

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer MISAO TSURUHA CARLSON, KENT M. KEITH, Trustee and ELIZABETH KEITH, Trustee
Address 2626 Hillside Avenue, Honolulu, Hawaii 96822

Project Name(*): 616 Maluniu
Address 616C, 616D and 616E Maluniu Avenue, Kailua, Hawaii 96734

Registration No. 4402
(Conversion)

Effective date: July 17, 2000
Expiration date: August 17, 2001

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

PRELIMINARY: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
(yellow)

X FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
 No prior reports have been issued.
 This report supersedes all prior public reports.
 This report must be read together with _____

SUPPLEMENTARY: This report updates information contained in the:
(pink)
 Preliminary Public Report dated: _____
 Final Public Report dated: _____
 Supplementary Public Report dated: _____
And
 Supersedes all prior public reports
 Must be read together with _____
 This report reactivates the _____
public report(s) which expire on _____

(*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892/0197/1098

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - disclosure covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL NOTICE:

THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF RESIDENTIAL DWELLING UNITS, OR OTHER STRUCTURES, WHICH MAY BE BUILT UPON THE PROPERTY. THEREFORE, UNLESS THE PURCHASER IS PURCHASING AN EXISTING RESIDENTIAL DWELLING, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE ALSO IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. THE PURCHASER SHOULD CONSULT WITH THE APPROPRIATE COUNTY AGENCIES TO DETERMINE WHETHER THE PURCHASER MAY BUILD A RESIDENTIAL DWELLING UNIT, OR ANY OTHER TYPE OF STRUCTURE, UPON THE PROPERTY.

1. This Public Report does not constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it ensure that all county codes, ordinances and subdivisions requirements have necessarily been complied with.
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 subdivisions may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for interior roads.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION REGARDING THE FORGOING.

TABLE OF CONTENTS

| | page |
|---|------|
| Preparation of this Report | 1 |
| Expiration Date of Reports | 1 |
| Type of Report | 1 |
| Disclosure Abstract | 2 |
| Summary of Changes from Earlier Public Reports | 2 |
| Table of Contents | 3 |
| General Information on Condominiums | 4 |
| Operation of the Condominium Project | 4 |
| | |
| I. PERSONS CONNECTED WITH THE PROJECT | 5 |
| Developer Attorney for Developer General Contractor | |
| Real Estate Broker Escrow Company Condominium Managing Agent | |
| | |
| II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS | |
| A. Declaration | 6 |
| B. Condominium Map (File Plan) | 6 |
| C. Bylaws | 6 |
| D. House Rules | 7 |
| E. Changes to Condominium Documents | 7 |
| | |
| III. THE CONDOMINIUM PROJECT | |
| A. Interest to be Conveyed to Buyer | 8 |
| B. Underlying Land | 9 |
| C. Buildings and Other Improvements | 10 |
| D. Common Elements, Limited Common Elements, Common Interest | 13 |
| E. Encumbrances Against Title | 14 |
| F. Construction Warranties | 15 |
| G. Status of Construction | 16 |
| H. Project Phases | 16 |
| | |
| IV. CONDOMINIUM MANAGEMENT | |
| A. Management of the Common Elements | 17 |
| B. Estimate of Initial Maintenance Fees | 17 |
| C. Utility Charges for Apartments | 17 |
| | |
| V. MISCELLANEOUS | |
| A. Sales Documents Filed with the Real Estate Commission | 18 |
| B. Buyer's Right to Cancel Sales Contract | 18 |
| C. Additional Information Not Covered Above | 20 |
| D. Signature of Developer | 21 |
| | |
| EXHIBIT A: Description of Apartments | |
| EXHIBIT B: Common Elements and Limited Common Elements | |
| EXHIBIT C: Encumbrances Against Title | |
| EXHIBIT D: Estimate of Initial Maintenance Fee Schedule and Estimate of Maintenance Fee Disbursements | |
| EXHIBIT E: Summary of Sales Contract | |
| EXHIBIT F: Summary of Escrow Agreement | |
| EXHIBIT G: Letter from Building Department, City and County of Honolulu | |
| EXHIBIT H: Existing Use Permit - 1998/EU-501(JS) | |

General Information on Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. 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 or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

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

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. The common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment 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 an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary of 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 buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: MISAO TSURUHA CARLSON, KENT M. KEITH, Trustee Phone: (808) 988-7506
and ELIZABETH KEITH, Trustee
Name
2626 Hillside Avenue
Business Address
Honolulu, Hawaii 96822

Real Estate Broker: The Prudential Locations Phone: (808) 488-7700
Name (Business)
98-199 Kamehameha Highway, Suite H-9
Business Address
Aiea, Hawaii 96701

Escrow: ISLAND TITLE CORPORATION Phone: (808) 531-0261
Name (Business)
1132 Bishop Street, Suite 400
Business Address
Honolulu, Hawaii 96813

General Contractor: Not Applicable Phone: _____
Name (Business)
Business Address

Condominium Managing Agent: self managed by Association of Unit Owners Phone: _____
Name (Business)
Business Address

Attorney for Developer: Michael H. Sakai, Esq. Phone: (808) 531-4171
Name (Business)
201 Merchant Street, Suite 902
Business Address
Honolulu, Hawaii 96813-2929

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2617396

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

First Amendment to Declaration of Condominium Property Regime dated June 9, 2000, filed as Land Court Document No. 2635610.

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances, Condo Map No. _____
 Filed - Land Court Condo Map No. 1341

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment 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 manners which affect how the condominium project will be governed.

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

The Bylaws for this condominium re:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2617397

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

D. House Rules. The Board of Directors may adopt 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.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

| | <u>Minimum Set by Law</u> | <u>This Condominium</u> |
|--------------------------------|-------------------------------|-------------------------|
| Declaration (and Condo Map) | 75%* | <u>75%</u> |
| Bylaws | 65% | <u>65%</u> |
| House Rules | --- | <u>N/A</u> |

*The percentage for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit ____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Automatically Annually

Exhibit ____ contains a schedule of the lease rent for each apartment per Month Year

For Subleaseholds:

Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:

Canceled Foreclosed

As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit ____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s) _____

Lease Rent Payable: Monthly Quarterly
 Semi-Automatically Annually

Exhibit ____ contains a schedule of the lease rent for each apartment per Month Year

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed period of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 616C, 616D and 616E Maluniu Avenue, Kailua, Hawaii Tax Map Key (TMK): (1) 4-3-36-5

Address TMK is expected to change because each unit will be assigned a CPR number

Land Area: 20,882 square feet acre(s) Zoning: R-5

Fee Owner: MISAO TSURUHA CARLSON, KENT M. KEITH, Trustee and ELIZABETH KEITH, Trustee
 Name
2626 Hillside Avenue
 Address
Honolulu, Hawaii 96822

C. Buildings and Other Improvements:

1. New Building(s) Conversion of Existing Building(s) Both New Building(s) and Conversion

2. Number of Buildings: 3 Floors Per Building 1
 Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other allied materials

4. Permitted Uses by Zoning:

| | No of <u>Apts.</u> | Use Permitted <u>By Zoning</u> | | No. of <u>Apts.</u> | Use Determined <u>By Zoning</u> |
|---|-----------------------|---|---|------------------------|--|
| <input checked="" type="checkbox"/> Residential | <u>3</u> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Ohana | <u> </u> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Commercial | <u> </u> | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Industrial | <u> </u> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Mix Res/Comm | <u> </u> | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Agricultural | <u> </u> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Hotel | <u> </u> | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Recreational | <u> </u> | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Timeshare | <u> </u> | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Other: <u> </u> | <u> </u> | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

Pets: Domestic Pets are allowed.

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 1 Trash Chutes: 0

| <u>Apt. Type</u> | <u>Quantity</u> | <u>BR/Bath</u> | <u>Net Living Area (sf)*</u> | <u>Net Other Area (sf)</u> | <u>(Identify)</u> |
|----------------------|-----------------|----------------|----------------------------------|--------------------------------|------------------------------------|
| <u>Unit 616C</u> | <u>1</u> | <u>1/1</u> | <u>403</u> | <u>33/39</u> | <u>storage/utility area</u> |
| <u>Unit 616D</u> | <u>1</u> | <u>1/1</u> | <u>546</u> | <u>48/50</u> | <u>storage/utility area</u> |
| <u>Unit 616E</u> | <u>1</u> | <u>3/2.5</u> | <u>1935</u> | <u>416/86/78/195</u> | <u>lanai/patio/storage/carport</u> |

Total Apartments: 3

*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

The boundary of each unit is the exterior finished surfaces of the units' perimeter walls, roofs, foundations, windows and frames, doors, beams, post entries and cesspools, if any.

Permitted Alterations to Apartments:

Each unit owner may alter the structure and any other improvements located within their unit's limited common land area as provided in paragraphs 7.0 and 15.0 of the Declaration of Condominium Property Regime, as amended and restated.

7. Parking Stalls:

Total Parking Stalls: 6

| | <u>Regular</u> | | <u>Compact</u> | | <u>Tandem</u> | | <u>TOTAL</u> |
|--------------------------------|-----------------|----------------------|-----------------|-----------------|-----------------|-----------------|----------------------|
| | <u>covered</u> | <u>open</u> | <u>covered</u> | <u>open</u> | <u>covered</u> | <u>open</u> | |
| Assigned (for each unit) | <u>1</u> | <u>2</u> <u>1</u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u>4</u> <u>2</u> |
| Guest Unassigned | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Extra for Purchase | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Other: | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Covered & Open | <u> </u> | <u>6</u> | <u>0</u> | <u> </u> | <u>0</u> | <u> </u> | <u>6</u> |

Each Residential apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit _____ contain additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational facilities

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: _____

9. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

There are no violations. Violations will not be cured.

Violations and cost to cure are listed below. Violations will be cured by _____

10. Conditions and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

(For conversions of residential apartments in existence for at least five years):

Edward A. Resh, AIA has inspected the project and has indicated that the residential structure identified as 616C, 616D and 616E are in good condition and that the useful remaining life of the structures are estimated to be 10 to 15 years for all three units..

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

An Existing Use Permit (File No. 1998/EU-501) was issued on January 1, 1999 for the three units in this Project. See Exhibit "H" attached hereto.

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

| | <u>Conforming</u> | <u>Non-Conforming</u> | <u>Illegal</u> |
|------------|-------------------|-----------------------|----------------|
| Uses | _____ | <u> X </u> | _____ |
| Structures | _____ | <u> X </u> | _____ |
| Lot | <u> X </u> | _____ | _____ |

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit B .

as follows:

2. Limited Common Elements: Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit B.

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest". It is used to determine each apartment'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 apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit ____.

as follows:

| | |
|-------|----------------|
| 616C | 33 1/3% |
| 616D | 33 1/3% |
| 616 E | <u>33 1/3%</u> |
| | 100% |

The common interest was determined by allocating an equal percentage to both units.

E. Encumbrances Against Title: 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 an apartment in the project.

Exhibit C describes the encumbrances against the title contained in the title report dated April 13, 2000 and issued by Island Title Corporation.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specific sums so that individual apartments can be conveyed to buyers free and clear of the lien.

There are no blanket liens affecting title to the individual apartments.

There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

| <u>Type of Lien</u> | <u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u> |
|---------------------|---|
| Mortgage | If there is a default under the Mortgage, the lender may foreclose on the property. If a foreclosure occurs, any purchase agreement would be cancelled and all deposits would be returned to the purchaser, less cancellation fees. |

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. **Building and Other Improvements:**
None. There are no warranties, express or implied.
2. **Appliances:**
None. There are no warranties, express or implied.

G. Status of Construction and Date of Completion or Estimated Date of Completion:

Construction of the units occurred around the following period:

Unit 616C - 1948

Unit 616D - 1950

Unit 616E - 1940

H. Project Phases:

The developer [] has [X] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit E contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated April 6, 2000

Exhibit F contains a summary of the pertinent provisions of the escrow agreement.

Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by a developer are binding if:

A) The Developer delivers to the buyer a copy of:

1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;

AND

2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); AND

C) One of the following has occurred:

1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or

2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or

3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

A) There is a material change in the project which directly, substantially and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND

B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Report issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any. (NONE)
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other: Declaration of Covenants, Conditions and Restrictions contained in instrument filed as Document Document No. 248193 in the Office of the Assistant Registrar of the Land Court, State of Hawaii

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, area available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, Hawaii 96809, at a nominal cost.

This Public Report is part of Registration No. 4402 filed with the Real Estate Commission on April 24, 2000.

Reproduction of Report. When reproduced, this report must be on:

[] yellow paper stock [X] white paper stock [] pink paper stock

C. Additional Information Not Covered Above

NOT A SUBDIVISION. This is a condominium project which should not be confused with a subdivision. A purchaser of an apartment unit will be conveyed an apartment unit together with an "undivided" percentage interest in the common elements of the project. The entire parcel of land upon which the project is situated is designated as a common element. That portion of the common element which each purchaser has the exclusive right to use is called a limited common element or area, but is not a separate, legally subdivided lot.

MAINTENANCE FEES. Developer believes that there will be no maintenance fees, except for the shared water and sewer bills. This is because all costs of every kind pertaining to each apartment and its respective limited common element, including but not limited to, cost of landscaping, maintenance, repair, replacement and improvement shall be borne entirely by the respective apartment owner. Based on the foregoing, the only maintenance item in the schedule of maintenance fees attached to this Public Report is for water and sewer.

Section 514A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners to purchase fire insurance to cover the improvements of the Project, and that the premiums for the insurance be common expenses. Developer anticipates that the Association will elect to permit individual apartment owners to obtain and maintain separate policies of fire insurance 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. Prospective purchasers should consult with their own insurance professionals to obtain an estimate for individual fire and hazard insurance.

RESERVES. Developer discloses that no reserve study was done in accordance with Section 514A-83.6, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. No reserves are necessary because there are no common elements that require any type of replacement or major repair other than the common line for water. The Developer believes that there will be very little or nominal repairs needed for the water line in the future.

D. 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 buyers 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.

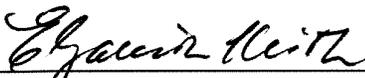
KENT M. KEITH, Trustee, ELIZABETH KEITH, Trustee and MISAO TSURUHA CARLSON
Name of Developer



KENT M. KEITH, Trustee
Developer

APR 23 2000

Date



ELIZABETH KEITH, Trustee
Developer

APR 23 2000

Date



MISAO TSURUHA CARLSON
Developer

APR 23 2000

Date

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu

EXHIBIT "A"

Description of Apartments

The Project consists of the following two units:

a. Unit 616C (Unit C). Unit 616C consists of one freehold estate consisting of a one-story residential structure. This unit consists of a recreational room (or it can be used as a bedroom), one bath (with only a shower stall), kitchen, a storage room, and a covered utility area. The net living area of the unit is approximately 403 square feet, the storage room contains approximately 33 square feet and the utility area consists of approximately 39 square feet. Parking for Unit 616C is on the concrete pad at the front of the Project. There is space for two cars in the parking area.

b. Unit 616D (Unit D). Unit 616D consists of one freehold estate consisting of a one-story residential structure. This unit consists of a living room, kitchen, 1 bedroom, 1 bathroom (with only a shower stall), a den, utility area and storage area. The net living area of this unit is approximately 546 square feet, the storage area contains approximately 48 square feet, and the utility area consists of approximately 50 square feet. There is space for parking two cars within the limited common area of Unit 616D.

c. Unit 616E (Unit E). Unit 616E consists of one freehold estate consisting of a one-story residential structure with a one-car carport. This unit consists of a living room, dining/kitchen area, den, recreational room, family room, 3 bedrooms, 2 and one-half bathrooms (each bathroom only has a shower stall), open lanai, patio and 3 storage rooms. The net living area of this unit is approximately 1,935 square feet, the lanai contains approximately 416 square feet, the patio approximately 86 square feet, the storage rooms contain approximately 78 square feet, and the carport contains approximately 195 square feet. There is also space for parking of one more vehicle anywhere within the limited common area of Unit 616E.

EXHIBIT "B"

Common Elements

The common elements of the Project and which the units have immediate access to include:

- a. The land in fee simple and access and right of way easement over Lot 1098-F to Maluniu Avenue.
- b. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, drainage, hot and cold water and like utilities which services more than one unit and any easements for such utility services.
- c. All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project.

Limited Common Elements

The limited common elements for the units in the Project are as follows:

- a. Unit 616C. The land area around and under Unit 616C which is delineated in the condominium map as Limited Common Element Unit 616C is a limited common element of Unit 616C and is for the exclusive use of Unit 616C and consists of approximately 4,589 square feet.
- b. Unit 616D. The land area around and under Unit 616D which is delineated in the condominium map as Limited Common Element Unit 616D is a limited common element of Unit 616D and is for the exclusive use of Unit 616D and consists of approximately 4,751 square feet.
- d. Unit 616E. The land area around and under Unit 616E which is delineated in the condominium map as Limited Common Element Unit 616E is a limited common element of Unit 616E and is for the exclusive use of Unit 616E and consists of approximately 11,542 square feet.

EXHIBIT "C"

Encumbrances Against Title

1. Title to all minerals and metallic mines reserved to the State of Hawaii.

2. Mortgage dated June 15, 1979, in favor of First Federal Savings and Loan Association of Hawaii, a Federal corporation organized and existing under the laws of the United States of America, filed in said Office, as Document No. 946075.

Said Mortgage was assigned in favor of John Hancock Mutual Life Insurance dated December 14, 1979, filed in said Office, as Document No. 987192.

3. Matters as shown on Condominium Map No. 1341, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii.

4. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the Declaration of Condominium Property Regime of 616 Malunui, dated April 8, 1999, filed in said Office, as Document No. 2617396.

5. By-Laws of the Association of Unit Owners of 616 Malunui, dated April 8, 1999, filed in said Office, as Document No. 2617397.

6. Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as amended, and/or in said Apartment Deed, and/or as delineated on said Condominium Map.

7. For real property taxes due and owing your attention is directed to the Director of Finance, City and County of Honolulu.

EXHIBIT "D"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

| <u>Apartment</u> | Monthly Fee x 12 months = <u>Yearly Total</u> | | | |
|------------------|---|---|----|------------|
| Unit 616C | \$58.34 | x | 12 | = \$700.08 |
| Unit 616D | \$58.34 | x | 12 | = \$700.08 |
| Unit 616E | \$58.34 | x | 12 | = \$700.08 |

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

common elements only

common elements and apartments

Elevator

Gas

Refuse Collection

Telephone

Water and Sewer

\$175.02 x 12 = \$2,100.24

Maintenance, Repairs and Supplies

Building

Grounds

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

Reserves(*)

Taxes and Government Assessments

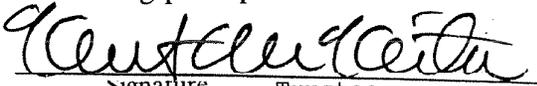
Audit Fees

Other

TOTAL

\$2,100.24

I, KENT M. KEITH, Trustee ~~as agent for/ and/or employed by~~ _____,
~~the condominium managing agent/~~ developer for the 616 MALUNIU, 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 principals.



Signature Trustee

Date: JUN 12 2000

(*) Mandatory reserves assessments and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A 83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT "E"

Summary of Sales Contract

The Sales Contract contains the purchase price, description and location of the apartment and other terms and conditions under which a Purchaser will agree to buy an apartment in the Project.

Among other things, the Sales Contract:

1. Provides a section for financing to be completed and agreed to by the parties which will set forth how Purchaser will pay the purchase price.

2. Identifies the escrow agent and states that purchaser's deposit will be held in escrow until the Sales Contract is closed or canceled.

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

4. Permits the Developer without the consent or approval of a purchaser to modify the Declaration, By-Laws Condominium Map or other documents provided that purchaser may cancel the Sales Contract and obtain a refund if such modification:

a. substantially and materially impairs the use and enjoyment of the apartment;

b. substantially and materially alters the arrangement of the rooms or usable space of an apartment or building;

c. renders unenforceable a purchasers' loan commitment;

d. increases the purchaser's share of common expenses or maintenance fees;

e. reduces the obligations of Developer of common expenses on unsold apartments.

5. Provides that the Developer is selling the apartments in "AS-IS WHERE-IS" condition. This means that the Developer is not making any warranties or representations with respect to the apartments and Project.

6. If purchaser dies (any one of them) prior to closing, Developer has the right to return purchaser's funds, less any escrow cancellation fees and cost, and cancel the Sales Contract.

7. Provides that the closing cost shall be paid as follows:

a. By purchaser: title insurance, drafting of any note and mortgage, purchaser notary fees, recording fees, one half of escrow fees, and also a start fee for common expenses, if any.

b. By Developer: drafting of apartment deed and Developer notary fees, conveyance taxes, preliminary title report, and one half of escrow fees.

8. Provides the following remedies, in the event of default under the Sales Contract:

by purchaser:

- a. Developer may bring an action against purchaser for breach of contract;
- b. Developer may retain initial deposit;
- c. Purchaser shall be responsible for expenses incurred.

by Developer:

- a. Purchaser may bring an action against Developer for breach of Contract;
- b. Purchaser may bring an action compelling Developer to perform under contract;
- c. Developer shall be responsible for expenses incurred.

Any awards to the prevailing party in any action are subordinate to escrow's expenses.

9. Provides that purchaser may not assign his/her interest in the Sales Contract without the prior written consent of Developer.

The Sales Contract contains various other provisions which purchaser should become acquainted with.

EXHIBIT "F"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Escrow is ISLAND TITLE CORPORATION. Under the Escrow Agreement dated April 6, 2000, these things will or may happen:

(a) Developer or Escrow will let purchasers know when payments are due and all monies received from a purchaser will be deposited in Escrow. Any interest earned on the deposits will belong to Developer.

(b) Escrow will arrange for purchasers to sign all necessary documents.

(c) The Escrow Agreement specifies when purchaser funds may be disbursed upon closing of a sale. The conditions include:

i) Escrow receives the purchasers' signed "Receipt for Public Report(s) and Notice of Right to Cancel";

ii) Escrow receives a certification from the Developer that the Sales Contract is effective and that the rescission right requirements in favor of purchasers have been complied with by the Developer; and

iii) The apartment deed conveying the unit to the purchaser has been recorded in the Bureau of Conveyances.

(d) The Escrow Agreement says under what conditions a refund will be made to a purchaser. Refunds can occur under the following situations:

i) If Purchaser elects to cancel the transaction in accordance with the "Receipt for the Final Public Report and Notice of Right to Cancel". The Receipt provides that purchasers may cancel the Sales Contract and purchaser is the Receipt is mailed or sent by telegram to Developer before (1) the apartment unit is conveyed to purchaser or (2) midnight of the 30th day after delivery of the Public Report(s) to me, whichever is earlier.

ii) The Developer and purchaser agree to terminate the Sales Contract;

iii) if the Developer exercises any right to cancel the transaction which it may have reserved.

NOTE: If a transaction is cancelled, the purchaser must return all documents to the Developer.

(e) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract. If a purchaser defaults, all deposits previously placed into Escrow will be forfeited by purchaser and Escrow may release such funds to Developer. See paragraph 11 of Escrow Agreement.

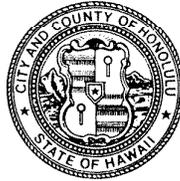
The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT "G"

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
PHONE: (808) 523-4414 • FAX: (808) 527-6743

JEREMY HARRIS
MAYOR



JAN NAOE SULLIVAN
DIRECTOR

LORETTA K.C. CHEE
DEPUTY DIRECTOR
99/CLOG-1915

Ex99-74 (RLK)

NOV 2 1999

Mr. Michael H. Sakai
Attorney at Law
902 City Financial Tower
201 Merchant Street
Honolulu, Hawaii 96813-2923

Dear Mr. Sakai:

Subject: Condominium Conversion Project
616C, 616D and 616E Maluniu Avenue
Tax Map Key: 4-3-36: 05

This is in response to your letter dated March 17, 1999 requesting verification that the three dwellings at the above-mentioned address met all applicable code requirements at the time of construction.

Investigation revealed that the three one-story single-family detached dwellings located at 616C, 616D, and 616E Maluniu Avenue with four all-weather surface off-street parking spaces met all applicable code requirements when they were constructed in 1948, 1950 and approximately 1940, respectively.

The three dwellings and four all-weather surface off-street parking spaces are considered nonconforming.

An Existing Use Permit (File No. 1998/EU-501) was issued with conditions on January 6, 1999 for three single-family detached dwellings.

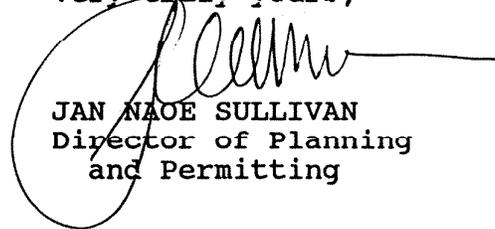
No other variances or special permits were granted to allow deviations from any applicable codes.

Mr. Michael H. Sakai
Page 2

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 codes.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of this office at 527-6341.

Very truly yours,



JAN NAOE SULLIVAN
Director of Planning
and Permitting

JNS:fk

g:\dlu\general\bd\ex99-74

EXHIBIT "H"
DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
PHONE: (808) 523-4414 • FAX: (808) 527-6743

JEREMY HARRIS
MAYOR



JAN NAOE SULLIVAN
DIRECTOR

LORETTA K.C. CHEE
DEPUTY DIRECTOR

EUCL-00005
1998/EU-501(JS)

| MINOR PERMIT : EXISTING USE PERMIT (EU) | |
|--|---|
| File Number | : 1998/EU-501 |
| Project | : Keith Existing Use |
| Location | : 616-C, 616-D and 616-E Maluniu Avenue |
| Tax Map Key | : 4-3-036: 005 |
| Zoning | : R-5 Residential District |
| Applicant | : Kent M. Keith |
| Date Accepted | : November 5, 1998 |

APPROVAL is granted to the existing use, three existing single-family dwelling units, in accordance with the application documents (plans date-stamped November 26, 1998), subject to the following conditions:

1. All work shall be in accordance with approved application documents, the conditions enumerated below and the Land Use Ordinance (LUO) unless otherwise stated by this permit.
2. The one lodging unit (616 C) and the two-family dwelling unit (616 E) shall be converted into two single-family dwelling units in accordance with the approved building permits. The conversions shall include the following alterations:
 - a. The bar in the lodging unit (616 C) shall be altered by adding a heating element, thereby converting the unit into a single-family dwelling. Lodging units are not permitted within Residential districts and research reveals that the structure was approved as a single-family dwelling; and
 - b. The two-family detached unit (616 E) shall be altered by removing a kitchen, thereby converting the two-family detached unit into a single-family dwelling. At least two of the three elements (a sink, a heating element, or a refrigeration element) from one kitchen must be removed and there shall be interior connections to all rooms within the dwelling. The structure was approved as a single-family dwelling. The existing two-family dwelling unit cannot be considered as part of the EU approval.

3. Building permits for the above alterations shall be obtained from the Department of Planning and Permitting (DPP) within 6 months of the date of this approval. **Failure to obtain the building permits shall result in the issuance of a Building Violation Notice and shall render this EU approval null and void.**
4. The EU permit is only for the continued use, repair, alteration, expansion, relocation, or reconstruction of three existing single-family dwellings. This Existing Use approval does not certify that the existing structures and improvements comply with the current zoning code or other regulations.
5. In accordance with Section 3.130(a) of the LUO, in the event of destruction, uses may be continued and structures may be rebuilt under the approved existing use plan, provided that such restoration is permitted by the Building Code and Flood Hazard Regulations and is started within two years.
6. Only minor modifications to the EU plans shall be allowed. Any major modification which may have an adverse impact on surrounding land uses, increases the number of dwelling units, and/or involves the reconstruction and/or expansion of a dwelling(s) which is part of a larger development, shall require the processing of a Cluster Housing Permit.
7. The applicant or owner(s) shall incorporate this Existing Use Permit into the restrictive covenants which run with the land, to serve as notice to all owners and tenants. The draft covenant shall be submitted for review and approval by the DPP. Upon approval of the covenant, a certified recorded copy shall be filed with the DPP, prior to the change in any ownership or the issuance of any permits.
8. If the project will be condominiumized, the applicant or owner(s) shall submit a draft copy of the Condominium Property Regime (CPR) map and documents to the DPP for our review. Future work subsequent to the creation of a CPR may require approval from the homeowners association prior to the start of work. If the EU Permit is incorporated into the CPR documents, a separate declaration of restrictive covenants is not required.
9. All new work shall comply with the applicable LUO standards. Within each parcel, all new work shall comply with the Residential District height, yard and building area requirements, as measured from parcel lines or zoning district boundaries.
10. All new work shall be compatible in design with the existing and surrounding structures. If a dwelling is reconstructed, it shall not exceed twice its existing size (floor area), and shall be in the same general location. The Director may require the redesign of exterior entrances, stairways, bar areas, including plumbing and electrical systems, to ensure that the number of dwellings is not increased.
11. Maximum building area shall not exceed 35 percent of the original lot area of 20,882 square feet. If the property is condominiumized, then, within each limited common element, the maximum building area shall not exceed 50 percent of the area for each limited common element.

