CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Lilipuna Estates, L.L.C., a Hawaii limited liability company
Address 2764 C Booth Road, Honolulu, Hawaii 96813

Project Name(*): LILIPUNA ESTATES

Address: 45-166 Lilipuna Road, Kaneohe, Hawaii 96744

Registration No. 4416 (Conversion)

Effective date: June 14, 2000
Expiration date: July 14, 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 government 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: (yellow) — 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.

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

___ SUPPLEMENTARY: (pink) — This report updates information contained in the:
[ ] 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 expired 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 [X] Not Required - Disclosures 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.

[X] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT and not a subdivision. The land area beneath and immediately appurtenant to each apartment unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The broken lines on the Condominium Map bounding the designated number of square feet within each limited common element land area are for illustrative purposes only, and should in no way be construed to be the property lines of legally subdivided lots.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other governmental agency, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

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

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EXHIBIT A:	Description of Apartments
EXHIBIT B:	Letter from the Building Department dated April 13, 2000
EXHIBIT C:	Architect's Visual Inspection Report dated January 1, 2000
EXHIBIT D:	Description of Common Elements
EXHIBIT E:	Description of Limited Common Elements
EXHIBIT F:	List of Encumbrances Against Title
EXHIBIT G:	Variance from City and County of Honolulu dated March 1, 2000
EXHIBIT H:	Existing Use Permit 2000/EU-3
EXHIBIT I:	Estimate of Initial Maintenance Fees and Disbursements
EXHIBIT J:	Summary of Pertinent Provisions of Sales Contract
EXHIBIT K:	Summary of Pertinent Provisions of Escrow Agreement

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 interes 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. These 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 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 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 a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Lilipuna Estates, L.L.C.
Name*
2764 C Booth Road
Business Address
Honolulu, Hawaii 96813
Phone: (808) 545-3176 (Business)

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

Mark Sanford Whiting - Member
Peter Johnson Haines - Member

Real Estate Broker: Peter J. Haines (B)
Name
2764 C Booth Road
Business Address
Honolulu, Hawaii 96813
Phone: (808) 545-3176 (Business)

Escrow: First American Long & Melone Title Company, Ltd.
Name
1001 Bishop Street, Suite 2770
Business Address
Honolulu, Hawaii 96813
Phone: (808) 523-2826 (Business)

General Contractor*: None
Name

Business Address

Phone: (Business)

Condominium Managing Agent*: Self-managed by Association of Apartment Owners
Name
Business Address

Phone: (Business)

Attorney for Developer: Law Office of Anders G. O. Nervell
Name
345 Queen Street, Suite 701
Business Address
Honolulu, Hawaii 96813
Phone: (808) 523-0105 (Business)

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

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 _____
[X] Filed - Land Court: Document No. 2624042

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

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. _____
[X] Filed - Land Court Condo Map No. 1347

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

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 matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:
[ ] Proposed
[ ] Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
[X] Filed - Land Court: Document No. 2624043

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

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 [X] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	---	Board of Directors

* The percentages 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.

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

1. To grant, relocate, or realign easements for utilities, sanitary and storm sewers, cable television, walkways, roadways, and right-of-ways (see paragraph 5.5 of the Declaration).

2 To conduct sales activities on the project (see paragraph 5.8 of the Declaration).

3. To amend the Declaration by filing an "as built" certificate (see paragraph 12 of the Declaration).

4. To amend the By-Laws to comply with the requirements of any federal or State governmental agency (see Section 10.01 of the By-Laws).

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

[ ] Leasehold or Sub-leasehold: 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-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

For Sub-leaseholds:

[ ] 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 Sub-leasehold:

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-Annually [ ] 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 periods 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 the 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: 45-166 Lilipuna Road
Kaneohe, Hawaii 96744

Tax Map Key (TMK): (1) 4-5-2-43

[ ] Address [ ] TMK is expected to change because _____

Land Area: 1.135 [ ] square feet [X] acre(s) Zoning: R-10

Fee Owner: Lilipuna Estates, L.L.C., a Hawaii limited liability company
Name
2764 C Booth Road
Address
Honolulu, Hawaii 96813

Lessor: N/A
Name

Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: Seven Floors Per Building One, with the exception of Unit 45-160-A, which has two floors.

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material: Unit 45-158-A is constructed principally of concrete hollow tile, and Units 45-166, 45-160, 45-156, and 45-160-A are constructed principally of wood.
[ ] Concrete [X] Hollow Tile [X]Wood

[ ] Other _____

4. Uses Permitted by Zoning

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
[X] Residential	5	[X] Yes [ ] No	[ ] Ohana	____	[ ] Yes [ ] No
[ ] Commercial	____	[ ] Yes [ ] No	[ ] Industrial	____	[ ] Yes [ ] No
[ ] Mix Res/Comm	____	[ ] Yes [ ] No	[ ] Agricultural	____	[ ] Yes [ ] No
[ ] Hotel	____	[ ] Yes [ ] No	[ ] Recreational	____	[ ] Yes [ ] No
[ ] Timeshare	____	[ ] Yes [ ] No	[ ] Other: _____	____	[ ] Yes [ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[X] 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: _____

[ ] Number of Occupants: _____

[X] Other: Transient or hotel purposes and time-share purposes

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: none Stairways: Unit 45-160-A Trash Chutes: none

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
SEE EXHIBIT "A"					

Total Number of Apartments: 5

***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:

Each apartment shall be deemed to include the building comprising the apartment, including, but not limited to: (1) All perimeter walls, floors, foundations, and roofs of each building; (2) All pipes, shafts, wires, ducts, pumps, cables, conduits, or other utility or service lines running through or outside such building which are utilized for or serve only the apartment located in that building; (3) All doors and door frames, windows (including but not limited to sliding glass doors, windows, panes, jalousies, or panels along the perimeters) and window frames; (4) All fixtures, appliances, built-in cabinets, carpets and floor coverings, and furnishings installed in each apartment; and (5) All entry, patio, balcony, deck, lanai, porch and laundry areas appurtenant to the dwellings, including any railings, steps, and ramps appurtenant to such entry, patio, balcony, deck, lanai, porch and laundry areas.

Permitted Alterations to Apartments:

Subject to restrictions in the Declaration and the By-Laws, an apartment owner may make additions to or alterations of his or her apartment or limited common elements appurtenant to such apartment. Furthermore, handicapped occupants may make reasonable modifications to their apartments, the limited common elements appurtenant thereto, and/or the common elements, at their own expense. All alterations are subject to each and every condition set forth in that certain Existing Use Permit 2000/EU-3. See Exhibit "H".

7. Parking Stalls:

Total Parking Stalls: Fourteen (14)

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	TOTAL
Assigned (for each unit)	7	7	0	0	0	0	14
Guest	0	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0	0
Extra for Purchase	0	0	0	0	0	0	0
Other: _____	0	0	0	0	0	0	0
Total Covered & Open:	14		0		0		14

Each apartment will have the exclusive use of at least two* 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.

[X] Exhibit: "A" contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[X] There are no recreational or common 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 SEE EXHIBIT "B"

[X] There are no violations [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by _____ (Date).

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

SEE EXHIBIT "C"

* Dwelling Unit 45-166 has the exclusive use of 3 open parking stalls.
Dwelling Unit 45-160 has the exclusive use of 4 covered parking stalls.
Dwelling Unit 45-156 has the exclusive use of 2 open parking stalls.
Dwelling Unit 45-160-A has the exclusive use of 2 open parking stalls.
Dwelling Unit 45-158-A has the exclusive use of 3 covered parking stalls.

11. Conformance to Present Zoning Code

a. [ ] No variances to zoning code have been granted.

[X] Variance(s) to zoning code was/were granted as follows: SEE EXHIBIT "G"

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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures		X*	
Lot		X*	

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:

[X] described in Exhibit "D" .

[ ] as follows:

* Owner/Developer has applied for and received a variance which allows five (5) single-family dwellings on a single R-10 Residential zoning lot with less than the required lot area. Owner/Developer has also applied for and received an existing use permit which allows reconstruction of the dwellings under certain conditions. See Exhibits "B", "G" and "H".

2. Limited Common Elements: Limited 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.

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

[X] described in Exhibit "E".

[ ] 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 _____.

[X] as follows: The percentage of common interest appurtenant to each and every apartment in the Project is 20.00%.

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 "F" describes the encumbrances against the title contained in the title report dated May 5, 2000 and issued by First American Long & Melone Title Company, Ltd.

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 specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[X] 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.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance

F. Construction Warranties: N/A

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. Units sold "as is".

2. Appliances: None. Appliances sold "as is".

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

The five dwellings were constructed in 1937 (Unit 45-160-A), 1946 (Unit 45-158-A), and 1956 (Units 45-166, 45-160, 45-156). The units are subject to an Existing Use Permit that will allow reconstruction under certain conditions. See Exhibit "H".

H. Project Phases: N/A

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):

IV. CONDOMINIUM MANAGEMENT

A. Management of the Common Elements: The Association of Apartment 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.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

[ ] not affiliated with the Developer
[X] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] other _____

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be place on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit "I" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[ ] None [X] Electricity (__X__ Common Elements only_____ Common Elements & Apartments)
[ ] Gas (_____ Common Elements only_____ Common Elements & Apartments)
[X] Water [X] Sewer [ ] Television Cable
[ ] Other _____

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:

[X] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit "J" contains a summary of the pertinent provisions of the sales contract.

[ ] Escrow Agreement dated April 4, 2000 .
Exhibit "K" 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 escrow 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 the 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 Reports issued by the developer which have been issued 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.
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 _____

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, are 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, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 4416 filed with the Real Estate Commission on May 9, 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

The apartments will be conveyed in their present "as is" condition.

Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer/Owner(s), Lilipuna Estates, LLC of which Peter Johnson Haines is a member. Peter Johnson Haines, RB17093, is a current and active Hawaii-licensed real estate broker. Further, that Peter Johnson Haines, as Sole Proprietor, is the project broker. Pursuant to section 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."

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.

LILIPUNA ESTATES, L.L.C.
Print Name of Developer

By: _____ March 20, 2000
Duly Authorized Signatory* Date

MARK SANFORD WHITING
Printed Name & Title of Person Signing Above

By: _____ March 20, 2000
Duly Authorized Signatory* Date

PETER JOHNSON HAINES
Printed Name & Title of Person Signing Above

Distribution:

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

** Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.*

EXHIBIT "A"

Description of Apartments

There are five (5) separate condominium apartments in the Project. Each of the five residential dwellings contains one (1) condominium apartment. The apartments are referred to as "Dwelling Units" on the Condominium Map, and are more particularly described below:

(1) Dwelling Unit 45-166 is a one-story dwelling containing two (2) bedrooms, one (1) bathroom, a living room, a kitchen, and a laundry area, with a net living area of approximately 576 square feet. Dwelling Unit 45-166 has three (3) appurtenant limited common element parking stalls, which parking stalls are designated herein and on the Condominium Map as parking stalls nos. 1, 2, and 3. Dwelling Unit 45-166 is situated on a 5,376 square feet limited common element dwelling lot as delineated on the Condominium Map.

(2) Dwelling Unit 45-160 is a one-story dwelling containing two (2) bedrooms, one (1) bathroom, a living room, a kitchen, and a laundry area, with a net living area of approximately 576 square feet. Dwelling Unit 45-160 has an appurtenant limited common element covered carport of approximately 544 square feet (constructed principally of metal posts with a metal roof), which carport contains four (4) limited common element parking stalls, and which parking stalls are designated herein and on the Condominium Map as parking stalls nos. 4, 5, 6, and 7. Dwelling Unit 45-160 is situated on a 5,936 square feet limited common element dwelling lot as delineated on the Condominium Map.

(3) Dwelling Unit 45-156 is a one-story dwelling containing two (2) bedrooms, one (1) bathroom, a living room, a kitchen, and a laundry area, with a net living area of approximately 576 square feet. Dwelling Unit 45-156 has two (2) appurtenant limited common element parking stalls, which parking stalls are designated herein and on the Condominium Map as parking stalls nos. 8 and 9. Dwelling Unit 45-156 is situated on a 6,966 square feet limited common element dwelling lot as delineated on the Condominium Map.

(4) Dwelling Unit 45-160-A is a two-story dwelling with the first floor containing one (1) bedroom, one (1) bathroom, a living room, a dining area, a kitchen, a laundry area, and a patio area, with a net living area of approximately 667 square feet (laundry area being approximately 61 square feet, and patio area being approximately 71 square feet); and the second floor containing two (2) bedrooms, one-half (1/2) bathroom, closet and storage areas, and a balcony, with a net living area of approximately 529 square feet (balcony area being approximately 91 square feet). Dwelling Unit 45-160-A has two (2) appurtenant limited common element parking stalls, which parking stalls are designated herein and on the Condominium Map as parking stalls nos. 10 and 11. Dwelling Unit 45-160-A is situated on a 5,690 square feet limited common element dwelling lot as delineated on the Condominium Map.

(5) Dwelling Unit 45-158-A is a one-story dwelling containing three (3) bedrooms, two (2) bathrooms, a living room, a family room, a kitchen, and closet and utility areas, with a net living area of approximately 1,662 square feet. Dwelling Unit 45-158-A has an appurtenant limited common element covered carport of approximately 256 square feet (constructed principally of metal posts with a metal roof), which carport contains three (3) limited common element parking stalls, and which parking stalls are designated herein and on the Condominium Map as parking stalls nos. 12, 13, and 14. Dwelling Unit 45-158-A is situated on a 22,550 square feet limited common element dwelling lot as delineated on the Condominium Map.

END OF EXHIBIT "A"

D RTMENT OF PLANNING AND PERMITTIN
CITY AND COUNTY OF HONOLULU
650 SOUTH KING STREET • HONOLULU, HAWAII 96813
PHONE (808) 523-4414 • FAX (808) 527-6743

JEREMY HARRIS
MAYOR

RANDALL K. FUJIKI, AIA
DIRECTOR

LORETTA K.C. CHEE
DEPUTY DIRECTOR

(LT)

April 13, 2000

Mr. Peter J. Haines
Affordable Housing Specialists, Inc.
2764C Booth Road
Honolulu, Hawaii 96813

Dear Mr. Haines:

Subject: Condominium Conversion Project
Peter S. Martinez Living Trust
45-156 Liilipuna Road - Kaneohe
Tax Map Key: 4-5-002: 043

This is in response to your letter dated October 27, 1999 requesting verification that the structures located at the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that the four one-story, single-family detached dwellings with ten off-street parking spaces met all applicable code requirements when they were constructed in 1946 and 1956. The Department of Planning and Permitting has no record of a building permit for the two-story, single-family detached dwelling built in 1937.

Investigation also revealed only four single-family detached dwellings were permitted on this zoning lot when the building permits were issued for three new dwellings in 1956.

Zoning Variance No. 1999/VAR-73 was approved with conditions to allow five single-family dwellings on a single R-10 Residential zoning lot with less than the required lot area on March 1, 2000.

On April 6, 2000, Existing Use Permit 2000/EU-3 was approved with conditions for the five single-family dwellings. The Existing Use Permit allows for the continued use, repair, alteration, expansion, relocation, or reconstruction of the existing dwellings. It does not certify

EXHIBIT "B"

that the existing structures and improvements comply with current zoning codes or other regulations.

The Department of Planning and Permitting cannot determine all legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

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

Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; it does not create a separate lot of record.

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

Sincerely yours,

RANDALL K. FUJIKI, AIA
Director of Planning and Permitting

RKF:it
g:\cso\phaines.cnv

A' 'HITECTURAL
ASSOCIATES

Edward A. Resh
Architect

Date: 1/24/00

To: The Owners / Developers of "Lilipuna Estates"
C/O Peter J. Haines
2764 C Booth Road, Honolulu, Hawaii 96813

To Whom It May Concern;

As per your instructions, a visual inspection was made of the single family dwellings located at: **45-166, 45-160, 45-156, 45-160-A & 45-158-A Lilipuna Rd, Kaneohe, Hawaii 96744**.

The purpose of the inspection was to examine and comment on the present state of the buildings.

The following describes my assessment of the present condition of the buildings:

Unit 45-166:

1. The structures appear in good condition. The units are habitable and appear to be free from major structural defects.

2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.

3. The expected useful life is estimated to be between 20 and 30 years.

Unit 45-160 :

1. The structures appear in good condition. The units are habitable and appear to be free from major structural defects.

2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.

3. The expected useful life is estimated to be between 20 and 30 years.

EXHIBIT "C"

Unit 45-156:

1. The structures appear in good condition. The units are habitable and appear to be free from major structural defects.

2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.

3. The expected useful life is estimated to be between 20 and 30 years.

Unit 45-160-A

1. The structures appear in good condition. The units are habitable and appear to be free from major structural defects.

2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.

3. The expected useful life is estimated to be between 20 and 30 years.

Unit 45-158-A:

1. The structures appear in good condition. The units are habitable and appear to be free from major structural defects.

2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.

3. The expected useful life is estimated to be between 20 and 30 years.

CONCLUSION: The buildings at present are in good condition with no major structural defects.

Very truly yours,

EDWARD A. REESH

Name of Architect/Engineer: EDWARD A. REESH

Registered Professional Title: ARCHITECT

Hawaii Registration Number: 3239

EXHIBIT "D"

Description of Common Elements

The common elements include the following located within the Project:

(1) All the land described in Exhibit "A" attached hereto and made a part hereof;

(2) The driveway access to the apartments, having a total area of 2,939 square feet as shown on the Condominium Map;

(3) All pipes, cables, conduits, ducts, electrical equipment, wiring, and other central and appurtenant transmission facilities and installations over, under, and across the Project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone, and television signal distribution; and

(4) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

END OF EXHIBIT "D"

EXHIBIT "E"

Limited Common Elements

The limited common elements include the following located within the Project:

(1) The limited common element dwelling lots appurtenant to each of the apartments, consisting of the land beneath and immediately adjacent thereto (including any yard areas, landscaping, driveway, walkway, and access areas), as shown and delineated on the Condominium Map;

(2) The parking stalls and carports appurtenant to the apartments; and

(3) All other common elements of the Project which are rationally related to less than all of the apartments or buildings.

END OF EXHIBIT "E"

EXHIBIT "F"

Encumbrances Against Title

Encumbrances against the title as contained in the title report dated May 5, 2000, and issued by First American Long & Melone Title Company, Ltd. are as follows:

1. That certain Grant of Easement dated March 4, 1971 in favor of Hawaiian Electric Company, Inc., and GTE Hawaiian Telephone Company Incorporated, filed in Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 536151; granting an easement for utility purposes along the easterly boundary of the subject lot.

2. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, limitations on title, and all other provisions contained in or incorporated by reference in that certain Declaration of Condominium Property Regime dated May 5, 2000, recorded in said Office of the Assistant Registrar of the Land Court as Document No. 2624042, (By-Laws thereto dated May 5, 2000, recorded in said Office of the Assistant Registrar of the Land Court as Document No. 2624043), Condominium Map No. 1347; any instrument creating the estate or interest herein set forth; and in any other allied instrument referred to in any of the instruments aforesaid.

3. Real property taxes due and payable. For more information contact City and County of Honolulu, Department of Finance, Real Property Tax Assessment.

END OF EXHIBIT "F"

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU
650 SOUTH KING STREET • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4414 • FAX: (808) 527-6743

JEREMY HARRIS
MAYOR

RANDALL K. FUJIKI, AIA
DIRECTOR

LORETTA K.C. CHEE
DEPUTY DIRECTOR

(LW)

March 1, 2000

Mr. Peter J. Haines
2764 C Booth Road
Honolulu, Hawaii 96813

Dear Mr. Haines:

Request	:	Zoning Variance No. 1999/VAR-73
Applicant/ Owner	:	Peter S. Martinez Living Trust
Agent	:	Peter J. Haines
Location	:	45-156, 45-158-A, 45-160, 45-160A, and 45-166 Lilipuna Road - Kaneohe
Tax Map Key:		4-5-2: 43

The Director of Planning and Permitting has APPROVED the above variance, subject to certain conditions. A copy of the Director's Findings of Fact, Conclusions of Law, and Decision and Order, including the conditions of approval, is attached.

NOTE: If the variance conditions contain time limits, the applicant is responsible for complying within those time limits, or the variance will lapse. If the variance is "after-the-fact", and it lapses because of failure to comply with the conditions, the applicant will be in violation of the zoning code and subject to enforcement proceedings. A new application for the same variance will not be accepted within 12 months of the lapse date.

This variance is limited to those sections of the Land Use Ordinance stated in the Findings of Fact and/or Decision and Order; and shall not be construed as approval of any other permit or review by the Department of Planning and Permitting or by any other agency.

Any party (to the case) wishing to appeal the Director's action must submit a written petition to the Zoning Board of Appeals (ZBA) within 30 calendar days from the date of mailing or personal service of the Director's written decision. (Zoning Board of Appeals Rules Relating to Procedure for Appeals, Rule 22-2, Mandatory Appeal Filing Deadline). Essentially, the Zoning Board of Appeals rules require that a petitioner show that

EXHIBIT "G"

the Director based his action on an erroneous finding of a material fact, and/or that the Director acted in an arbitrary or capricious manner, or manifestly abused his discretion. Generally, the ZBA can only consider the evidence previously presented to the Director of Planning and Permitting.

Failure to comply with ZBA Rules Chapter 22, Procedure for Appeals, may result in the dismissal of the appeal. Copies of the ZBA rules are available at the Department of Planning and Permitting. Appeals should be addressed to:

Zoning Board of Appeals
c/o Department of Planning and Permitting
650 South King Street
Honolulu, Hawaii 96813

If you have any questions or need additional information concerning this variance, please contact Ms. Lin Wong of our staff at 523-4485.

Sincerely yours,

RANDALL K. FUJIKI, AIA
Director of Planning
and Permitting

RKF:nt
Doc. No. 26493
Encl.

cc: Peter S. Martinez Living Trust
Kaneohe Outdoor Circle
Customer Service Office
(Lloyd Tamura)

DEPARTMENT OF PLANNING AND PERMITTING
OF THE CITY AND COUNTY OF HONOLULU

STATE OF HAWAII

I certify that this is a full, true and correct copy of the original document on file with the Department of Planning and Permitting, City and County of Honolulu.

3-1-00
DATE

IN THE MATTER OF THE APPLICATION OF PETER S. MARTINEZ LIVING TRUST FOR A VARIANCE	CASE NO. 1999/VAR-73

FINDINGS OF FACT, CONCLUSIONS OF LAW,
AND DECISION AND ORDER

I. APPLICATION

A. Basic Information:

Applicant/ Owner	:	Peter S. Martinez Living Trust
Agent	:	Peter J. Haines
Location	:	45-156, 45-158-A, 45-160, 45-160A and 45-166 Lilipuna Road - Kaneohe
Tax Map Key:		4-5-2: 43
Lot Area	:	49,440 Square Feet (1.135 acres)
Zoning	:	R-10 Residential District

The Department of Planning and Permitting (DPP) held a public hearing on January 27, 2000 to consider the application. The applicant and all other interested persons present were given an opportunity to be heard. The record of the hearing is on file with the Department.

B. Applicant's Proposal: To allow 5 single-family dwellings on a single zoning lot without an approved site development or cluster housing plan, and with less than the required lot area (i.e., 5 times the minimum lot area). The site qualifies for 4 dwelling units. However, it lacks 560 square feet, or 5.6 percent, of the minimum lot area (10,000 square feet) required for the fifth dwelling. The lot area deficiency may also be described as 560 square feet, or 1.12 percent, below the minimum 50,000-square foot lot area required for 5 dwelling units required for cluster housing or in a site development plan.

If approved, the variance would allow the applicant to apply for an existing use permit, which would allow reconstruction of the 5 existing single-family dwellings.

Mailed MAR 1 2000
Date

C. Background: Ordinarily, the Land Use Ordinance (LUO) permits a maximum of 2 dwelling units on a single zoning lot that has at least twice the minimum lot area. The LUO permits 3 to 6 dwelling units on lots with a site development plan provided they meet preliminary subdivision map requirements, including minimum lot dimensions and area for each dwelling unit and required vehicular access. The site does not meet minimum land area requirement for a 5-dwelling unit subdivision.

For a cluster housing project in a R-10 residential district, the minimum land area is 30,000 square feet and the maximum number of dwellings is 1 dwelling unit per 10,000 square feet. The 49,440-square foot site meets the minimum land area for a cluster housing project, but it lacks the minimum lot area for 5 dwelling units (i.e., 50,000 square feet).

Similarly, the site is 560 square feet short of the 50,000-square foot lot area required for an existing use (EU) permit to allow for 5 dwelling units.

The first dwelling was constructed 1937 and the second dwelling was built in 1946 (BP No. 53518), both of which were permitted on the site at that time.

On February 26, 1954, Resolution No. 549 rezoned the site to "Class AA" Residential. This required 10,000 square feet per dwelling unit. The maximum number of dwelling units permitted on a site was equal to the multiple of the minimum lot area (e.g., 49,440 divided by 10,000 square feet equals 4 dwelling units).

On July 16, 1956, the Building Department issued 3 building permits (BP Nos. 127609, 127610 and 127611) for 3 new single-family dwellings. Technically, the 5 dwellings exceeded the maximum number permitted on the site in 1956.

Upon effectuation of the Comprehensive Zoning Code (Ordinance No. 3234, January 2, 1969), the zoning became R-3 Residential District, which required 10,000 square feet per dwelling. The site was rezoned R-10 Residential District under the Land Use Ordinance (Ordinance No. 86-96, October 22, 1986).

D. Variance Required: Land Use Ordinance (LUO)-Sections 21-2.100(b)(2) and 21-8.50-2, pertaining to the existing use and cluster housing regulations.

E. Applicant's Justification: The applicant provided justification statements which are part of the file.

II. FINDINGS OF FACT

On the basis of the evidence presented, the Director has found:

A. Description of Site and Surrounding Uses: The almost rectangular lot has frontage along Lilipuna Road and slopes down from the street. The site is subject to a road-widening setback ranging from 7 feet to 14 feet.

The site has 5 single-family dwelling units, built in 1937, 1946 and 1956. Four are single-story structures and one is a two-story structure. Three dwellings are 576 square feet (those along Lilipuna Road); two larger dwellings, farther away from the road, are 1,419 square feet and 1,662 square feet. Access is from Lilipuna Road, via a private driveway. There are two carports along the driveway with a total of 7 covered parking stalls, and 3 uncovered parking spaces. See Exhibit B. The surrounding area consists predominantly of single-family dwelling use.

B. Other Permits and Approvals:

1. Building Permits: The Department of Finance (now known as the Department of Budget and Fiscal Services) records indicate that 1 single-family dwelling was built in 1937, 1 was built in 1946, and 3 were built in 1956. However, the Building Department (now a division of DPP) records include building permits for 4 of the 5 dwellings, but has no record of the building permit for the dwelling built in 1937. The following building permits were issued for the site:

Building Permit No.	Date Issued	Work Authorized
53518	4/3/46	New Dwelling
127609	7/16/56	New Dwelling
127610	7/16/56	New Dwelling
127611	7/16/56	New Dwelling
178283	3/15/61	Patio Addition
225468	8/11/64	Alteration (Kitchen) and Additions (Bedroom and Bathroom)
306331	8/13/91	Roof Repair
389750	6/14/96	Electrical System Upgrade

2. Cluster Housing and/or Existing Use Permit: If the variance is approved, the applicant could be required to obtain an existing use (EU) permit or a cluster housing approval for the 5 existing single-family dwellings.

C. Nonconformities or Irregularities: The 5 single-family dwellings exceed the maximum number of dwellings permitted on a single lot.

D. Public Hearing Testimony: The agent spoke in support of the application. The agent stated that the applicant has no objections to seeking an Existing Use (EU) permit after obtaining the variance and prior to reconstruction, and will comply with the EU permit conditions. In response to questions from DPP staff, the agent noted that the intent is to create a Condominium Property Regime (CPR) for 5 dwellings for sale to individuals. The applicant will provide site improvements and exterior repainting, but the new owners will be responsible for improvements to dwellings. The agent provided a preliminary CPR map showing proposed boundary lines between dwellings and an additional driveway from Lilipuna Road (Exhibit C). The agent said that not all of the parking is reflected on the preliminary CPR map; however, each dwelling will have adjacent parking. The agent stated that more detailed information on site improvements such as access, parking, fences and landscaping will be provided in the EU permit application. No other testimony was provided.

E. Letter: On February 3, the Kaneohe Outdoor Circle submitted a letter (faxed memorandum) opposing the variance. The basis cited for the opposition was that the variance would allow for five times the zoned usage.

F. **The Director may grant a variance upon the ground of unnecessary hardship if the record shows that (1) the applicant would be deprived of the reasonable use of such land or building if the provisions of the zoning code were strictly applicable.** Ordinarily, it would be difficult to find that the applicant would be denied reasonable use, since he has 5 single-family dwellings which exceed the maximum density (i.e., 2 units on a single zoning lot, without an approved site development or cluster housing plan) permitted on the site. Nevertheless, there are mitigating circumstances which support the request.

The minimum land area required for an Existing Use (EU) permit in a R-10 residential district is 30,000 square feet, and each dwelling unit requires 10,000 square feet. The 49,440-square foot site exceeds the minimum land area requirement, but it lacks the 560 square feet, or 5.6 percent, of the minimum area required for the fifth dwelling unit. However, the site is only 1.12 percent below the minimum lot area required for an EU permit for 5 dwellings. The deficiency is very small. Moreover, the dwellings have existed on the site for over 40 years, so the proposal will not increase density.

The purpose of the EU provisions is to recognize the hardship imposed upon uses which were legally established, but which now fall under the procedures and standards of cluster housing, or other similar permits. The EU procedure offers an alternative to nonconforming status. This means that, in the event of destruction exceeding 50 percent of replacement cost, the use may be continued and the nonconforming dwelling units may be rebuilt. Even though only 4 of the 5 dwelling units are nonconforming, the EU could cover all 5 dwelling units if the fifth dwelling unit is permitted by variance. Since 5 dwellings have existed on the site for more than 40 years, the proposal would not increase existing density. In effect, the small lot area deficiency prevents the applicant from using the EU option to retain all 5 dwellings on site. Without the variance and the EU permit, the nonconforming dwellings would be subject to the LUO Nonconformities provisions, which specify that if a nonconforming dwelling unit is destroyed by any means to an extent of more than 50 percent of its replacement cost, it cannot be reconstructed. Moreover, 1 dwelling unit would have to be converted to an accessory use or be demolished. The request is supportable because the lot area deficiency is minimal.

G. **The Director may grant a variance upon the ground of unnecessary hardship if the record shows that (2) the request of the applicant is due to unique circumstances and not the general conditions in the neighborhood, so that the reasonableness of the neighborhood zoning is not drawn into question.** There are unusual circumstances that support the proposal. The 5 single-family dwellings were built long before the Comprehensive Zoning Code (CZC), and the LUO density limits were established in 1969 and 1986, respectively. However, under the former Class AA residential zoning, the density limit was essentially the same. It appears the existing density was considered to be nonconforming for decades, since numerous building permits were issued for alterations or maintenance purposes. Without the variance, the applicant would be permitted to repair, expand, move and/or alter the 4 nonconforming dwelling units, provided that other requirements, such as yards, height, and building area are met. But the applicant would have to remove one dwelling, or convert it to an accessory structure, e.g., storage building, since one dwelling is not considered nonconforming. The 5 existing dwellings meet requirements pertaining to yard, height, building area, and off-street parking, although the site technically only qualifies for an EU permit for 4 dwellings. The small lot area deficiency prevents the applicant from including all 5 dwellings in the EU permit. The existing density and lot area deficiency are unique to the site. Thus a variance from the minimum lot area for 5 dwellings to quality for an EU permit is supportable. The reasonableness of the neighborhood zoning would not be drawn into question if other zoning code requirements are met.

H. **The Director may grant a variance upon the ground of unnecessary hardship if the record shows that (3) the request, if approved, will not alter the essential character of the neighborhood nor be contrary to the intent and purpose of the zoning ordinance.** The proposal will not alter the essential character of the neighborhood. The dwellings have existed for decades, and as discussed above, the lot area deficiency is minimal. The variance would not allow 5 times the "zoned usage", since 4 of the 5 units have the minimum 10,000 square feet. The variance is to permit the applicant to pursue an EU permit, so that the existing density can be retained. Nevertheless, any increase in the number of units would be contrary to the intent of the zoning code to maintain reasonable density levels in residential neighborhoods. Hence, as a condition of the variance approval, the use of the site should be limited to a maximum of 5 single-family dwellings. In addition, an EU permit should be required prior to reconstruction to ensure that LUO regulations relating to residential neighborhoods, including off-street parking, yard setbacks, and lot coverage are met. Essentially, the variance meets the 3 Charter-required tests of hardship, and the circumstances are such that the request does not undermine the density standards.

III. CONCLUSIONS OF LAW

A. There is evidence that the applicant would be deprived of a reasonable use of the land or building if the provisions of the zoning code were strictly applied.

B. The request of the applicant is due to unique circumstances and not to general neighborhood conditions, and it does not question the reasonableness of the neighborhood zoning.

C. The request will not alter the essential character of the neighborhood nor be contrary to the intent and purpose of the zoning ordinance.

IV. DECISION AND ORDER

Pursuant to the foregoing Findings of Fact and Conclusions of Law, the Director of Planning and Permitting hereby APPROVES the application for a variance to allow 5 single-family dwellings on a single R-10 Residential zoning lot with less than the required lot area (i.e., 5 times the minimum lot area), subject to the following conditions:

A. The use of the lot shall be restricted to a maximum of 5 single-family, detached dwelling units.

B. The applicant shall obtain an Existing Use (EU) permit within 2 years from the date of this Order, or the variance shall lapse. And, the applicant must obtain the EU permit prior to the issuance of a building permit for reconstruction of any dwelling.

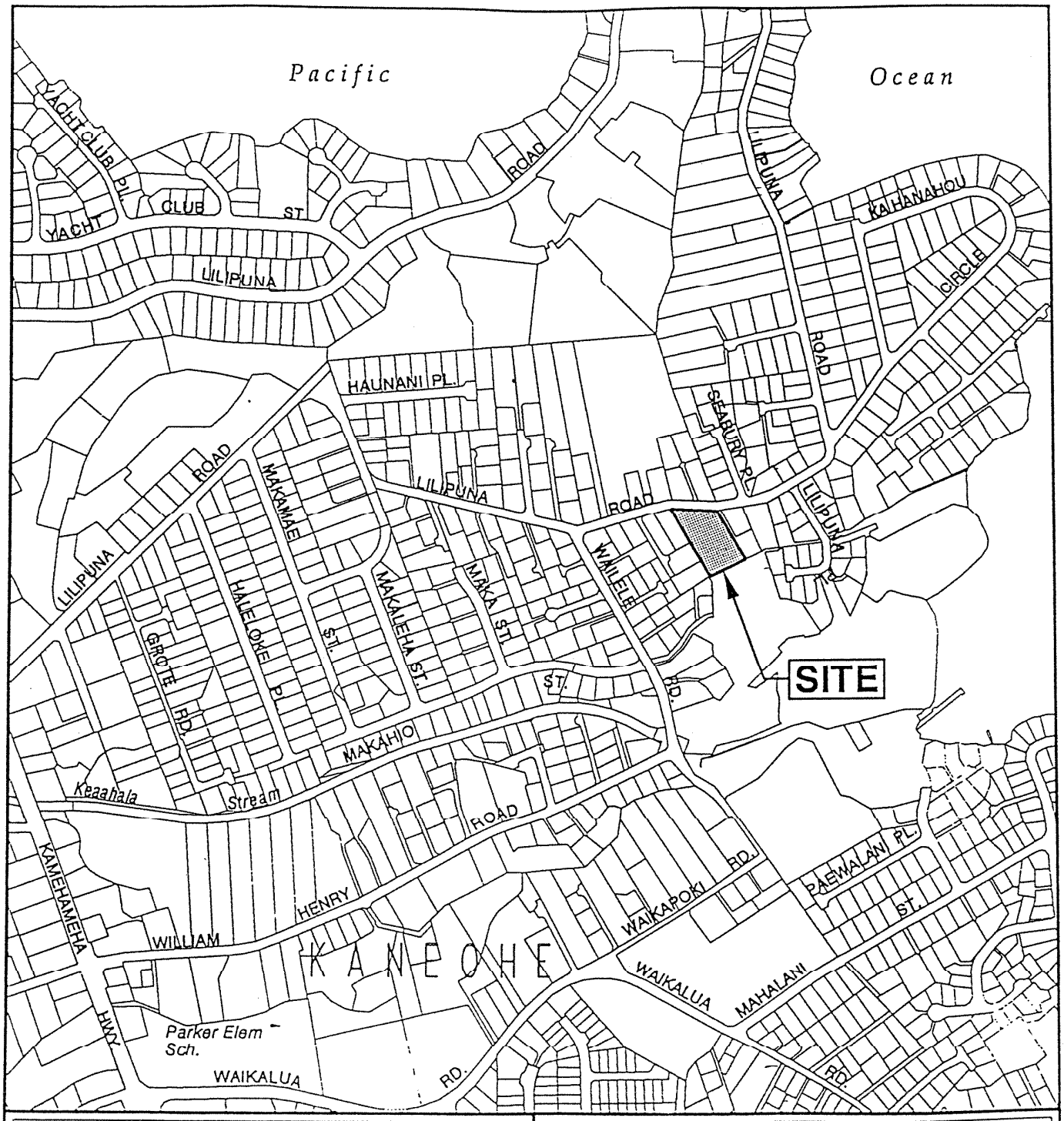
C. This variance may be revoked by the Director when, due to a material change in circumstances, one or more of the three Charter-required findings of hardship can no longer be made; or when there is a breach of any of the conditions above stated; provided that, for good cause, the Director may amend the above conditions.

Dated at Honolulu, Hawaii, this 1st day of March, 2000.

DEPARTMENT OF PLANNING
AND PERMITTING
CITY AND COUNTY OF HONOLULU
STATE OF HAWAII

By _____
RANDALL K. KUJIKI, AIA
Director

Doc. No. 25051



SITE

VICINITY MAP

600 300 0 600

SCALE IN FEET

LOCATION MAP

EXH. A

TAX MAP KEY(S): 4-5-2: 43

FOLDER NO.: 1999/VAR-73

Prepared by: Department of Planning & Permitting
City & County of Honolulu

Date Prepared: DEC. 1999

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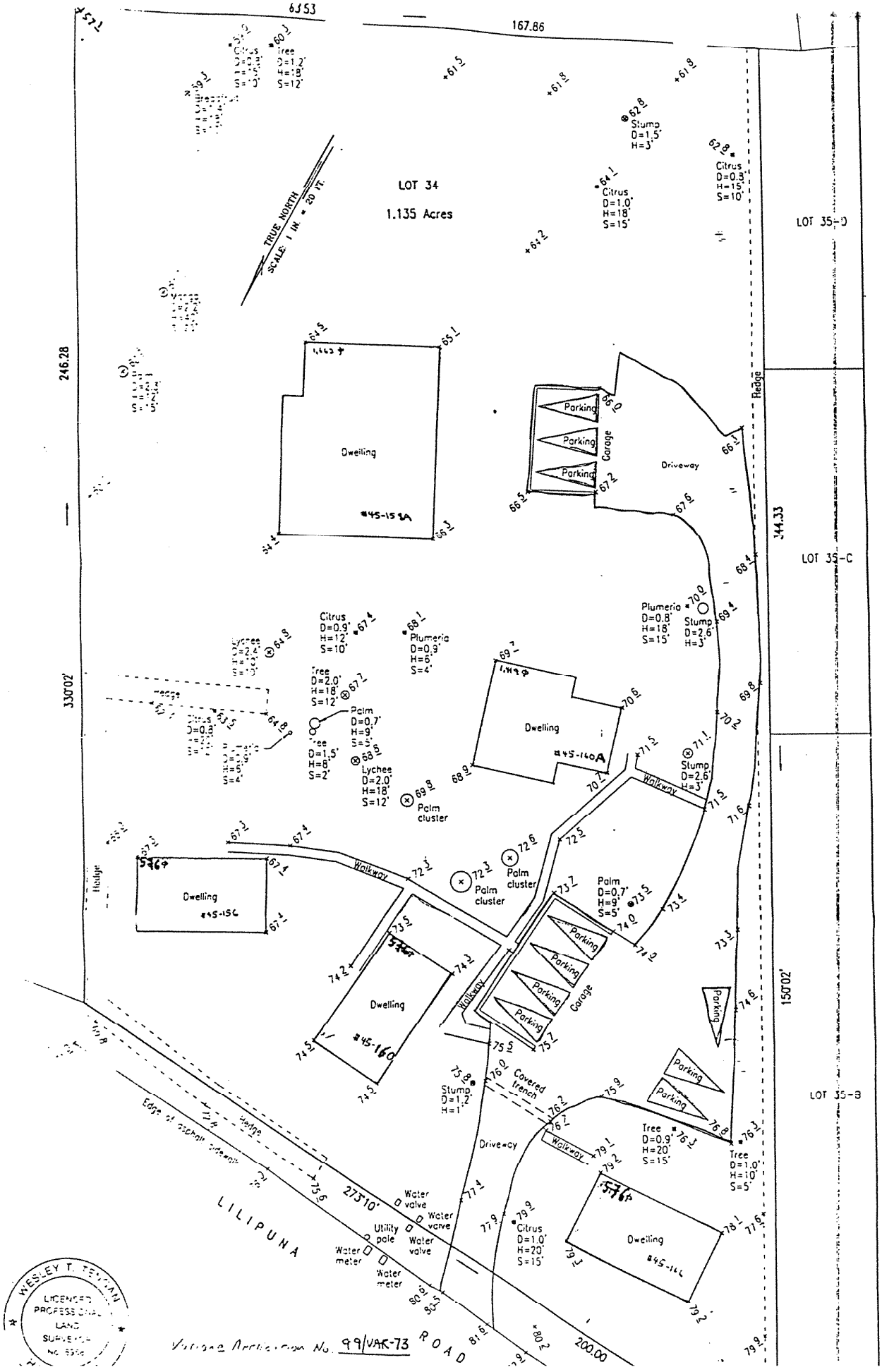
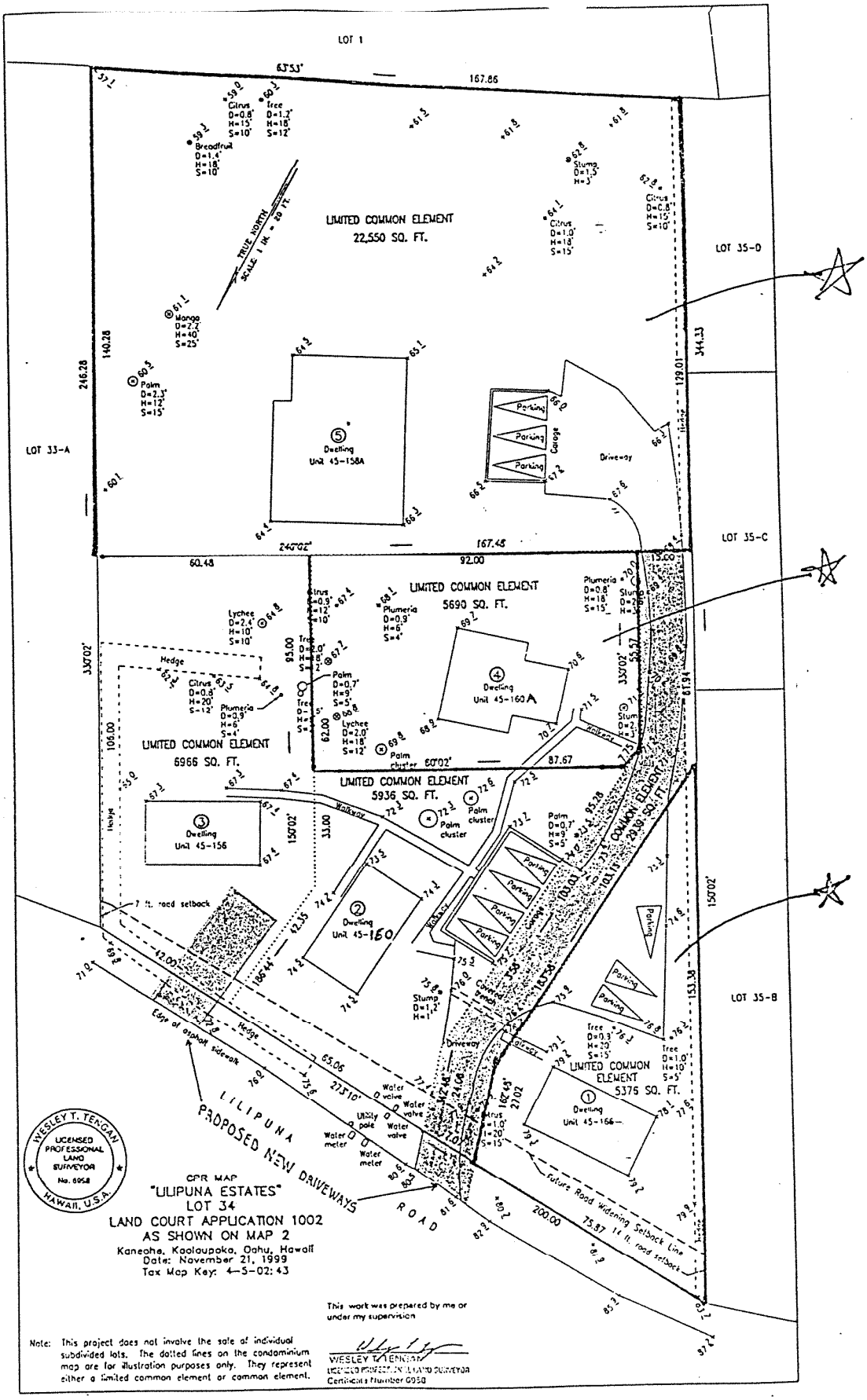

LOT 34
1.135 Acres
TRUE NORTH
SCALE: 1 IN. = 20 FT.
LOT 35-D
LOT 35-C
LOT 35-B
Hedge
Dwelling
#45-158A
#45-160A
#45-156
#45-160
#45-144
Parking
Carage
Driveway
Walkway
Palm cluster
Covered trench
Stump
Citrus
Plumeria
Lychee
Palm
Tree
Water valve
Utility pole
Water meter
Edge of asphalt sidewalk
LILIPUNA ROAD
167.86
246.28
344.33
150'02"
275'10"
200.00
WESLEY T. FEHLMAN
LICENSED PROFESSIONAL LAND SURVEYOR
No. 8506
Variance Application No. 99/VAR-73
EXH. B



ULIPUNA ESTATES 03/13/2003

EXH. C

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU
650 SOUTH KING STREET • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4414 • FAX: (808) 527-6743

JEREMY HARRIS
MAYOR

RANDALL K. FUJIKI, AIA
DIRECTOR

LORETTA K.C. CHEE
DEPUTY DIRECTOR

2000/EU-3(LW)
1999/VAR-73(LW)

MINOR PERMIT:		EXISTING USE (EU)
File Number	:	2000/EU-3
Project	:	Lilipuna Estates EU
Location	:	45-156, 45-158A, 45-160, 45-160A and 45-166 Lilipuna Road - Kaneohe
Tax Map Key	:	4-5-002: 043
Zoning	:	R-10 Residential District
Applicant	:	Peter J. Haines
Date Received	:	February 15, 2000
Date Accepted	:	February 28, 2000

APPROVAL is granted to the existing use for five (5) existing single-family detached dwellings, in accordance with the application documents (plans date-stamped February 15, 2000), 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 Existing Use (EU) permit is only for the continued use, repair, alteration, expansion, relocation, or reconstruction of the existing dwellings. This EU approval does not certify that the existing structures and improvements comply with the current zoning code or other regulations.

3. In accordance with Section 21-2.100(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.

4. 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.

5. The applicant or owner(s) shall incorporate this EU 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.

   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 homeowner's 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.

EXHIBIT "H"

6. All work shall comply with the applicable Land Use Ordinance (LUO) standard for the underlying zoning district, unless otherwise stated herein:

   (a) A minimum 16-foot clear access width shall be maintained along the common element access driveway, and no parking shall be allowed along the common access driveway;

   (b) A minimum 10-foot setback, for structures, fences or walls, shall be required from the common access driveway;

   (c) Within the project, buildings shall comply with required yards and height setbacks of the underlying zoning district as measured from limited common element (CPR) lines; and

   (d) Within each limited common element, the maximum building area shall not exceed **40** percent of the area for each limited common element.

7. 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.

8. A minimum of 10 parking spaces, 2 stalls for each dwelling unit, shall be provided prior to the issuance of any building permits subsequent to this approval. Dwelling additions shall comply with the LUO parking regulations. Existing parking spaces within carports or garages shall not be converted into usable floor area (including garage or carport storage areas).

9. Reconstructed dwellings shall have a minimum 16-foot driveway depth fronting the carport or garage.

10. An all-weather surface shall be provided at all driveway and parking areas prior to the issuance of any building permits, subsequent to this approval.

11. A Fence Master Plan shall be submitted to the DPP for review and approval prior to the issuance of any new building permit for fences. New fences shall be limited to open fencing such as chain-link or wrought iron, with a maximum height of 42 inches. New perimeter fencing shall be screened by a minimum 36-inch high continuous hedge, maintained in a healthy condition. There should be a uniform design for all fencing provided within the project.

12. All existing trees 6 inches or greater in diameter shall be retained on-site, or replacement landscaping shall be required. The existing hedges along the project's boundary shall be maintained as a buffer between neighboring properties. The front yard fronting Lilipuna Road shall be landscaped. All landscaping shall be maintained in a healthy visual condition at all times.

13. The addition, alteration or reconstruction of any dwelling unit shall comply with Fire Department requirements for access, water and/or Fire Department connections, including but not limited to, an unobstructed vertical clearance of not less than 13 feet 6 inches along the common access driveway and the provision of an automatic fire sprinkler system for all reconstructed dwellings, in accordance with NFPS 13D, Standard for Installation of Sprinkler Systems in One- and Two-Family Dwellings. Construction plans shall be submitted to the Fire Department for review and approval prior to issuance of building permits.

14. Any modification to the application documents and conditions stated herein shall be subject to approval by the DPP. For good cause, the Director may impose additional requirements and/or amend the above conditions.

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THIS COPY, WHEN SIGNED BELOW, IS NOTIFICATION OF THE ACTION TAKEN.

SIGNATURE	for Director TITLE	April 6, 2000 DATE

The above approval does not constitute approval of any other required permits, such as building permits.

"LILIPUNA ESTATES"
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

DESCRIPTION OF ITEMS	PAID BY ASSOC. OR INDIVIDUAL?	# 1 UNIT 45-166	# 2 UNIT 45-160	# 3 UNIT 45-156	# 4 UNIT 45-160A	# 5 UNIT 45-158A	MONTHLY TOTAL
UTILITIES & SERVICES							
Air Conditioning	Indivicual						
Electricity	Individual						
( ) Common Elements	n/a						
( ) Common Elements and Apartments	n/a						
Gas	Individual						
Refuse Collection	n/a						
Telephone	Individual						
Water & Sewer	Individual						
MAINTENANCE & REPAIRS							
Buildings	Individual						
Driveway & Utility Lines	Assoc.	$ 5	$ 5	$ 5	$ 5	$ 5	$ 25
MANAGEMENT							
Management Fee	n/a						
Payroll & Payroll Taxes	n/a						
Office Expenses	n/a						
COMMON ELEMENT INSUR.	Assoc.	$10	$10	$10	$10	$10	$ 50
HOMEOWNER'S INSURANCE	Individual						
RESERVES	Assoc.	$10	$10	$10	$10	$10	$ 50
TAXES & GOVERNMT ASSESS	n/a						
AUDIT FEE	n/a						
TOTAL MONTHLY FEES / UNIT		**$ 25**	**$ 25**	**$ 25**	**$ 25**	**$ 25**	**$ 125**
TOTAL ANNUAL FEES (X 12)		**$300**	**$300**	**$300**	**$300**	**$300**	**$ 1,500**

I/We, The Owners and Developers of "Lilipuna Estates," hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Lilipuna Estates, L.L.C., a Hawaii limited liability company

By: Mark S. Whiting, its member _____ Date: March 20, 2000

By: Peter J. Haines, its member _____ Date: March 20, 2000

Reserve Study for the Association's common driveway and utility lines has not been completed. The association is planning to study the costs to maintain and replace the common elements, and will use this study to prepare a long-term budget for the maintenance and replacement of the common elements. The common elements consist of a common driveway, sewer lines, and water lines.

Changes to Maintenance Fee Schedule: This $25/month/unit budget reflects the Developer's estimates of Association costs, and may be amended in the future according to the findings of the Reserve Study. This budget may be reveiwed and revised by the Board of Directors on a continual basis.

EXHIBIT "I"

EXHIBIT "J"

Summary of Pertinent Provisions of Sales Contract

The sales contract contains the price, description and location of the apartment and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the sales contract provides:

1. A section for financing to be filled in and agreed to by the parties which will set forth how the buyer will pay the purchase price.

2. That a buyer's deposits will be held in escrow until the sales contract is closed or cancelled.

3. That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

4. That in the event of default:

   If buyer defaults:

   (1) Seller may bring an action for breach of contract;
   (2) Seller may retain the deposits as liquidated damages;
   (3) Buyer is responsible for any costs incurred under the sales contract.

   If seller defaults:

   (1) Buyer may bring an action for breach of contract;
   (2) Buyer may bring an action for specific performance;
   (3) Seller is responsible for any costs incurred under the sales contract.

The prevailing party is entitled to recover all costs incurred including reasonable attorney's fees. Escrow fees incurred shall be deducted before disbursement to the prevailing party.

THE SALES CONTRACT CONTAINS VARIOUS OTHER PROVISIONS WHICH THE BUYER SHOULD BECOME ACQUAINTED WITH. THE INFORMATION CONTAINED HEREIN IS A ONLY A SUMMARY OF THE TERMS OF THE SALES CONTRACT. FOR MORE DETAILED INFORMATION, YOU MUST SECURE A COPY OF THE SALES CONTRACT AND READ IT THOROUGHLY.

END OF EXHIBIT "J"

EXHIBIT "K"

Summary of Pertinent Provisions of Escrow Agreement

The following is a summary of the escrow agreement dated April 4, 2000, entered into by and between LILIPUNA ESTATES, L.L.C., a Hawaii limited liability company ("Seller"), and FIRST AMERICAN LONG MELONE TITLE COMPANY, LTD., a Hawaii corporation ("Escrow").

The escrow agreement establishes an arrangement under which the deposits a buyer makes under a Deposit, Receipt, Offer and Acceptance ("sales contract") will be held by a neutral party (i.e., Escrow). Under the escrow agreement these things will or may happen:

(a) Signed copies of the sales contract will be provided to Escrow.

(b) Escrow will collect payments due pursuant to the sales contract.

(c) Seller will notify Escrow who in turn will notify buyer when payments are due.

(d) Escrow will accept buyer's payments pursuant to the sales contract and will hold the funds or make payments according to the escrow agreement.

(e) The escrow agreement states under what conditions escrow will disburse buyer's funds. Escrow will disburse upon receipt of the following:

1. the conveyance document;
2. all necessary releases of encumbrances;
3. the full amount of the purchase price;
4. any mortgage or other instrument securing payment; and
5. purchaser's share of the closing costs.

(f) Under the escrow agreement buyer shall be entitled to a refund, if buyer makes a written request for a refund and Escrow has received a written request from Seller to return buyer's funds. In addition, by law, (under Sections 514A-62 and -63, Hawaii Revised Statutes) buyer has a right to rescind a sales contract.

(g) The escrow agreement states what will happen to a buyer's funds upon default under the sales contract. Seller is required to certify to Escrow in writing that buyer defaults and that Seller is terminating the contract. Escrow will notify buyer by certified mail that Seller has cancelled contract. Escrow will treat the buyer's funds as belonging to the Seller subject to the provisions relating to dispute and conflicting demands.

(h) Escrow will coordinate and supervise the signing of all necessary documents.

(i) The escrow agreement sets forth Escrow's responsibilities in the event of any disputes.

THE ESCROW AGREEMENT CONTAINS VARIOUS OTHER PROVISIONS AND ESTABLISHES CERTAIN CHARGES WITH WHICH THE PURCHASER SHOULD BECOME ACQUAINTED. THE INFORMATION CONTAINED HEREIN IS ONLY A SUMMARY OF THE TERMS OF THE AGREEMENT. FOR MORE DETAILED INFORMATION, YOU MUST SECURE A COPY OF THE AGREEMENT AND READ IT THOROUGHLY.

END OF EXHIBIT "K"