptly return all money to Buyer without interest and less the cancellation fee.

(d) Escrow will disburse Buyer's funds until Seller has notified Escrow that Buyer's Sales Contract has become effective and a Final Public Report has been issued by the Real Estate Commission and Escrow has received a copy of Buyer's receipt for the Final Public Report.

(e) Escrow will from time to time make disbursements from the Escrow fund to pay for construction costs, to other persons for architectural, engineering, financing, advertising, legal fees and other expenses, but not for selling expenses or brokerage fees relating to the sales of any apartment.

(f) If Buyer is in default under the Sales Contract, Escrow will promptly give to Buyer notice of the default.

(g) Escrow is relieved from all liability for acting in accordance with the terms of the Escrow Agreement.

(h) The compensation of Escrow shall be based on the scheduled rate, plus Hawaii general excise tax for each unit sold under a binding Sales Contract and of which a deed has been fully recorded in the Bureau of Conveyances of the State of Hawaii; provided, however, that if Escrow shall for any reason without fault on its part to be required to change, subsequent to the commencement of pre-closings for the Project, any closing statement or document previously approved as to form and figures by the Seller, Seller agrees to pay an additional charge for each such statement or document which is changed.

PARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4432 • FAX: (808) 527-6743
DEPT. INTERNET: www.honolulu.gov • INTERNET: www.honolulu.gov

MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

2006/ELOG-350(AS)

June 2, 2006

Jonathan S. Durrett, Esq.
Stubenberg & Durrett
Davies Pacific Center
841 Bishop Street, #2115
Honolulu, Hawaii 96813

Dear Mr. Durrett:

Re: Condominium Conversion Project
84-802A & 84-802B Farrington Highway
Tax Map Key (TMK): 8-4-016: 064

This is in response to your letter dated February 9, 2006, requesting verification that the structures located at the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the front one-story single-family detached dwelling and the rear one-story single-family detached dwelling, with a total of our (4) all-weather-surface off-street parking spaces, met all applicable code requirements when they were constructed in 1958 and 1969, respectively, on this 15,648 square-foot R-5 Residential District zoned lot.

Investigation also revealed the following:

- 1) On February 18, 2002, approval was granted to 2000/PARK-27 for park dedication purposes.
- 2) On January 3, 2003, a subdivision (File No. 2000/SUB-159) was approved to subdivide Lot 395 as shown on Map 8 of Land Court Application 1052 into three (3) lots: Lot 395-A of 19,000-square-feet (Parcel 7), Lot 395-B of 15,648-square-feet (Parcel 64) and Lot 395-C of 5,352-square-feet (Parcel 65); and the designation of Easements E-1, E-2, E-3 and S-1 and designation of restriction of vehicular access rights affecting Lot 395-C (Parcel 65). The two dwellings are located on TMK: 8-4-016: 064.

For your information, the Department of Planning and Permitting cannot determine all legal nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

EXHIBIT H

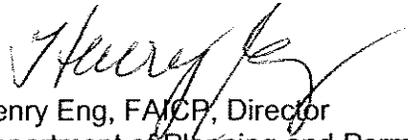
Jonathan S. Durrett, Esq.
Stubenberg & Durrett
June 2, 2006
Page 2

No variances or other permits were granted to allow deviations from any applicable codes.

Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; it does not create separate lots of record for subdivision and zoning purposes.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of our Commercial and Multi-Family Code Enforcement Branch at 527-6341.

Very truly yours,

A handwritten signature in black ink, appearing to read "Henry Eng", with a large, sweeping flourish extending to the right.

Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:ft

doc455145

84-802 FARRINGTON HIGHWAY

DISCLOSURE ABSTRACT
(Pursuant to HRS Section 514A-61)

1. Name and temporary address of the project.
84-802 A and 84-802 B Farrington Highway
Waianae, Hawaii 96792
2. Name, address and telephone number of the Developer or its agent.
Alexander Michael Agustin and Victoria Marie Agustin
85-180 Mailiili Road
Waianae, Hawaii 96792
Telephone: (808) 697-8134
3. There is no project manager.
4. There will be no maintenance fees. All costs pertaining to each apartment and its respective common element, including but not limited to, cost of landscaping, maintenance, repair, replacement and improvement shall be borne entirely by the respective apartment owner. All utilities are separately metered.
5. There are no warranties for the individual apartments and the common elements, and the Purchaser buys his/her unit in an "as is" condition.
6. All of the apartments of the project are to be used for residential purposes only. No unit will be used for hotel use. No commercial uses except as permitted by the Maui County Ordinances are allowed.
7. Developer's Statement regarding all structural components and mechanical and electrical installations.

See attached Exhibit "A"

RECEIPT

The undersigned has received a copy of the foregoing Disclosure Abstract this _____ day of _____, 2006.

Purchaser(s) : _____

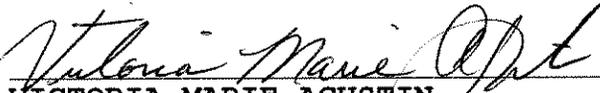
**STATEMENT BY DEVELOPER DISCLAIMING REPRESENTATIONS
REGARDING THE PRESENT CONDITION OF STRUCTURAL COMPONENTS
AND MECHANICAL AND ELECTRICAL INSTALLATIONS AT
84-802 FARRINGTON HIGHWAY**

The undersigned, being the developer of the 84-802 Farrington Highway condominium project, hereby disclaims pursuant to HRS 514A-40(b)(3) any representations regarding the present condition of structural components and mechanical and electrical installations material to the use and enjoyment of the project, and that the undersigned makes no representations as to the expected useful life of such structural components or mechanical or electrical installations.

Dated: Honolulu, Hawaii, June 28, 2006.



ALEXANDER MICHAEL AGUSTÍN



VICTORIA MARIE AGUSTÍN

Exhibit A