DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	OAHU AVENUE CONDOMINIUM RESIDENCE
Project Address	2412 and 2414 OAHU AVENUE HONOLULU, HAWAII 96822
Registration Number	6385 (Conversion)
Effective Date of Report	August 7, 2007
Developer(s)	JOSEPH JAMES MASTRANTONIO, JR. and GEORGE CLARENCE CHRISTENSEN

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 does not represent a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.

Unit 2414 is an "Ohana" dwelling unit. Your attention is directed to Exhibit "G" which contains a copy of a letter dated May 21, 2007 from the Department of Planning and Permitting, City and County of Honolulu. The letter describes what needs to be done in the event more than 50% of the units replacement value is destroyed. Purchaser is encouraged to read Chapter 21, Section 21-2.140(1) of the Land Use Ordinance.

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

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General Information On Condominiums

A condominium is a special form of 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	☒Fee Simple ☐ Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	☒Yes ☐ No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	2412 and 2414 Oahu Avenue Honolulu, Hawaii 96822
Address of Project is expected to change because	
Tax Map Key (TMK)	1-2-9-011-011
Tax Map Key is expected to change because	The City and County of Honolulu will issue CPR Nos.
Land Area	6214 sq ft
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	1
Floors Per Building	1
Number of New Building(s)	0
Number of Converted Building(s)	1
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood, Concrete and other allied building materials.

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
2412	1	3/2	1170	188, 305, 49	Garage, Deck, Stair/Landing	1712 sq ft
2414	1	2/1	864	446, 242, 22	Garage, Deck, Stair/Landing	1574 sq ft
See Exhibit A.						

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 (See Exhibit K)
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:

Each apartment consists of walls, roofs, windows, doors, ceilings, floors, slabs, footings, foundations, and entire structure of each of the aforesaid two (2) residential dwellings, including the spaces contained therein.

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):

See Exhibit B

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:
Each apartment shall have fifty percent (50%) undivided fractional interest in the common elements of the project.

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

☐	Swimming pool
☐	Laundry Area
☐	Storage Area
☐	Tennis Court
☐	Recreation Area
☐	Trash Chute/Enclosure(s)
☐	Exercise Room
☐	Security Gate
☐	Playground
☐	Other (describe):

1.9 Common Elements

Common Elements: 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.
Described in Exhibit __C__.
Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

Limited Common Elements: 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.
Described in Exhibit __D__.
Described as follows:

1.11 Special Use Restrictions

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.	
☒	Pets: No more than two (2) domestic animals allowed per apartment
☐	Number of Occupants:
☐	Other:
☐	There are no special use restrictions.

1.12 Encumbrances Against Title 1.13 Uses Permitted by Zoning and Zoning Compliance Matters

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).
Exhibit __E__ describes the encumbrances against title contained in the title report described below.
Date of the title report: July 6, 2007
Company that issued the title report: Old Republic Title & Escrow of Hawaii

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
☒	Residential	2	☒Yes ☐ No	R-7.5
☐	Commercial		☐Yes ☐ No	
☐	Mix Residential/Commercial		☐Yes ☐ No	
☐	Hotel		☐Yes ☐No	
☐	Timeshare		☐Yes ☐ No	
☐	Ohana		☐Yes ☐ No	
☐	Industrial		☐Yes ☐ No	
☐	Agricultural		☐Yes ☐ No	
☐	Recreational		☐Yes ☐ No	
☐	Other(specify)		☐Yes ☐No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			☒Yes ☐ No	
Variances to zoning code have been granted.			☐Yes ☒ No	
Describe any variances that have been granted to zoning code.			See Exhibit "G"	

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots
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. 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. 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.

	Conforming	Non-Conforming	Illegal
Uses	☒	☐	☐
Structures	☐	☒	☐
Lot	☒	☐	☐

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:

If Unit 2414 is destroyed beyond 50% of its fair market value, a zoning adjustment is required.
See Exhibit "G"

1.15 Conversions

Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.	☒ **Applicable** ☐ **Not Applicable**
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: See Exhibit F	
Developer's statement of the expected useful life of each item reported above: Both units are in good condition. Developer makes no representations with regards to the expected useful life of the structural components and mechanical and electrical installations.	
List of any outstanding notices of uncured violations of any building code or other county regulations: There are no violations.	
Estimated cost of curing any violations described above:	

Verified Statement from a County Official
Regarding any converted structures in the project, attached as Exhibit __G__ is a verified statement signed by an appropriate county official which states that either: (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: (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; or (B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.
Other disclosures and information:

1.16 Project In Agricultural District

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.	☐ **Yes** ☒ **No**
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? ☐ Yes ☐ No If the answer is "No", provide explanation.	
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? ☐ Yes ☐ No If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.	
Other disclosures and information:	

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: Joseph James Mastrantonio, Jr. and George Clarence Christensen Business Address: 3618 Anela Place Honolulu, Hawaii 96822 Business Phone Number: (808) 722-2621 E-mail Address: joemas@hawaii.rr.com
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).	
2.2 Real Estate Broker	Name: Coldwell Banker Pacific Properties, Ltd. Business Address: 4211 Waialae Ave, UW1 Honolulu, Hawaii 96816 Business Phone Number: (808) 732-1414 E-mail Address:
2.3 Escrow Depository	Name: Old Republic Title & Escrow of Hawaii Business Address: 733 Bishop St., Suite 2700 Honolulu, Hawaii 96813 Business Phone Number: (808) 566-0100
2.4 General Contractor	Name: Business Address: Business Phone Number:
2.5 Condominium Managing Agent	Name: Self managed by the Association Business Address: Business Phone Number:
2.6 Attorney for Developer	Name: Charles X Delgado, Law Offices of Wood and Delgado Business Address: 27349 Jefferson Ave., Suite 201 Temecula, CA 92590 Business Phone Number: (951) 296-0399

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
Land Court	June 27, 2007	3620589

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
Land Court	June 27, 2007	3620590

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	1899

Bureau of Conveyances Map Number Dates of Recordation of Amendments to the Condominium Map:

3.4 House Rules

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.	
The House Rules for this project:	
Are Proposed	☐
Have Been Adopted and Date of Adoption	☐
Developer does not plan to adopt House Rules	☒

3.5 Changes to the Condominium Documents

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.		
Document	Minimum Set by Law	This Condominium
Declaration	67%	100%
Bylaws	67%	100%

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

☐	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
☒	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: See Declaration of Condominium Property Regime of Oahu Avenue Condominium Residence, Section "P".

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

Management of the Common Elements: 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.	
The Initial Condominium Managing Agent for this project is (check one):	
☐	Not affiliated with the Developer
☒	None (self-managed by the Association)
☐	The Developer or an affiliate of the Developer
☐	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

Estimate of the Initial Maintenance Fees: 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.
Exhibit _H___ 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.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
☐	Electricity for the common elements
☐	Gas for the common elements
☐	Water
☐	Sewer
☐	TV cable
☐	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:	
☒	Electricity for the Unit only
☒	Gas for the Unit only
☒	Water
☒	Sewer
☒	TV cable
☐	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:	
☒	Specimen Sales Contract Exhibit __I__ contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
☒	Escrow Agreement dated: June 27, 2007 Name of Escrow Company: Old Republic Title & Escrow of Hawaii, Ltd. Exhibit _J__ contains a summary of the pertinent provisions of the escrow agreement.
☐	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.

☐	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
☐	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ____.
☐	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.

☐	There are no blanket liens affecting title to the individual units.
☒	There are blanket liens 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	Lenders have priority over Buyer's rights under a sales contract and have a right to terminate sales contracts upon foreclosure of their Mortgages before an apartment sale is closed. Should the lender terminate sales contract, Buyer shall be entitled to a full refund of all deposits, less escrow 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: Units sold in "as is" condition without warranty.
Appliances: Manufacturers.

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

Status of Construction: Unit 2412 & 2414 were constructed in 1988.
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

☒	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):	
☐	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
☐	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):

Box A ☐	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. If Box A is checked, you should read and carefully consider the following notice, which is required by law: **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.**
Box B ☐	The Developer has **not** 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. 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 **Important Notice Regarding Your Deposits** 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, **you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment**. (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. You should understand that, although the **Important Notice Regarding Your Deposits** 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.

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

1. The two apartments of this project are designated on the Condominium Map as Unit "2412" and Unit "2414" and are referred to in this report as apartment type or number 2412 or 2414, respectively.

2. The apartments in this project are built on one legally subdivided lot. The land of the project is a common element which is owned jointly by all apartment owners in the project. The land area under and adjacent to each dwelling unit is designated as the limited common elements for that unit and does not represent a legally subdivided lot. The dashed lines on the Condominium Map are for illustration purposes only.

3. All costs pertaining to the maintenance of each apartment and its respective limited common elements, including the cost of landscaping, maintenance, repair, replacement and improvement shall be borne by the respective apartment owner. Section 514B-143, Hawaii Revised Statutes, requires the Association of Apartment Owners to purchase certain hazard insurance to cover the improvements of the project. Premiums shall be common expenses. The Developer anticipates that the Association will elect to permit individual apartment owners to obtain separate policies of hazard insurance and name the Association as an additional insured. In such case, the premiums will be the responsibility of the individual apartment owners and not a common expense.

4. Hazardous Materials. The Developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The Developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project; including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic substances" under, or for the purposes of, hazardous material law. Buyer 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, Buyer 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 Buyer expressly releases the Developer from any liability to Buyer if any hazardous materials are discovered.

5. Disclosure re: Licensee status of Developer/Owner. Pursuant to Sections 16-99-3(g) and 16-99-11(d) Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that one of the Developer/Owners, Joseph J. Mastrantonio (RB-10900), is currently an inactive Hawaii-licensed real estate broker. Further, pursuant to section 16-99-11(c), HAR, "no licensee shall advertise 'For Sale By Owner,...'"

7. Warranty. Units are sold in "as is" condition without any warranty.

8. Disclosure re: Driveway. The existing driveway off Oahu Avenue serves, in addition to the project, five additional lots adjacent to the project. The owners of each of the Units together with the owners of the adjacent lots shall be responsible for the care and maintenance of the driveway.

9. Disclosure re: Expanding Unit 2414. Unit 2414 is an Ohana unit and can not be expanded under current regulations.

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.

Joseph James Mastrantonio and George Clarence Christensen
Printed Name of Developer

By: _____ July 5, 2007
Duly Authorized Signatory * Date

Joseph James Mastrantonio
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City & County of Honolulu

Planning Department, City & 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.**

370610.04

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.

Joseph James Mastrantonio and George Clarence Christensen
Printed Name of Developer

By: _____ July 5, 2007
Duly Authorized Signatory * Date

George Clarence Christensen
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City & County of Honolulu

Planning Department, City & 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.**

370610.04

EXHIBIT "A"

UNIT TYPES AND SIZES OF UNITS

(a) Unit 2412. Unit 2412 is a single level structure. The unit contains a one (1) car garage, one exterior parking stall, a kitchen, a dining room, a living room, three (3) bedrooms, two (2) full bathrooms, a walk in closet, two (2) decks; one with a clothes washer and dryer area. The total floor area of the unit is approximately 1,170 square feet, excluding the exterior parking stall, the approximately 188 square feet garage, the two (2) decks approximately 305 square feet, and the approximately 49 square feet stairs/landing area.

(b) Unit 2414. Unit 2414 is a single level structure. The unit consists of a two (2) car garage with a clothes washer and dryer area, a kitchen, a dining room, a living room, two (2) bedrooms, one (1) full bathroom, and a deck. The total floor area is approximately 864 square feet, excluding the approximately 446 square feet garage, the approximately 242 square feet deck, and the approximately 22 square feet stairs/landing area.

END OF EXHIBIT "A"

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS

No apartment owner shall do any work which could jeopardize the soundness or safety of the project, reduce the value thereof, or impair any easement or hereditament, without in every such case the consent of one-hundred percent (100%) of the apartment owners being first obtained. All other construction restoration, replacement, addition to or alteration of either apartment or its appurtenant limited common elements by the owner of such apartment shall be permitted without restriction, except that the approval of the holder of a first lien affecting such apartment shall be obtained if the lien holder requires such approval and provided that the apartment owner constructing such improvements or making such additions or alterations strictly comply with all applicable laws, ordinances and regulations of any governmental entity and also obtains any necessary building permits, at the apartment owner's sole expense. Any apartment owner who constructs, alters, or renovates his respective apartment unit shall if required by the Condominium Property Act or this Declaration, file an amendment to this Declaration and the Condominium Map reflecting said alterations and/pr renovations. All costs of such amendments shall be borne by said apartment owner.

The Association, through its Board of Directors, shall join in such Amendment if such Amendment is required by this Declaration and to cause such amendment to be filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

Notwithstanding anything to the contrary contained herein, no apartment owner shall be permitted to construct or erect any improvement or addition of any type whatsoever within five (5) feet of any portion of real property of the project which has been designated as the limited common element appurtenant to the other apartment in the project, without the prior written consent of the owner of such apartment, which consent may be withheld with or without cause.

END OF EXHIBIT "B"

EXHIBIT "C"

DESCRIPTION OF COMMON ELEMENTS

The "common elements" include specifically but are not limited to:

(a) The Land in fee simple;

(b) All pipes, cables, conduits, ducts, electrical equipment, 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, water, sewer, telephone and television signal distribution, if any; and

(c) Any and all other apparatus and installations of common use, or are necessary for the support of either apartment, and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

END OF EXHIBIT "C"

EXHIBIT "D"

DESCRITPION OF LIMITED COMMON ELEMENTS

Certain parts of the common elements are designated and set aside for the exclusive use of each apartment as follows:

(a) The land area under and surrounding each respective apartment, including the yard, grounds, landscaping, any amenities located thereon, and the parking areas not included in an apartment, as delineated on the Condominium Map, shall be appurtenant to and for the exclusive use of that apartment. The land designated as limited common element appurtenant to Unit 2412 consists of approximately 2839 square feet and is designated on the Condominium Map as "dwelling area 2412". The land designated as limited common element area appurtenant to Unit 2414 consists of approximately 2853 square feet and is designated on the Condominium Map as "dwelling area 2414".

(b) All pipes, wires, conduits, and other utility and service lines not contained within an apartment but used exclusively by and servicing only such apartment, shall be appurtenant to and for the exclusive use of that apartment.

(c) One (1) mailbox shall be appurtenant to and for the exclusive use of each apartment, and shall be designated with the street address of the apartment thereon.

NOTE: The land area appurtenant to each unit does not represent a legally subdivided lot

END OF EXHIBIT "D"

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Lot C-2: EASEMENT

   For : Right of way for foot passage and driveway to be used jointly with the owners and occupants of Lot C-3, B-1, B-2, B-3 and A-4

   As set forth by Deed dated August 29, 1929, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 19553.

2. Any rights, interests or claims which may exist or arise by reason of the facts shown on a survey plat prepared by DENNIS K. HASHIMOTO, Licensed Professional Land Surveyor, Certificate No. 5688, on February 27, 2007, designated Jon No. 506:66

   For: Hollow tile wall #2 which extends into the subject parcel by 0.0 ft. to 0.2 ft. for a length of 23.3 ft.

3. Encroachment and License Agreement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To:	KAY L. LONG
For:	Curb which extends into parcel for 6.0 ft.
Dated:	March 23, 2007
Recorded:	April 9, 2007 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3585506

4. Mortgage to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof, with power of sale and assignment of rents.

Amount:	$725,000.00
Mortgagor:	GEORGE CLARENCE CHRISTENSEN, unmarried and JOSEPH JAMES MASTRANTONIO, husband of Elizabeth Mary Mastrantonio
Mortgagee:	MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., as a nominee for COUNTRYWIDE BANK, FSB., a FED SVGS BANK organized and existing under the laws of the United States, as their interest may
Dated:	April 3, 2007
Recorded:	April 9, 2007 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3585509
Loan No.:	16599083

   MIN: 1001337-0002084037-0

5. Condominium Map No. 1899, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii.

6. Matters in an instrument that, among other things, contain or provide for easements, assessments, liens and their subordination; provisions relating to partition, restrictions on severability of component interest, covenants, conditions and restrictions, provision that no violation thereof and no enforcement of any lien provided for therein shall defeat or render invalid the lien of a mortgage or deed of trust made in good faith and for value, but omitting and covenants or restrictions if any, based upon race color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Entitled: Declaration of Condominium Property Regime
Recorded: June 27, 2007 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3620589

Liens and charges for upkeep and maintenance as provided in the above mentioned Covenants, Conditions and Restrictions, if any, where no notice thereof appears on record.

For information regarding the current status of said liens and/or assessments
Contact: ASSOCIATION OF APARTMENT OWNERS OF OAHU AVENUE CONDOMINIUM RESIDENCE

7. By-Laws of the Association of Apartment Owners of OAHU AVENUE CONDOMINIUM RESIDENCE, recorded June 27, 2007 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3620590, recorded June 27, 2007.

8. For Real Property Taxes, your attention is diverted to the Director of Finance, City and County of Honolulu.

END OF EXHIBIT "E"

EXHIBIT "F"

ARCHITECTURAL ASSOCIATES
1400 Kapiolani Blvd., #B48
Honolulu, Hawaii 96814

May 31, 2007

Joseph Mastrantonio
George Christensen
3818 Anela Place
Honolulu, Hawaii 96822

RE: OAHU AVENUE CONDOMINIUM RESIDENCE

Dear Mr. Mastrantonio & Mr. Christensen,

I have inspected the residential buildings at 2412 and 2414 Oahu Avenue in Honolulu and report the following:

1. The existing residential buildings are in compliance with all ordinances, codes, rules, regulations, and other requirements that were in force at the time of their construction.

2. No variance has been granted from any ordinance, code, rule, regulation, or any other requirement in force a the time of the construction of the apartment or from any current ordinance, code, rule, regulation, or other requirement.

THIS IS ONLY A WARRANTY INSPECTION WAS MADE AND NO APPARENT VIOLATIONS APPEAR TO EXIST. NO RIGHT SHALL ACCRUE TO ANY THIRD PARTY FOR SUBSEQUENT DISCOVERY OF ANY PROBLEMS WITH THE CODE COMPLIANCE OR FOR FUTURE CHANGES IN SUCH CODE(S).

Please call me if you have any questions.

Sincerely,

Edward A. Resh

Edward A. Resh
HI Reg. Arch. No. 3239

END OF EXHIBIT "F"

EXHIBIT "G"

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8000 • FAX: (808) 527-6743
INTERNET: www.honolulu.gov • DEPT. WEB SITE: www.honoluludpp.org

MUFI HANNEMANN
MAYOR

HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

2007/ELOG-545(LT)

May 21, 2007

Charles X. Delgado, Esq.
Law Offices of Wood and Delgado
27349 Jefferson Avenue, Suite 201
Temecula, California 92590

Dear Mr. Delgado:

Subject: Condominium Conversion Project
2412 Oahu Avenue
Tax Map Key: 2-9-011: 011

This is in response to your letter dated February 23, 2007, 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 ohana dwelling with four (4) all-weather-surface off-street parking spaces met all applicable code requirements when they were constructed in 1988 on this 6,214-square-foot R-7.5 Residential District zoned lot.

There were no use restrictions when the ohana permit was issued; however, a zoning adjustment is required under Chapter 21, Section 21-2.140(I) of the Land Use Ordinance, to rebuild the ohana dwelling if it is destroyed by any means to the extent of more than fifty percent (50%) of the unit's replacement value.

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 special 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 768-8151.

Very truly yours,

Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:ft

doc538059

END OF EXHIBIT "G"

EXHIBIT "H"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months = Yearly Total
2412	$116.75 x 12 = $1401.00
2414	$116.75 x 12 = $1401.00

Estimate of Maintenance Fee Disbursements:

	Monthly Fee	x	12 =	Yearly Total
Utilities and Services				
Air Conditioning				
Electricity *				
[ ] common elements only				
[ ] common elements and apartments				
Elevator				
Gas				
Refuse Collection				
Telephone				
Water and Sewer *				
Maintenance, Repairs and Supplies				
Building				
Grounds				
Management				
Management Fee				
Payroll and Payroll Taxes				
Office Expenses				
Insurance	$233.50	x	12 =	$2802.00
Reserves				
Taxes and Government Assessments				
Audit Fees				
Other				
TOTAL				

Note:

*All utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges.

** Section 514B-143, Hawaii Revised Statutes, requires the Association of Apartment Owners to purchase fire insurance to cover the improvements of the Project, and that premiums be common expenses. Developer anticipates that the Association may elect to permit individual apartment owners to obtain and maintain separate policies of fire 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.

We, Joseph Mastrantonio and George Christensen, developers of the OAHU AVENUE CONDOMINIUM RESIDENCE condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Joseph Mastrantonio — July 5, 2007
Date

George Christensen — July 5, 2007
Date

END OF EXHIBIT "H"

EXHIBIT "I"

SUMMARY OF PROVISIONS OF SPECIMEN SALES CONTRACT

Developer intends to use the most recent edition of the Hawaii Association of Realtors' purchase contract. The specimen contract contains among other things, the following additional provisions:

1. The Seller makes no warranties express or implied with respect to the apartment.

2. All of the rights of Buyer under the sales contract are and shall be subject and subordinate to the lien of any mortgage securing the repayment of the interim loan made to finance the project.

3. (a) All payments to be made by Buyer shall be placed on deposit with Escrow and all checks shall be made payable to Escrow.

   (b) All funds received by Escrow may be deposited in an interest bearing account or accounts in a federally insured bank or savings and loan institution, and all interest earned from such account or accounts shall be credited to Seller's account, except as otherwise set forth in the sales contract.

4. If Buyer, within thirty (30) days from the mailing or delivery to Buyer by the Seller of a copy of the Amended Public Report, shall fail to acknowledge receipt thereof, or shall fail to give his written approval or acceptance of the Amended Public Report, if the same differs from the Public Report in any material respect, then Seller in any such case may, at its sole option, terminate the sales contract and upon such termination, Seller shall cause Escrow to refund to Buyer all payments previously made by Buyer, without interest, and less Escrow's cancellation fee, and Seller shall have no further liability; provided, however, that if Seller shall not exercise this option and Buyer shall have failed to notify Seller in writing within said thirty (30) day period of Buyer's refusal to approve or accept any material changes set forth in such Amended Public Report, then and in such event, Buyer's approval and acceptance of any such material changes shall be conclusively presumed to have been given, and the sales contract shall continue as a binding obligation on both parties.

5. Buyer shall be entitled to a refund of all payments to be made pursuant to the sales contract without interest, if there is any material change in the project subsequent to the execution of the sales contract, which directly, substantially, and adversely affects the use or value of (1) Buyer's apartment or appurtenant limited common elements, or (2) those amenities of the project available for Buyer's use. This right of rescission may be waived according to the terms set forth in Hawaii Revised Statutes Section 514B-87.

6. (a) Should Buyer fail to perform any of Buyer's obligations under the sales contract, Seller may (1) bring an action against Buyer for breach of contract and (2) retain Buyer's initial deposit and any additional deposits as liquidated damages. Buyer shall be responsible for expenses incurred.

   (b) Should Seller fail to perform any of Seller's obligations under the sales contract, Buyer may (1) bring an action against Seller for breach of contract, or (2) bring an action

compelling Seller to perform under contract. Seller shall be responsible for expenses incurred.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE CONTRACT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE BUYER'S RIGHTS AND OBLIGATIONS, THE BUYER MUST REFER TO THE BUYER'S CONTRACT TO DETERMINE THE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONTRACT, THE CONTRACT WILL CONTROL NOT THIS SUMMARY.

END OF EXHIBIT "I"

EXHIBIT "J"

SUMMARY OF PROVISIONS OF ESCROW AGREEMENT

1. All monies received by Escrow shall be deposited, within a reasonable time of their receipt by Escrow and in reasonably convenient and practical sums in a special account or accounts with a financial institution or institutions in Hawaii, at the prevailing interest rate, and all interest paid thereon shall be credited to the account of the Seller.

2. Upon receipt of notice in writing from Seller that any payments are due under any sales contracts, Escrow shall give notice in writing to each Purchaser under a sales contract held by Escrow and shall call for such payment to be made to Escrow.

3. Disbursements of Purchaser's funds to the Developer shall be made upon the closing date only after the construction of the apartment is completed, forty-six (46) days has passed since the completion of publication of a notice of completion of the project, if applicable, and the Real Estate Commission has issued a Final Public Report on the project and that each Purchaser has been given a copy of said Final Public Report and has receipted for the same and that all requirements of Section 514A-39 and 63, Hawaii Revised Statutes, have been met.

4. Purchaser is entitled to a refund of his funds, without interest if:

(a) Escrow receives a written request from Seller to return to Purchaser the funds; or

(b) There is any material change in the project subsequent to the execution of Purchaser's contract, which directly, substantially, and adversely affects the use or value of (1) Purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project available for Purchaser's use. The Purchaser's right of rescission under this subsection (b) shall be waived upon (1) delivery to the Purchaser, either personally or by registered or certified mail, return receipt requested, of a disclosure document which describes the material change and contains a provision for the Purchaser's written approval or acceptance of the change, and (2) the Purchaser's written approval or acceptance of the material change, or the lapse of ninety (90) days since the Purchaser has accepted the apartment, or the occupancy of the apartment by the Purchaser; provided that if the Purchaser does not rescind the contract or execute and return the written approval or acceptance of the change as provided in the disclosure document within thirty (30) days from the date of delivery of the disclosure document, the Purchaser shall be deemed to have approved and accepted the change; provided further that the deemed approval and acceptance shall be effective only if at the time of deliver of the disclosure document, the Purchaser is notified in writing of the fact that the Purchaser will be deemed to have approved and accepted the change upon the Purchaser's failure to act within the thirty (30) day period; provided further that if, prior to delivery of the disclosure document, ninety (90) days have lapsed since the Purchaser has accepted the apartment, or the Purchaser has occupied the apartment, then the Purchaser's right of rescission under subsection (b) shall not be waived unless the Purchaser shall execute the written approval or acceptance of the change as provided in the disclosure document within thirty (30) days from the date of deliver of the disclosure document or the Purchaser is deemed to have approved and accepted the change as set forth above.

Upon refund of said funds to purchaser as aforesaid, Escrow shall return to Seller such Purchaser's sales contract and any conveyance document theretofore delivered to Escrow, and thereupon neither the Purchaser nor Seller shall be deemed obligated thereunder.

5. If Seller certifies in writing to Escrow that a Purchaser, whose funds are being held by Escrow, has defaulted under the terms of his sales contract and that Seller has terminated said sales contract pursuant to the terms thereof, Escrow shall notify said Purchaser by registered mail of such default and shall thereafter treat all funds of such Purchaser paid under such contract, as the escrowed funds of Seller and not of Purchaser.

6. Escrow shall arrange for and supervise the signing of all documents relating to the condominium project to be signed subsequent to the sales contracts including, among others, the applicable conveyance document.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, HE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

Note: Section 514B-87, Hawaii Revised Statutes, provides for Rescission Rights to a purchaser under a binding contract if there is a material change in the project which directly, substantially and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project available for such purchaser's use.

END OF EXHIBIT "J"

EXHIBIT "K"

ADDITIONAL PARKING INFORMATION

Unit 2412 includes a one-car parking garage and one (1) non-delineated parking stall appurtenant to it, within the limited common elements.

Unit 2414 includes a two-car parking garage.

END OF EXHIBIT "K"