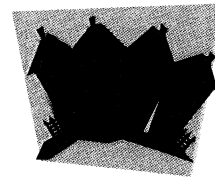




An fyi for you

SPDs and Encroachments



A Legacy Built on Promises Delivered

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SPDs: HRS 669-11, as amended, sets forth acceptable tolerances for discrepancies in structures or improvements relative to private property boundaries for various classes of real property. Details on SPDs, or Structural Position Discrepancies, are listed below.

De minimus structure position discrepancies defined:

Commercial and multi-unit residential properties25 feet or less
All other residential properties50 feet or less
Agricultural and rural properties75 feet or less
Conservation properties.....	1.50 feet or less

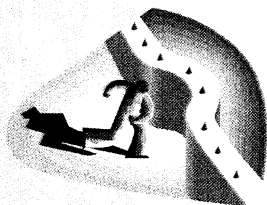
SPD Limitations

- Only de minimus encroachments, such as walls and sidewalks, are tolerated.
- DOES NOT apply to encroaching improvements on state land or shoreline boundaries.
- DOES apply to county land, however, the county has the right to demand its removal at the owners' expense.
- If within acceptable tolerances, no documentation is required and the Buyer's lender will be provided with affirmative coverage.

SPD Consequences

- It is not an encroachment nor a basis for zoning violation.
- It cannot be a basis for a claim of adverse possession.
- Maintenance, repair and liability are borne by the owner who constructed the improvement, or the property owner's successor in interest.

Encroachments: An encroachment defined is an unauthorized "trespass" or infringement of a fixture of one property upon the property of another.



How can you help?

- 1) Obtain information regarding the height and purpose of the encroachment. (Note: Photographs sometimes help to validate "neighborhood consistency.")
- 2) TG will provide you with required documentation to facilitate obtaining encroachment agreements, if applicable.

TG's review process:

- 1) Review the submitted survey making note of all encroaching improvements.
- 2) Determine our risk to provide affirmative coverage for ALTA Insurance Policies based on the following factors:
 - a) Value of the property
 - b) Amount of our liability
 - c) The length of the encroachment's existence
 - d) The relation to other lots
 - e) The cost to "fix it"
- 3) To make a "fair" decision, it may be necessary to ask for additional information.

We aim to be as client-friendly and flexible as possible to insure a smooth, hassle-free closing.