**AMENDMENT #1 TO**
**DEVELOPER'S PUBLIC REPORT**
**FOR A CONDOMINIUM**

| | |
|---|---|
| CONDOMINIUM PROJECT NAME: | THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 8 |
| PROJECT ADDRESS: | 91-2131 and 91-2133 KAI'OLI STRET, EWA BEACH, Hawaii 96706 |
| REGISTRATION NUMBER: | 6315 |
| EFFECTIVE DATE OF REPORT: | April 24, 2008 |
| MUST BE READ TOGETHER WITH DEVELOPER'S PUBLIC REPORT DATED: | May 15, 2007 |
| DEVELOPER(S): | Fairway's Edge Development, LLC |

**Preparation of this Amendment**

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desires to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS means 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 law defines "pertinent change" to mean, as determined by the commission, a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) The size, construction materials, location, or permitted use of a unit or its appurtenant limited common element; (2) The size, use, location, or construction materials of the common elements of the project; or (3) The common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developer's Public Report or an amended Developer's Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

This Amendment 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 amendment to the 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, material changes, or pertinent changes about the project have been fully or adequately disclosed; and (3) is not the

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Commission's judgment of the value or merits of the project.

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 amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

Summary of Changes from Earlier Developer's Public Report:

This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

The budgets attached as Exhibit "J" to the Developer's Public Report with an effective date of May 15, 2007 have been replaced by the following:

(a) The Annual Budget for The Town Homes at Fairway's Edge, Increment 8, effective April 1, 2008, which also shows the maintenance fees per unit for 2008;

(b) The Annual Budget for 2008 for the Ocean Pointe Residential Community Association (effective January 1, 2008), which shows a monthly fee of $27.00 per month per unit, representing an increase of $5.00 per month per unit.

Purchasers are advised to review the revised Exhibit "J" attached to this report.

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Changes continued:

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**The Developer declares subject to the penalties set forth in Section 514B-69, HRS that this project continues to conform 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 as amended, 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 as amended, 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 as amended and the exhibits attached to this report (if any) as amended 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 as amended 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 as amended at least 30 days prior to the anniversary date of the effective date of this report.

Fairway's Edge Development, LLC, by its Member, Haseko Homes, Inc.

Printed Name of Developer

Duly Authorized Signatory*

4/4/08

Date

Tsutomu Sagawa, Executive Vice President

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.**

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The Town Homes at Fairway's Edge, Increment 8

Annual Maintenance Fees and Monthly Fee Per Unit

(12 UNITS)

**ANNUAL BUDGET**

| ESTIMATE OF MAINTENANCE DISBURSEMENTS **(a)** | MONTHLY ($) | ANNUAL ($) |
|---|---|---|
| **Utilities** | | |
| Common Electricity | $ 50.00 | $ 600.00 |
| Water | $ 341.85 | $ 4,102.20 |
| Sewer | $ 248.60 | $ 2,983.20 |
| **Building and Grounds Maintenance** | | |
| Building | $ 40.00 | $ 480.00 |
| Grounds (Landscaping) | $ 760.00 | $ 9,120.00 |
| Pest Control | $ 78.05 | $ 936.60 |
| Amenities (Recreation Area) | $ 33.75 | $ 405.00 |
| Trash Removal | $ 220.00 | $ 2,640.00 |
| Custodial | $ 20.00 | $ 240.00 |
| **Management** | | |
| Management Fees | $ 125.00 | $ 1,500.00 |
| Wages and Salaries | $ 211.17 | $ 2,534.04 |
| Administrative Expenses | $ 36.94 | $ 443.28 |
| Education Expenses | $ 3.61 | $ 43.32 |
| **Insurance** | $ 795.75 | $ 9,549.00 |
| **Legal & Professional** | $ 10.00 | $ 120.00 |
| **Taxes/Government Assessments** | $ 10.00 | $ 120.00 |
| **Audit Fees** | $ 10.00 | $ 120.00 |
| **Reserves (b)** | $ 366.92 | $ 4,403.04 |
| **Totals (c)** | $ 3,361.64 | $ 40,339.68 |

(a) All budgeted expenses have been calculated by allocating a portion of the overall proposed expenses in accordance with the ratio of the number of units in Increment 8 (i.e., 12 units) to the total number of proposed units (i.e., 216 units). In the event of a deficit in the actual expenses and the amount actually collected, such deficit shall be subsidized by the Developer until all units within The Town Homes at Fairway's Edge project have been sold.

(b) A reserve study (per §514B-148(a)(4), HRS and Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules) has not yet been conducted. The reserves are estimates only based upon information obtained by Fairway's Edge Development, LLC.

(c) The Developer, on its own initiative, will be installing and paying for the costs of the use of the Sentricon® *Termite Colony Elimination System* on the Project, commencing on the date title for the first Unit in a building is transferred to the first homeowner and expiring twelve months thereafter. The costs of use of Sentricon® *Termite Colony Elimination System* for a particular building within the Project beyond such period has not been included in the Budget, and any use will be at the election and the cost of the Association or individual apartment owners as the case may be.

THE TOWN HOMES AT FAIRWAY'S EDGE, INCREMENT 8
(12 UNITS)

**MAINTENANCE FEES PER UNIT**

| UNIT NO. | NET LIVING AREA AND BALCONY (sq. ft.) **(a)** | COMMON INTEREST (%) | MONTHLY MAINT. FEE ($) (Per Budget p. 1) | MONTHLY MASTER ASSN. FEE ($) (Per Budget p.4) | **TOTAL MONTHLY FEES ($)** | TOTAL ANNUAL FEES ($) |
|---|---|---|---|---|---|---|
| 3401 | 1,005 | 7.5473 | 253.71 | 27.00 | 280.71 | 3,368.52 |
| 3402 | 1,196 | 8.9817 | 301.93 | 27.00 | 328.93 | 3,947.16 |
| 3403 | 1,130 | 8.4860 | 285.27 | 27.00 | 312.27 | 3,747.24 |
| 3404 | 1,130 | 8.4860 | 285.27 | 27.00 | 312.27 | 3,747.24 |
| 3405 | 1,196 | 8.9817 | 301.93 | 27.00 | 328.93 | 3,947.16 |
| 3406 | 1,001 | 7.5173 | 252.71 | 27.00 | 279.71 | 3,356.52 |
| 3501 | 1,005 | 7.5473 | 253.71 | 27.00 | 280.71 | 3,368.52 |
| 3502 | 1,196 | 8.9817 | 301.93 | 27.00 | 328.93 | 3,947.16 |
| 3503 | 1,130 | 8.4860 | 285.27 | 27.00 | 312.27 | 3,747.24 |
| 3504 | 1,130 | 8.4860 | 285.27 | 27.00 | 312.27 | 3,747.24 |
| 3505 | 1,196 | 8.9817 | 301.93 | 27.00 | 328.93 | 3,947.16 |
| 3506 | 1,001 | 7.5173 | 252.71 | 27.00 | 279.71 | 3,356.52 |

(a) The net living area of the Unit, excluding the garage, the lanai, the front or rear yards, and the entry area.

Note: The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Ocean Pointe Residential Community Association
**Annual Budget - Year 2008**[1]
(Based on 2,441 Units)

| Budget Item | | Amount |
|---|---|---|
| a. | Maintenance - Grounds[2] | 398,772.00 |
| b. | Utilities (Water) | 112,200.00 |
| c. | Utilities (Electricity) | 3,900.00 |
| d. | Insurance | 29,340.00 |
| e. | Management Services[3] | 100,008.00 |
| f. | Admin Supplies & Services | 30,160.00 |
| g. | Legal & Audit | 3,072.00 |
| h. | Miscellaneous Administrative Expenses | 180.00 |
| i. | Security | 84,000.00 |
| j. | Reserve Contribution | 29,138.00 |
| k. | Total Estimated Annual Costs | 790,770.00 |
| l. | Total Estimated Monthly Costs | 65,897.50 |
| m. | Total Costs Per Unit Per Month[4] | 27.00 |
| n. | Net Assessments Per Unit Per Month[5] | **$27.00** |

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1 The Ocean Pointe Community Association's (the "Association") 2008 fiscal year runs from January 1, 2008 through December 31, 2008.

2 Maintenance - Grounds cover maintenance of the "Area of Common Responsibility" as that term is defined in the Declaration of Covenants, Conditions, and Restrictions for Ocean Pointe (Residential) dated September 15, 1998 as supplemented and amended (the "Master Declaration"). The estimated maintenance costs shown in this line item do not cover any areas that may be subsequently annexed to the Master Declaration in the future. The estimated maintenance costs shown in line item a. include estimates for all labor, equipment, and other materials (not including water which is covered by line item b.) that are necessary to maintain the above-described areas.

3 Management Services reflect the fees that Certified Management, Inc. will be paid for the coming fiscal year for management services and design review services.

4 The total cost per unit per month was calculated by taking the total estimated annual costs (line item k.) and dividing that number by 2,441 and further dividing that number by 12. The resulting sum is then rounded to the nearest dollar.

5 The Net Assessment Per Unit Per Month represents the net monthly assessment estimated amount to be collected from members on a per unit basis for the coming fiscal year.