

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

| | |
|--------------------------|---|
| CONDOMINIUM PROJECT NAME | 1528/1530 HALEKOA DRIVE |
| Project Address | 1528 and 1530 Halekoa Drive Honolulu, HI 96816 |
| Registration Number | 6277 (Conversion) |
| Effective Date of Report | July 5, 2007 |
| Developer(s) | Glenn M. Maruyama and Hideko Maruyama, Trustees |

Preparation of this Report

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

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

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

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

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

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

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

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted/dashed lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to 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 government 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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| EXHIBIT F: Summary of Sales Contract | |

General Information On Condominiums

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

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

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

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

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

Operation of the Condominium Project

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

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

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

| | | |
|--|---|---|
| Fee Simple or Leasehold Project | <input checked="" type="checkbox"/> Fee Simple | <input type="checkbox"/> Leasehold (attach Leasehold Exhibit) |
| Developer is the Fee Owner | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Fee Owner's Name if Developer is not the Fee Owner | Glenn M. Maruyama, Trustee and Hideko Maruyama, Trustee | |
| Address of Project | 1628 and 1630 Halekoa Drive, Honolulu, HI 96816 | |
| Address of Project is expected to change because | | |
| Tax Map Key (TMK) | (1) 3-5-039-037 | |
| Tax Map Key is expected to change because | CPR number will be added to the TMK. | |
| Land Area | 11,035 square feet | |
| Developer's right to acquire the Property if Developer is not the Fee Owner (describe) | | |

1.2 Buildings and Other Improvements

| | |
|--|----------------|
| Number of Buildings | 2 |
| Floors Per Building | 2 |
| Number of New Building(s) | N/A |
| Number of Converted Building(s) | 2 |
| Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.) | wood and glass |

1.3 Unit Types and Sizes of Units

| Unit Type | Quantity | BR/Bath | Net Living Area | Net Other Areas | Other Areas (lanai, garage, etc.) | Total Area |
|-------------------|----------|---------|-----------------|-----------------|-----------------------------------|---------------|
| 1 | 1 | 3/1 | 947.29 sqft. | | | 947.29 sqft. |
| 2 | 1 | 3/1 | 1,654.19 sqft. | | | 1,654.19sqft. |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| See Exhibit _____ | | | | | | |

| | |
|---|------------------------------|
| 2 | Total Number of Units |
|---|------------------------------|

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

1.4 Parking Stalls

| | |
|--|---|
| Total Parking Stalls in the Project: | 4 |
| Number of Guest Stalls in the Project: | 0 |
| Number of Parking Stalls Assigned to Each Unit: | 2 |
| Attach Exhibit ____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open). | |
| If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. | |

1.5 Boundaries of the Units

Boundaries of the unit:
 (1) all perimeter walls, floors, foundations and roofs of each building, including all lath, furring, wallboard, plasterboard, plaster, panelling, tiles, wallpaper, paint, finished flooring, and any other materials constituting a part of the finished surface; and (2) any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, lanais, patios and all exterior doors and windows

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):
 Each unit owner, at their option, can improve, renovate, remodel, make additions to, remove, replace, restore the unit.

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:
 Described in Exhibit ____
 As follows:
 Unit 1: 50%
 Unit 2: 50%

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

| | |
|--------------------------|--------------------------|
| <input type="checkbox"/> | Swimming pool |
| <input type="checkbox"/> | Laundry Area |
| <input type="checkbox"/> | Storage Area |
| <input type="checkbox"/> | Tennis Court |
| <input type="checkbox"/> | Recreation Area |
| <input type="checkbox"/> | Trash Chute/Enclosure(s) |
| <input type="checkbox"/> | Exercise Room |
| <input type="checkbox"/> | Security Gate |
| <input type="checkbox"/> | Playground |
| <input type="checkbox"/> | Other (describe): |

1.9 Common Elements

| <p><u>Common Elements:</u> Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.</p> | | | | | | | | | |
|---|--------|----------------|--------|-----------|-----|-----------|-----|--------------|-----|
| <p>Described in Exhibit <u>A</u>.</p> | | | | | | | | | |
| <p>Described as follows:</p> | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Common Element</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Elevators</td> <td>N/A</td> </tr> <tr> <td>Stairways</td> <td>N/A</td> </tr> <tr> <td>Trash Chutes</td> <td>N/A</td> </tr> </tbody> </table> | | Common Element | Number | Elevators | N/A | Stairways | N/A | Trash Chutes | N/A |
| Common Element | Number | | | | | | | | |
| Elevators | N/A | | | | | | | | |
| Stairways | N/A | | | | | | | | |
| Trash Chutes | N/A | | | | | | | | |

1.10 Limited Common Elements

| |
|--|
| <p><u>Limited Common Elements:</u> A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.</p> |
| <p>Described in Exhibit _____.</p> |
| <p>Described as follows:</p> |

1.11 Special Use Restrictions

| | |
|---|--|
| <p>The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.</p> | |
| <input type="checkbox"/> | Pets: |
| <input type="checkbox"/> | Number of Occupants: |
| <input type="checkbox"/> | Other: |
| <input checked="" type="checkbox"/> | There are no special use restrictions. |

1.12 Encumbrances Against Title

| |
|--|
| <p>An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).</p> |
| <p>Exhibit <u>B</u> describes the encumbrances against title contained in the title report described below.</p> |
| <p>Date of the title report: <u>March 12, 2007</u></p> |
| <p>Company that issued the title report: <u>First Hawaii Title Corp.</u></p> |

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

| Uses Permitted by Zoning | | | | | | |
|--|----------------------------|--------------|---|--|--------|--|
| | Type of Use | No. of Units | Use Permitted by Zoning | | Zoning | |
| <input checked="" type="checkbox"/> | Residential | 2 | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | R-5 | |
| <input type="checkbox"/> | Commercial | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | |
| <input type="checkbox"/> | Mix Residential/Commercial | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | |
| <input type="checkbox"/> | Hotel | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | |
| <input type="checkbox"/> | Timeshare | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | |
| <input type="checkbox"/> | Ohana | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | |
| <input type="checkbox"/> | Industrial | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | |
| <input type="checkbox"/> | Agricultural | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | |
| <input type="checkbox"/> | Recreational | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | | |
| <input type="checkbox"/> | Other(specify) | | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | | |
| Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws? | | | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | | |
| Variances to zoning code have been granted. | | | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | | |
| Describe any variances that have been granted to zoning code. | | | | | | |

1.14 Other Zoning Compliance Matters

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

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

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

1.15 Conversions

| | |
|--|--|
| <p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p> | <p><input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not Applicable</p> |
| <p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units: Developer represents that the structural components and mechanical and electrical installations material to the use and enjoyment of the units are in good condition commensurate with the age of such components and installations.</p> | |
| <p>Developer's statement of the expected useful life of each item reported above: Developer makes no representation of the expected useful life of each of the items above.</p> | |
| <p>List of any outstanding notices of uncured violations of any building code or other county regulations: None</p> | |
| <p>Estimated cost of curing any violations described above: N/A</p> | |

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

1.16 Project In Agricultural District

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

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

| | |
|---|--|
| <p>2.1 Developer(s)</p> | <p>Name: Glenn M. Maruyama and Hideko Maruyama</p> <p>Business Address: c/o 1628 Halekoa Drive, Honolulu, HI 96816</p> <p>Business Phone Number: (808) 591-7142</p> <p>E-mail Address:</p> |
| <p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p> | |
| <p>2.2 Real Estate Broker</p> | <p>Name: None selected, see page 18</p> <p>Business Address:</p> <p>Business Phone Number:</p> <p>E-mail Address:</p> |
| <p>2.3 Escrow Depository</p> | <p>Name: First Hawaii Title Corporation</p> <p>Business Address: 201 Merchant St., Ste. 2000, Honolulu, HI 96813</p> <p>Business Phone Number: (808) 521-3411</p> |
| <p>2.4 General Contractor</p> | <p>Name: N/A</p> <p>Business Address:</p> <p>Business Phone Number:</p> |
| <p>2.5 Condominium Managing Agent</p> | <p>Name: N/A, self managed by the Association</p> <p>Business Address:</p> <p>Business Phone Number:</p> |
| <p>2.6 Attorney for Developer</p> | <p>Name: Glenn M. Adachi</p> <p>Business Address: 1314 S. King St., Ste. 616, Honolulu, HI 96814</p> <p>Business Phone Number: (808) 591-1154</p> |

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|------------------|-----------------|
| Bureau of Conveyances | January 12, 2007 | 2007-017870 |

Amendments to Declaration of Condominium Property Regime

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|------------------|-----------------|
| | | |
| | | |
| | | |

3.2 Bylaws of the Association of Unit Owners

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

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|------------------|-----------------|
| Bureau of Conveyances | January 12, 2007 | 2007-017871 |

Amendments to Bylaws of the Association of Unit Owners

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|------------------|-----------------|
| | | |
| | | |
| | | |

3.3 Condominium Map

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

| | |
|--|------|
| Land Court Map Number | |
| Bureau of Conveyances Map Number | 4374 |
| Dates of Recordation of Amendments to the Condominium Map: | |
| | |

3.4 House Rules

| | | |
|--|--|-------------------------------------|
| <p>The Board of Directors may adopt rules and regulations (commonly called "House Rules") to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the Developer. Changes to House Rules do not need to be recorded to be effective.</p> | | |
| <p>The House Rules for this project:</p> | | |
| Are Proposed | | <input type="checkbox"/> |
| Have Been Adopted and Date of Adoption | | <input type="checkbox"/> |
| Developer does not plan to adopt House Rules | | <input checked="" type="checkbox"/> |

3.5 Changes to the Condominium Documents

| | | |
|---|--------------------|------------------|
| <p>Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.</p> | | |
| Document | Minimum Set by Law | This Condominium |
| Declaration | 67% | 67% |
| Bylaws | 67% | 67% |

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

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

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

| | |
|---|--|
| <p><u>Management of the Common Elements:</u> The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.</p> | |
| <p>The Initial Condominium Managing Agent for this project is (check one):</p> | |
| <input type="checkbox"/> | Not affiliated with the Developer |
| <input checked="" type="checkbox"/> | None (self-managed by the Association) |
| <input type="checkbox"/> | The Developer or an affiliate of the Developer |
| <input type="checkbox"/> | Other (explain) |

4.2 Estimate of the Initial Maintenance Fees

| |
|---|
| <p><u>Estimate of the Initial Maintenance Fees:</u> The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.</p> |
| <p>Exhibit ____ contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.</p> |

4.3 Utility Charges to be Included in the Maintenance Fee

| | |
|---|-------------------------------------|
| <p>If checked, the following utilities are included in the maintenance fee:</p> | |
| <input type="checkbox"/> | Electricity for the common elements |
| <input type="checkbox"/> | Gas for the common elements |
| <input type="checkbox"/> | Water |
| <input type="checkbox"/> | Sewer |
| <input type="checkbox"/> | TV cable |
| <input type="checkbox"/> | Other (specify) |

4.4 Utilities to be Separately Billed to Unit Owner

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

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

| | |
|---|--|
| Sales Documents on file with the Commission include, but are not limited to, the following: | |
| <input type="checkbox"/> | Specimen Sales Contract Exhibit ____ contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer. |
| <input checked="" type="checkbox"/> | Escrow Agreement dated: September 18, 2006 Name of Escrow Company: First Hawaii Title Corporation Exhibit <u>D</u> contains a summary of the pertinent provisions of the escrow agreement. |
| <input type="checkbox"/> | Other |

5.2 Sales to Owner-Occupants

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

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

5.3 Blanket Liens

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

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

| Type of Lien | Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance |
|--------------|---|
| Mortgage | In the event, the units are offered for sale, purchaser may cancel the transaction and seek refund of the deposits less any cancellation fee. |
| | |

5.4 Construction Warranties

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

| |
|--|
| Building and Other Improvements: None |
| Appliances: None |

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

| |
|---|
| Status of Construction: Unit 1 (1528) was constructed in 1957. Unit 2 (1530) was constructed in 1960. |
| Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser. |
| Completion Deadline for any unit not yet constructed, as set forth in the sales contract: |
| Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: |

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

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

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

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

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

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

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

5.7 Rights Under the Sales Contract

| | |
|---|--|
| Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report. | |
| 1. | Developer's Public Report |
| 2. | Declaration of Condominium Property Regime (and any amendments) |
| 3. | Bylaws of the Association of Unit Owners (and any amendments) |
| 4. | Condominium Map (and any amendments) |
| 5. | House Rules, if any |
| 6. | Escrow Agreement |
| 7. | Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted. |
| 8. | Other: |

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

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

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

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

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

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

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

(1) The purchaser has signed the sales contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

NO RESERVE STUDY: The Developer disclose that no reserve study was done in accordance with Section 514B-148, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 106, Hawaii Administrative Rules, as amended.

DISCLOSURE RE: NON SELECTION OF REAL ESTATE BROKER: As of the effective date of this developer's public report, the developer has not executed a listing agreement for the sale of this condominium project with any duly licensed Hawaii real estate broker. Thus, the developer cannot offer to sell or sell any units in this registered condominium project until: 1) the developer executes a listing agreement for the sale of this condominium project, 2) amends this developer's public report to reflect the new information, and 3) delivers this public report and amendment to the prospective purchaser. The conditions for binding sales contract are listed on pages 16-17, paragraph 5.8.1.

DISCLOSURE: HAZARDOUS MATERIALS: The developer has not commissioned a Phase I Environmental Site Assessment. The developer has not made an 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. The developer makes no warranties or representations regarding the presence or absence of the foregoing substances and materials. 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.

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

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

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

Glenn M. Maruyama and Hideko Maruyama
Printed Name of Developer

By: Hideko Maruyama 6-26-07
Glenn M. Maruyama 6/26/2007
Duly Authorized Signatory Date

Glenn M. Maruyama and Hideko Maruyama, Trustees
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT A
DESCRIPTION OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

COMMON ELEMENTS:

1. The land in fee simple described in Declaration.
2. Any chute, flue, duct, wire, conduit;
3. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, and normally in common use; and
4. The driveway designated as "COMMON AREA (ROADWAY) 2,026 Sq. ft." on the condominium map.

LIMITED COMMON ELEMENTS:

1. The limited common area of each unit consisting of the land beneath and immediately adjacent thereto (including any yard areas, landscaping, driveway and access areas), as shown and delineated on said Condominium Map. The limited common area of each unit is:

| Unit <u>No.</u> | Limited <u>Common Area</u> |
|--------------------|-------------------------------|
| 1 | 4,546 sq.ft. |
| 2 | 4,463 sq.ft. |

2. Any chute, flue, duct, wire, conduit, or any other fixture that lies partially within and partially outside the boundaries of the unit that serves only that unit.

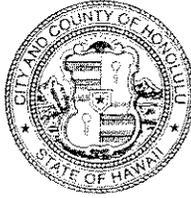
EXHIBIT B
LIST OF ENCUMBRANCES

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Easement "G" for sanitary sewer purposes, as shown on File Plan No. 558.
3. Grant of easement over said Easement "G", in favor of the City and County of Honolulu, dated April 18, 1957, recorded in said Bureau in Book 3298, Page 177.
4. As to an undivided 1/4 interest in Lot 31:
 - (A) Grant of easement in favor of Hawaiian Electric Company, Inc. and Verizon Hawaii Inc. for utility and incidental purposes dated June 12, 1956, recorded in said Bureau in Book 3138, Page 303.
 - (B) Declaration of Protective Provisions dated March 17, 1987, recorded in said Bureau in Book 20476, Page 227.
5. The terms, provisions, conditions and restrictions, if any contained in that certain Trust Agreement(s).
6. Mortgage in favor of Central Pacific Bank dated October 14, 1996, recorded in said Bureau as Document No. 96-151095.
7. Declaration of Condominium Property Regime of 1528/1530 HALEKOA DRIVE dated January 12, 2007, recorded in said Bureau as Document No. 2007-017870.
8. By-Laws of the Association of Apartment Owners of 1528/1530 HALEKOA DRIVE dated January 12, 2007, recorded in said Bureau as Document No. 2007-017871.
9. Condominium Map No. 4374 filed in said Bureau.
10. Any real property taxes that may due and payable. For more information contact City and County of Honolulu, Department of Finance, Real Property Tax Assessment.

DEPARTMENT 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/pp • INTERNET: www.honolulu.gov

MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUÉ
DEPUTY DIRECTOR

2005/ELOG-1271(RLK)

January 4, 2006

Glenn M. Adachi, Esq.
Attorney at Law
1314 South King Street, Suite 616
Honolulu, Hawaii 96814

Dear Mr. Adachi:

Re: Condominium Conversion Project
1528 and 1530 Halekoa Drive, Tax Map Key: 3-5-39: 37

This is in response to your letter dated September 30, 2005, requesting verification that the structures on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the one-story single-family detached dwelling and the one-story single-family detached dwelling with basement and four (4) all-weather-surface off-street parking spaces met all applicable code requirements when they were constructed in 1957 and 1960, respectively, on this 11,035 square-foot R-5 Residential District zoned lot.

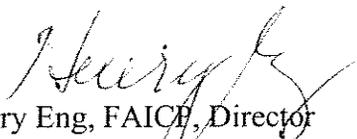
For your information, the Department of Planning and Permitting cannot determine all nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

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,


Henry Eng, FAICP, Director
Department of Planning and Permitting

doc419863

EXHIBIT C

EXHIBIT D
SUMMARY OF ESCROW AGREEMENT

The escrow agreement establishes an arrangement under which a purchaser's deposits will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen:

- (a) Escrow will collect and hold payments due pursuant to any sales contract.
- (b) Signed copies of the sales contract will be delivered to Escrow.
- (c) Owner will notify Escrow who in turn will notify purchasers when payments are due.
- (d) Escrow will accept purchaser'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 buyers funds. Escrow will disburse upon receipt of the following:
 - 1. Notification that a final public report has been issued and that purchaser has received a copy.
 - 2. Owner has furnished Escrow an opinion that the requirements of HRS have been met.
- (f) Under the escrow agreement purchaser shall be entitled to a refund, if purchaser makes a written request for a refund and Escrow has received a written request from Owner to return purchaser's funds and purchaser's funds were obtained prior to the issuance of a final public report.
- (g) The escrow agreement states what will happen to a purchaser's funds upon default under the sales contract. Owner is required to certify to Escrow in writing that purchaser defaults and that Owner is terminating the contract. Escrow will notify purchaser by registered mail of the default. Escrow will treat the purchaser's funds as belonging to the Owner 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.

EXHIBIT E

DESIGN PERSPECTIVE

247 Kalihi Street
Honolulu, Hawaii 96819

Telephone: (808) 841-4478

Facsimile: (808) 843-8214

E-Mail: DesignPerspeticve@hawaii.rr.com

January 4, 2006

Project: 1528 Halekoa Drive CPR
Mr. and Mrs. Masato Murayama
1528 Halekoa Drive (Unit 1 and Unit 2)
Honolulu, Hawaii 96821

T.M.K.: 3 - 5 -039 : 037

Dear Mr. and Mrs. Masato Murayama,

As per your instructions, a visual observation was made on subject property on October 17, 2005.

The purpose of the visitation was to visually examine and comment on the present condition of two separate dwellings on said property. The lot is presently zoned R-5 and has an area of approximately 11,035 square feet. The lot is accessible thru a privately owned driveway that is off of Halekoa Drive. Unit 1528 (Unit 1) is located along Halekoa Drive, while Unit 1530 (Unit 2) is located towards the rear of the property (Makai side). The lot slopes away from Halekoa Drive.

Information was obtained from as-built drawings (Unit 2) that was provided by the owner(s) and by conversations with Mr. and Mrs. Masato Murayama. In addition, a visual walk-thru of each dwelling was conducted by Mrs. Masato Maruyama, Mr. Delton Miyamura and myself. This report has been limited to a brief visual observation of said dwellings. For a more thorough and in-depth report, independent consultants should be contacted.

We noted that no unit within this complex is equipped for Handicap living, nor for Handicap accessibility. However, at the time of construction, Handicap requirements was not required.

UNIT 1

The dwelling whose address is 1528 Halekoa Drive is a two story dwelling structure. According to information obtained from the Honolulu City and County Building Department, the dwelling was constructed in 1956 as a one story dwelling. The lower level is presently used as a storage, laundry area and has a complete bath room. Visually, the dwelling is a raised foundation system with 1 X 3 lattice "skirt" around dwelling. Foundation system consist of post and beam on CMU retaining wall, concrete slab or precast concrete footing "tofu" blocks. Floor framing consist of 4X beams, 2X floor joist and 1X wood flooring. Exterior and interior walls appears to be single wall with 1X8 VJ2SS2S. The exterior sheathing is covered with vinyl lap siding. Roof system included; 8'-0" high canec ceiling on carpenter built trusses with 1X roof sheathing. Roofing material appeared to be composition roof shingles.

1. At the time of our visitation, we noted that the existing light and plumbing fixtures appeared to be in good condition. We noted existing supply water lines were a combination of galvanized and copper

pipes. In general, existing electrical outlets does appear to be grounded but was not equipped with GFI outlets.

2. We visually smoke detectors.
3. Paint has not been tested for lead.
4. We visually noticed termite droppings on the lower floor.

Generally, the overall condition of the structure is in good shape considering the age of the building. The owner should maintain a scheduled maintenance program (such as; termite treatment, painting, reroofing, etc.) to enhance the life expectancy of the building.

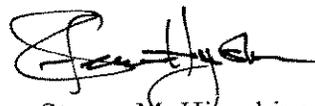
UNIT 2

The dwelling whose address is 1530 Halekoa Drive (number was noted on picket fence) is a two story dwelling structure. According to information obtained from the Honolulu City and County Building Department, the dwelling was constructed in 1961. Visually, the dwelling is constructed using a slab on grade foundation system. Walls for lower level is constructed of CMU blocks while the upper interior and exterior wall utilizes 1X8 VJ2SS2S. The exterior sheathing is covered with vinyl lap siding. The CMU wall on the Mauka side appears to be retaining. Floor framing consist of 4X beams, 2X floor joist and 1X wood flooring. Roof system included; 8'-0" high gypsum board ceiling on carpenter built trusses with 1X roof sheathing. Roofing material appeared to be granular rolled roofing.

1. At the time of our visitation, it appears the unit is presently being renovated. We noted the electrical wiring, communication wiring and panel box was being rewired.
2. We noted that the existing light and plumbing fixtures appeared to be in excellent to good condition.
2. Existing electrical outlets does appear to be grounded and equipped with GFI outlets.
3. We visually noted smoke detectors installed. However, at the time of our visitation, smoke detectors were covered and/or not in service.
4. Paint has not been tested for lead.

Generally, the overall condition of the structure is in excellent to good shape considering the age of the building. The owner should maintain a scheduled maintenance program (such as; termite treatment, painting, reroofing, etc..) to enhance the life expectancy of the building.

Signed:



Steven M. Higashiya

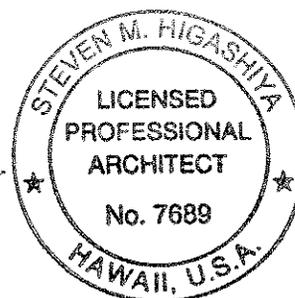


EXHIBIT F

SUMMARY OF SALES CONTRACT

The Seller will use the standard form Deposit, Receipt, Offer and Acceptance (DROA) agreement as the sales contract for the sale of the unit(s). 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. Buyer's deposits will be held in escrow until the sales contract is closed or cancelled.

3. Buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

4. 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.

4. The unit is being sold "as is". The HBR standard form "As Is" addendum is attached as an addendum to the contract.

5. The sales contract may contain additional terms and conditions as the Seller and Buyer may agree to include.

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