

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

| | |
|--------------------------|---|
| CONDOMINIUM PROJECT NAME | HENRY COURT |
| Project Address | 2839 Henry Street Honolulu, Hawaii 96817 |
| Registration Number | 6425 (Conversion) |
| Effective Date of Report | November 16, 2007 |
| Developer(s) | Home Investment, LLC |

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

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

1. This Public Report does not constitute an approval of the project by the Real Estate Commission or any other governmental agency.
2. This Project does not involve the sale of individual subdivided lots. The land area beneath and immediate adjacent to each unit as shown on the condominium map is designated as a limited common element and does not represent a legally subdivided lot. The dotted lines on the condominium map merely represent the approximate location of the limited common element assigned to each unit.
3. Facilities and improvements normally associated with County approved subdivision may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for interior road.

The sales contract between Buyer and Developer will become binding when **ALL** of the following events occur:

- The condominium documents have been recorded;
- A copy of the public report with an effective date issued by the Real Estate Commission has been delivered to the Buyer, along with copies of the recorded condominium documents; and
- The Buyer has waived Buyer's 30-day right to cancel the sales contract.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION REGARDING 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 | <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 | N/A | |
| Address of Project | 2839 Henry Street, Honolulu, Hawaii 96817 | |
| Address of Project is expected to change because | N/A | |
| Tax Map Key (TMK) | (1) 2-2-36-13 | |
| Tax Map Key is expected to change because | N/A | |
| Land Area | 16,068 square feet | |
| Developer's right to acquire the Property if Developer is not the Fee Owner (describe) | N/A | |

1.2 Buildings and Other Improvements

| | |
|--|--------------------------------|
| Number of Buildings | 4 |
| Floors Per Building | 2 |
| Number of New Building(s) | 0 |
| Number of Converted Building(s) | 4 |
| Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.) | wood, concrete, concrete block |

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 | 4/2 | 1,757 | 198 | Entries/Laundry/Stairways | 1,955 |
| 2 | 1 | 4/2 | 1,757 | 259 | Entries/Stairways/Laundry/Storage | 2,016 |
| 3 | 1 | 6/2 | 2,681 | 564 | Entry/Stairways/Deck/Storage | 3,245 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| See Exhibit _____ | | | | | | |

| | |
|----------|------------------------------|
| 3 | 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: | 1 or 2 |
| Attach Exhibit <u> A </u> 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. N/A | |

1.5 Boundaries of the Units

| |
|---|
| Boundaries of the unit: Each unit is bounded by the exterior surfaces of the structure comprising such unit. |
|---|

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): Any alterations permitted by applicable law, subject to the conditions provided in Section 13 of the Declaration. |
|--|

1.7 Common Interest

| |
|--|
| <u>Common Interest:</u> 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 unit has a common interest of 33 1/3%. |

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

| | |
|--------------------------|--------------------------|
| <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>B</u> .</p> | |
| <p>Described as follows:</p> | |
| | |
| Common Element | Number |
| Elevators | 0 |
| Stairways | 1 |
| Trash Chutes | 0 |

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 <u>C</u> .</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>D</u> describes the encumbrances against title contained in the title report described below.</p> |
| <p>Date of the title report: July 16, 2007</p> |
| <p>Company that issued the title report: First Hawaii Title Corporation as agent for Commonwealth Land Title Insurance Company</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 | 3 | <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 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. | | | N/A | | | | |

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 (See Exhibit E) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Structures | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Lot | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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|---|
| <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> <p>See Exhibit E</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:</p> <p>All structural components and mechanical and electrical installations material to the use and enjoyment of the units are in sound condition and order, considering the age thereof.</p> | |
| <p>Developer's statement of the expected useful life of each item reported above:</p> <p>No representations are made by Developer as to the expected useful life of such items.</p> | |
| <p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p> <p>None.</p> | |
| <p>Estimated cost of curing any violations described above:</p> <p>N/A</p> | |

| |
|---|
| <p>Verified Statement from a County Official</p> |
| <p>Regarding any converted structures in the project, attached as Exhibit <u>F</u> 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> <p>N/A</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: Home Investment, LLC, a Hawaii limited liability company</p> <p>Business Address: 2945 Kalei Road Honolulu, Hawaii 96826</p> <p>Business Phone Number: (808) 527-6216 E-mail Address: None</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>Howard Unebasami, Member-Manager Jeffrey Kanada, Member-Manager Gilbert Ho, Member-Manager</p> |
| <p>2.2 Real Estate Broker</p> | <p>Name: Hawaii Realty Associates, LLC Business Address: 1099 Alakea Street, Suite 1520 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 330-2728 E-mail Address: joepaikai@yahoo.com</p> |
| <p>2.3 Escrow Depository</p> | <p>Name: First Hawaii Title Corporation Business Address: 201 Merchant Street, Suite 2000 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 521-3411, ext. 258</p> |
| <p>2.4 General Contractor</p> | <p>Name: N/A Business Address:</p> <p>Business Phone Number:</p> |
| <p>2.5 Condominium Managing Agent</p> | <p>Name: None, self managed by the Association Business Address:</p> <p>Business Phone Number:</p> |
| <p>2.6 Attorney for Developer</p> | <p>Name: McCorriston Miller Mukai MacKinnon LLP, Attn: Joel D. Kam, Esq. Business Address: 500 Ala Moana Blvd., Suite 5-400 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 529-7300</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 |
|-------------------------------------|------------------|-----------------|
| | June 27, 2007 | 2007-126367 |

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 | August 23, 2007 | 2007-196871 |

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 | 4473 |
| 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: N/A | | |
| 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

| | | |
|--|--------------------|------------------|
| 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

| | |
|-------------------------------------|---|
| <input type="checkbox"/> | No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any). |
| <input checked="" 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> <p>Section 14.2 of the Declaration gives the Developer the right, until all of the Units have been sold, to amend the Declaration and the Condominium Map, without the approval, consent or joinder of any purchaser of a Unit, as may be required by law, by the Real Estate Commission of the State of Hawaii, by any title insurance company issuing a title insurance policy on the Project or any of the Units, by any institutional lender lending funds on the security of the Project or any of the Units, or by any governmental agency of any state, territory, possession or foreign county or other foreign jurisdiction as a condition precedent to the marketing or sale of Units or any interests therein in any such jurisdiction; provided, however, that no such amendment which would change the Common Interest appurtenant to a Unit or substantially change the design, location or size of a Unit shall be made without the consent to such amendment by all persons having an interest in such Unit.</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 <u>G</u> 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: N/A</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 checked="" type="checkbox"/> | Other (specify) telephone; all other utilities |

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 checked="" type="checkbox"/> | Specimen Sales Contract Exhibit <u>H</u> 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: August 2, 2007 Name of Escrow Company: First Hawaii Title Corporation Exhibit <u>I</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 checked="" type="checkbox"/> | The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B. |
| <input checked="" type="checkbox"/> | Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit <u>J</u> . |
| <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 |
|---------------|--|
| See Exhibit K | |
| | |
| | |

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: All units were completed by 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: N/A |
| Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A |

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): N/A | |
| <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 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.</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

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 substance, 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 purpose of, hazardous materials laws. 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.

Lead Warning Statement Pursuant to federal law, 42 U.S.C. 482(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

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.

Home Investment, LLC

Printed Name of Developer

By: 
Duly Authorized Signatory*

11-12-07
Date

Howard Unebasami, Member-Manager

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.

Exhibit A
Parking Stall Assignments

| Unit | Stall(s) | Type | Covered/Open |
|-------------|-----------------|-------------|---------------------|
| 1 | 1 | Regular | Covered |
| 2 | 2 | Regular | Covered |
| 3 | 3a, 3b | Regular | Covered |

End of Exhibit A

Exhibit B
Common Elements

1. The Land, in fee simple;
2. All yards, grounds, trees, walkways, walkway railings, gates, landscaping and refuse facilities not located within a Unit;
3. All roads, driveways, access lanes, paved areas, ramps and loading areas;
4. The Carport as shown on the Condominium Map;
5. All mailboxes;
6. All vents, shafts, sewer lines, electrical equipment, 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 Unit for services such as power, light, gas (if any), water, cablevision (if any), sewer, refuse, telephone, and radio and television signal distribution (if any); and
7. Any and all other apparatus and installations existing for common use and any and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

End of Exhibit B

Exhibit C
Limited Common Elements

1. Unit 1 shall have for its exclusive use Parking Stall No. 1 in the Carport, and the "Limited Common Element Yard Area for Unit 1", as shown on the Condominium Map.
2. Unit 2 shall have for its exclusive use Parking Stall No. 2 in the Carport, and the "Limited Common Element Yard Area for Unit 2", as shown on the Condominium Map.
3. Unit 3 shall have for its exclusive use Parking Stall Nos. 3a and 3b in the Carport, and the "Limited Common Element Yard Area for Unit 3", as shown on the Condominium Map.
4. Each Unit shall have for its exclusive use one (1) mailbox bearing the same number as such Unit and located adjacent to the Carport as shown on the Condominium Map.
5. Units 2 and 3 shall have for their exclusive use the "Fence and Boundary Marker Between Units 2 and 3" as shown on the Condominium Map.

End of Exhibit C

Exhibit D
Encumbrances Against Title

1. Any and all real property taxes assessed for the current tax year but not yet due and payable.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. The following "de minimus structure position discrepancy" (as said term is defined in Chapter 669-11 to 13, Hawaii Revised Statutes, as amended), as shown on the survey map prepared by Dean Alcon, Licensed Professional Land Surveyor, No. 8296, dated May 5, 2005:

(a) The corner of the carport eave at the northwest side of the property extends into the portion of Lot 34 by 0.30 ft.

4. The following encroachment(s), as shown on the survey map prepared by Dean Alcon, Licensed Professional Land Surveyor, No. 8296, dated May 5, 2005:

(a) The eaveline along the southside of the property encroaches into Lots 63 & 64 from 0-2.5 ft. for a length of 35 ft.

(b) The CRM wall along the northwest side of the property encroaches into a portion of Lot 34 from 0-1.9 ft. for a length of 114 ft.

(c) The eaveline along the northeast side of the property encroaches into portion of Lot 36 from 0-1.7 ft. for a distance of 8.7 ft.

5. Any unrecorded leases, subleases, and/or tenancy agreements demising a portion of the land herein described, and any encumbrances affecting the same.

6. ENCROACHMENT AGREEMENT

By & Between: LILLIAN HUNG QUE AU YOUNG, as Trustee of the Lillian Au Young Revocable Trust, LILLIAN HUNG QUE AU YOUNG, GARY WAI KI AU YOUNG and IVAN WAI KIN AU YOUNG, Successor Co-Trustees of the Residuary Trust created under that certain Walter Koon Wah Au Young Trust dated September 17, 1986, and LILLIAN HUNG QUE AU YOUNG, GARY WAI KI AU YOUNG and IVAN KAI KIN AU YOUNG, Successor Co-Trustees of the Marital Trust created under that certain Walter Koon Wah Au

Young Trust dated September 17, 1986, as the "AU YOUNG'S", and GRACE SETSUKO ASARI, wife of Peter Asari, RICHARD MITSUO HIGA, husband of Katherine Yaeko Higa, EDNA HISAYE FUNAKOSHI, wife of Kenneth Funakoshi, NERISSA KATSUKO TOYOSATO, wife of Hachiro Toyosato, as the "HIGA'S"

Dated: May 7, 2005
Document No. 2005-120191

7. MORTGAGE

Loan No. "Not Available"
Mortgagor: HOME INVESTMENT, LLC, a Hawaii limited liability company
Mortgagee: BANK OF HAWAII, a Hawaii corporation
Dated: June 10, 2005
Document No. 2005-120193
Principal Sum: \$700,000.00
The present amount due should be determined by contacting the owner of the debt

8. ASSIGNMENT OF RENTS

Assignor: HOME INVESTMENT, LLC, a Hawaii limited liability company
Assignee: BANK OF HAWAII, a Hawaii corporation
Dated: June 10, 2005
Document No. 2005-120194
Re: All monies due and owing as security for the repayment of \$700,000.00.

9. ASSIGNMENT OF SALES CONTRACTS AND SALES PROCEEDS

Owner: HOME INVESTMENT, LLC, a Hawaii limited liability company
Bank: BANK OF HAWAII, a Hawaii corporation
Dated: June 10, 2004
Document No. 2005-120195
Re: All monies due and owing as security for the repayment of \$700,000.00.

10. FINANCING STATEMENT

Debtor: HOME INVESTMENT, LLC, a Hawaii limited liability company

Secured Party: BANK OF HAWAII, a Hawaii corporation
Recorded: June 17, 2005
Document No. 2005-120196

11. MORTGAGE

Loan No. "Not Available"
Mortgagor: HOME INVESTMENT, LLC, a Hawaii limited liability company
Mortgagee: BANK OF HAWAII, a Hawaii corporation
Dated: June 10, 2005
Document No. 2005-120197
Principal Sum: \$300,000.00
The present amount due should be determined by contacting the owner of the debt.
(Also affecting other property)

12. ASSIGNMENT OF RENTS

Assignor: HOME INVESTMENT, LLC, a Hawaii limited liability company
Assignee: BANK OF HAWAII, a Hawaii corporation
Dated: June 10, 2005
Document No. 2005-120198
Re: All monies due and owing as security for the repayment of \$300,000.00
(Also affecting other property)

13. FINANCING STATEMENT

Debtor: HOME INVESTMENT, LLC, a Hawaii limited liability company
Secured Party: BANK OF HAWAII, a Hawaii corporation
Recorded: June 17, 2005
Document No. 2005-120199
(Also affecting other property)

14. DECLARATION OF CONDOMINIUM PROPERTY REGIME OF HENRY COURT dated June 27, 2007, recorded as Document No. 2007-126367

15. CONDOMINIUM MAP No. 4473

16. BYLAWS OF THE UNIT OWNERS OF HENRY COURT dated August 23, 2007, recorded as Document No. 2007-196871.

End of Exhibit D

Exhibit E
Disclosure Regarding Nonconforming Uses, Structures, and Parking

The Project contains the following non-conformities:

1. Nonconforming Use

The buildings of the Project are considered nonconforming dwelling units to the extent that only two (2) dwelling units are permitted on the Land without an Existing Use Permit (EUP), site development, cluster or PDH approval, and the Project is comprised of three (3) dwelling units. Since there is no Existing Use Permit (EUP) approved for these dwellings, if any structure is destroyed by any means to an extent of more than fifty percent (50%) of its replacement cost at the time of destruction, it shall not be reconstructed except in conformity with Article 4 and other applicable provisions of the Land Use Ordinance. **PURCHASERS ARE ENCOURAGED TO OBTAIN LEGAL ADVICE REGARDING THE RISKS AND CONSEQUENCES OF SUCH NONCONFORMITY.**

2. Nonconforming Parking

The total number of all-weather-surface, off-street parking (4) is considered non-conforming.

3. Nonconforming Structure

a. The Carport is considered nonconforming because it encroaches into the required ten-foot front yard setback and five-foot side yard setback.

b. Unit 3 is considered nonconforming because it encroaches into the required five-foot side yard setback.

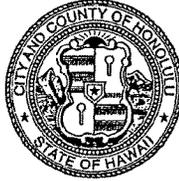
If that portion of any structure which is nonconforming is destroyed by any means to an extent of more than fifty percent (50%) of its replacement cost at the time of destruction, it shall not be reconstructed except in conformity with Article 4 and other applicable provisions of the Land Use Ordinance. **PURCHASERS ARE ENCOURAGED TO OBTAIN LEGAL ADVICE REGARDING THE RISKS AND CONSEQUENCES OF SUCH NONCONFORMITY.**

End of Exhibit E

Exhibit F
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 • INTERNET: www.honolulu.gov

MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUÉ
DEPUTY DIRECTOR

2006/ELOG-2332(E)

March 1, 2007

Kenneth G. K. Hoo, Esq.
Joel D. Kam, Esq.
McCorriston Miller Mukai MacKinnon LLP
Attorneys at Law
Five Waterfront Plaza, 4th Floor
500 Ala Moana Boulevard
Honolulu, Hawaii 96813

Dear Messrs. Hoo and Kam:

Subject: Condominium Conversion Project
2839 Henry Street
Tax Map Key: 2-2-036: 013

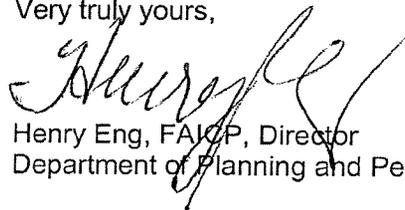
This is a follow-up to our letter dated January 25, 2007, regarding the above-mentioned property.

Investigation on February 16, 2007 revealed that the deficiencies noted in items Nos. 1 and 5 in our January 25, 2007 letter were corrected.

1. The three (3) two-story two-family detached dwellings have been converted back to single-family detached dwellings by removing the extra kitchens from each of the dwellings and by reopening the blocked interior stairway in the dwelling at 2841E/F Henry Street.
2. The 96-square-foot accessory storage structure has been removed.

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

HE:ft

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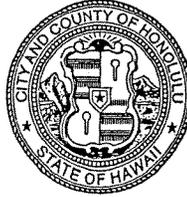
MAR 2 2007

JOEL D. KAM

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
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MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

2006/ELOG-2332(E)

January 25, 2007

Kenneth G. K. Hoo, Esq.
Joel D. Kam, Esq.
McCorriston Miller Mukai MacKinnon LLP
Attorneys at Law
Five Waterfront Plaza, 4th Floor
500 Ala Moana Boulevard
Honolulu, Hawaii 96813

Dear Messrs. Hoo and Kam:

Subject: Condominium Conversion Project
2839 Henry Street
Tax Map Key: 2-2-036: 013

This is in response to your letter dated September 13, 2006, requesting verification that the structures on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that two (2) two-story single-family detached dwellings at 2839A/B and 2839C/D Henry Street and a two-story single-family detached dwelling at 2841E/F Henry Street with a four-car garage met all applicable code requirements when they were constructed in 1956 and 1959 on this 16,068-square-foot R-5 Residential District zoned lot.

Investigation also revealed the following:

1. The three (3) two-story single-family detached dwellings have been converted to two-family detached dwellings. Only three (3) single-family detached dwellings are permitted. Remove one (1) kitchen from each of the two-family detached dwellings and reconvert each structure to one-family detached dwelling within a reasonable time or a Notice of Violation will be issued for the deficiency.
2. The total number of all-weather-surface off-street parking (4) is considered nonconforming.

R E C E I V E D

JAN 29 2007

Kenneth G. K. Hoo, Esq.
Joel D. Kam, Esq.
McCorrison Miller Mukai MacKinnon LLP
January 25, 2007
Page 2

3. The four-car garage is considered nonconforming because it encroaches into the required ten-foot front yard setback and five-foot side yard setback.
4. The dwelling structure at 2841E/F Henry Street is considered nonconforming because it encroaches into the required five-foot side yard setback.
5. The 96-square-foot accessory storage structure encroaches into the required five-foot side yard setback. This structure must be removed or relocated, and the minimum yard setback must be maintained.
6. The original three (3) dwelling units are considered nonconforming dwelling units. Since there is no Existing Use Permit (EUP) approved for these dwellings, if any structure is destroyed by any means to an extent of more than fifty percent (50%) of its replacement cost at the time of destruction, it shall not be reconstructed except in conformity with Article 4 and other provisions of the Land Use Ordinance. Only two (2) dwelling units are permitted on this lot without an EUP, site development, cluster or PDH approval.

For your information, the Department of Planning and Permitting cannot determine all other legal 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

HE:ft

Exhibit G
Breakdown of Annual Maintenance Fees
and
Monthly Estimated Maintenance Fees for Each Unit

Annual Maintenance Fees per Unit: \$0

Monthly Estimated Maintenance Fees per Unit: \$0

Each Unit Owner shall be obligated to start paying the maintenance fees for such Owner's Unit upon closing of the sale of such Unit to such Owner.

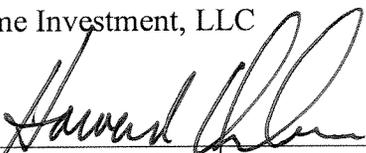
Due to the character of the project, where (1) the only common elements are a concrete driveway, concrete walkway and carport, which require minimal maintenance, and (2) a substantial portion of the common elements constitute limited common elements appurtenant to a particular unit, and (3) there is a requirement that each apartment owner maintain at the unit owner's expense the limited common elements appurtenant to the unit owner's unit, it is anticipated that funds for the operation and maintenance of the common areas will be collected by special assessments rather than regular monthly assessments. Accordingly, no initial maintenance fees are anticipated.

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

The undersigned hereby certifies that the foregoing breakdown and estimate of maintenance fees was prepared in accordance with generally accepted accounting principles.

Home Investment, LLC

By


Howard Unebasami, Manager

End of Exhibit G

Exhibit H
Summary of Sales Contract

Capitalized terms have the same meaning as ascribed to such terms in the Sales Contract.

The specimen Sales Contract, filed with the State of Hawaii Real Estate Commission, provides for, among other things, a description of the Unit to be sold, the purchase price, the closing costs, the time, manner and place of payment, Purchaser's obligations regarding financing, Seller's warranties and disclaimers regarding the Condominium Map and the Project, and the remedies of Seller and Purchaser in the event of a default under the Sales Contract. Among other provisions, the Sales Contract provides for the following:

1. Prior to execution of the Sales Contract, Purchaser shall receive a true copy of the Public Report for the Project and the Notice of Right to Cancel advising Purchaser of Purchaser's right to cancel the Sales Contract, the delivery of which is required by Hawaii Revised Statutes, Section 514B-86.

2. Purchaser may cancel the Sales Contract within thirty days of Purchaser's receipt of the Public Report. It is understood that Purchaser may, at any time after Purchaser's receipt of the Notice of Right to Cancel, waive Purchaser's right to cancel the Sales Contract. If Purchaser shall fail to execute the Notice of Right to Cancel within thirty days of Purchaser's receipt of the Public Report, Purchaser shall be deemed to have waived Purchaser's right to cancel the Sales Contract. Conveyance of the Unit to Purchaser within the thirty day cancellation period will be treated as a waiver by Purchaser of Purchaser's right to cancel.

4. Seller is selling the Unit "as is" and "with all faults", and Purchaser acknowledges that Seller has made no warranties, express or implied, with respect to (a) the Unit, its quality or grade, (b) any Common Element or anything installed therein, its quality or grade, or (c) any other portion of the Project, its quality or grade, or any other aspect thereof. Seller disclaims any express or implied warranty of any kind whatsoever with respect to such furnishings or appliances, including the merchantability of such furnishings and appliances or their fitness for a particular purpose. Seller disclaims any express or implied warranty of any kind whatsoever with respect to the materials, workmanship or any other matters relating to Purchaser's Unit or any other portion of the Project, including, without limitation, fitness for a particular use, to the fullest extent allowed under applicable law.

5. Purchaser acknowledges that the Project contains certain non-conformities, all of which are described in greater detail in the Public Report. Purchaser knowingly accepts all risks and consequences that may result from any or all of such conditions, and gives up any rights, claims or actions that he or she may have, now or in the future, against Seller and/or its representatives, licensees, invitees, successors and assigns resulting therefrom.

6. Seller has entered into an Escrow Agreement, summarized in Exhibit I herein, with First Hawaii Title Corporation, covering the deposit with Escrow of all funds paid by Purchaser under the Sales Contract and the disbursement of the funds by Escrow. Escrow may charge a cancellation fee on account of escrow services performed not to exceed \$250.00.

7. Purchaser will receive interest on Purchaser's deposits as set forth in the Sales Contract.

8. Purchaser's obligations under the Sales Contract are not contingent or conditional on Purchaser's ability to secure financing from a mortgage lender or on Purchaser's ability to sell Purchaser's current residence or any other property. Financing by Seller of any portion of the Total Purchase Price is not available.

9. Purchaser will pay for the following closing costs: fifty percent (50%) of the escrow fee, cost of establishing separate escrow account(s), real property tax prorations and other customary prorations, all acknowledgment fees, fifty percent (50%) of the cost of title insurance, if requested by Purchaser, cost of any lender's title insurance, appraisal fees, costs for drafting of any notes and mortgages, all recording costs or fees, the cost of drafting any revisions or addenda to this Sales Contract other than the standard addenda listed in Section C.4 of the Sales Contract, if any, loan fees, credit report costs and all other applicable mortgage costs, provided that it is understood that this sale is not subject to or conditioned upon Purchaser obtaining a loan. Seller will pay for the following closing costs: fifty percent (50%) of the escrow fee, fifty percent (50%) of the cost of title insurance, cost of preparation of the Unit Deed, and the conveyance tax.

10. Purchaser may not assign the Sales Contract. Notwithstanding the foregoing, Purchaser may assign his/her rights under the Sales Contract to affiliated entities for estate planning purposes without the consent of Seller; provided that any such assignment shall not release Purchaser from his/her obligations under the Sales Contract.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE SALES CONTRACT. A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF HIS OR HER RIGHTS AND OBLIGATIONS UNDER THE SALES CONTRACT, BUT MUST EXAMINE THE SALES CONTRACT ITSELF TO DETERMINE HIS OR HER ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE SALES CONTRACT, THE SALES CONTRACT SHALL CONTROL.

End of Exhibit H

Exhibit I
Summary of Escrow Agreement

Capitalized terms have the same meaning as ascribed to such terms in the Escrow Agreement between First Hawaii Title Corporation (“Escrow”) and the Developer.

The Escrow Agreement provides for, among other things, the following:

1. The fees that will be paid to Escrow for escrow services, title fees, cancellation fees and fees to revise documents that were previously approved.
2. All Sales Contracts and Owner-Occupant Affidavits will be deposited with Escrow.
3. All funds paid by any purchaser under any Sales Contract will be deposited with Escrow. No disbursements will occur unless the following conditions are satisfied: (a) Developer shall have delivered the Public Report to the Purchaser; (b) Developer shall have delivered to the Purchaser notice of the Purchaser’s thirty-day right to cancel and the Purchaser shall have waived or be deemed to waive such right; (c) Developer shall have delivered to Purchaser notice of any material changes to the Project after the Sales Contract becomes binding and notice of the Purchaser’s thirty-day rescission right, and Purchaser shall have waived or be deemed to waive any right to rescind the Sales Contract; (d) all applicable conditions to the disbursement of Purchaser deposits to pay for certain Project costs prior to Closing shall have been satisfied; (e) Developer shall have provided Escrow with a written opinion that Purchaser’s Sales Contract has become effective and all applicable statutory and other conditions contained in the Escrow Agreement to disbursement have been satisfied; and (f) Seller shall have waived any option to cancel the Sales Contract.
4. Each Purchaser is entitled to a return of deposited funds upon or if: (a) Developer and Purchaser instruct Escrow in writing to return such funds; (b) Developer notifies Escrow in writing of Developer’s exercise of any option to cancel or rescind the Sales Contract; and (c) Purchaser exercises any statutory right to cancel or rescind the Sales Contract.
5. Escrow shall arrange for and supervise the execution of all documents, cause the recording or filing of the Conveyance Documents and any releases or mortgages, if any, arrange for the issuance of a title policy to Purchaser, and disburse all sums respecting the purchase of the Unit at closing.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY ONLY, AND MUST EXAMINE THE ESCROW AGREEMENT ITSELF TO DETERMINE HIS OR HER ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS

SUMMARY AND THE ESCROW AGREEMENT, THE ESCROW AGREEMENT
SHALL CONTROL.

End of Exhibit I

Exhibit J
Units Designated for Sale to Owner-Occupants

All Units in the Project are designated for sale to Owner-Occupants.

End of Exhibit J

Exhibit K
Blanket Liens

The Project is encumbered by the mortgages listed in Exhibit D.

The Mortgage creates a lien on each unit in the Project that is prior to any interest that a purchaser may have in a unit as a result of signing a purchase agreement. This means that if the Developer defaults on the Mortgage, each purchase agreement could be canceled by the Mortgagee, in which event the purchaser would be entitled to a refund of any deposits made by the purchaser, in accordance with the purchase agreement. The Developer, however, has secured the Mortgagee's agreement to release the Mortgage from each unit before such unit is conveyed to a purchaser at closing.

End of Exhibit K

HENRY COURT CONDOMINIUM PROJECT

**ARCHITECT'S CONDITION REPORT
Pursuant to HRS Section 514B-84(a)**

The undersigned, being a licensed architect in the State of Hawaii, has inspected the structures comprising the Henry Court condominium project located at 2839 Henry Street, Honolulu, Hawaii, and designated by Tax Map Key No. (1) 2-2-036:013 (the "Project"). The Units comprising the Project are described as follows:

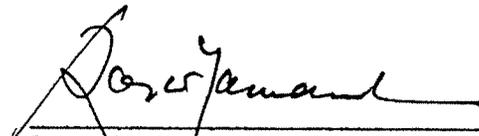
Unit 1: 4 Bedrooms, 2 Baths, Kitchen, Living/Dining, Family Rm, Wet Bar & Laundry.

Unit 2: 4 Bedrooms, 2 Baths, Kitchen, Living/Dining, Family Rm, Wet Bar & Laundry.

Unit 3: 6 Bedrooms, 2 Baths, Kitchen, Living, Dining, Family Rm, Wet Bar, Storages, Laundry.

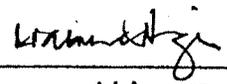
The inspection included visual examination of the structural components and mechanical and electrical installations in the Project, including the following: exterior roofs, foundations, walls, visible electrical systems, visible plumbing and other mechanical systems. Based on my inspection, the foregoing structural components and mechanical and electrical installations appear to be in sound condition and order, considering the age thereof, as of the date of this report.

THIS REPORT IS NOT A WARRANTY OF COMPLIANCE WITH ANY CODES, RULES, AND REGULATIONS THAT MAY BE APPLICABLE TO THE PROJECT OR STRUCTURES. THIS REPORT IS ONLY INTENDED TO DESCRIBE THE APPARENT, PRESENT CONDITION OF THE COMPONENTS AND INSTALLATIONS DESCRIBED HEREIN, BASED UPON THE INSPECTION DESCRIBED IN THIS REPORT. NO RIGHT SHALL ACCRUE TO ANY THIRD PARTY FOR THE SUBSEQUENT DISCOVERY OF ANY PROBLEMS WITH SUCH COMPONENTS OR INSTALLATIONS, OR WITH COMPLIANCE WITH ANY APPLICABLE CODES, RULES OR REGULATIONS.



Roy K. Yamamoto
Licensed Professional Architect No. 4649

Subscribed and sworn to before me this
26th day of February, 2007.



Name: LIANNE HIGA
Notary Public, State of Hawaii
My commission expires: 03-24-2010

