

**CONDOMINIUM PUBLIC REPORT**

Prepared &  
Issued by:

Developer Marvin H. S. Lee, Trustee and Jeffrey H. T. Lee, Trustee  
Address 3726 and 3726A Claudine Street

Project Name(\*): 3726 CLAUDINE STREET  
Address: 3726 and 3726A Claudine Street, Honolulu, HI 96816

Registration No. 4507 Effective date: January 4, 2001  
(Conversion) Expiration date: February 4, 2002

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 nor any other government agency. Neither the Commission or any other government agency has judged or approved the merits or value, if any, of the project or of purchasing of 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 any 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 expired on \_\_\_\_\_

(\*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892/0197/10/98

*This material can be 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  
as Exhibit "F"

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.

No prior reports have been issued by the developer.

Changes made are as follows:

**SPECIAL ATTENTION**

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not 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 government 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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## 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. 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 or 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: Marvin H. S. Lee, Trustee and Jeffrey H. T. Lee, Trustee Phone: (808) 734-4367  
Name\* (Business)  
3726/3726A Claudine Street  
Business Address  
Honolulu, HI 96816

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):

N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Broker\*: None selected. See page 20. Phone: \_\_\_\_\_  
Name (Business)  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Escrow: First Hawaii Title Corporation Phone: (808) 521-3411  
Name (Business)  
201 Merchant St., 20th Fl.  
Business Address  
Honolulu, HI 96813

General Contractor\*: None Phone: \_\_\_\_\_  
Name (Business)  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Condominium Managing Agent: None. Self-managed by the Association of Phone: \_\_\_\_\_  
Name Apartment Owners (Business)  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Attorney for Developer: Glenn M. Adachi Phone: (808) 526-3880  
Name (Business)  
841 Bishop St., #1601  
Business Address  
Honolulu, HI 96813

\*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. 2000-121531  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment of Declaration dated December 22, 2000, recorded as Document No. 2001-000952.

- 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, dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed  
 Recorded - Bureau of Conveyances Condo Map No. 3156  
 Filed - Land Court Condo Map No. \_\_\_\_\_

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment of Declaration dated December 22, 2000, recorded as Document No. 2001-000952.

- 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. 2000-121532  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

The Bylaws referred to above have been amended by the following instruments [state name of document, dated 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%*	75% _____
Bylaws	65%	65% _____
House Rules	---	<u>Bd. of Directors</u>

\*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.

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

1. To amend the Declaration, By-Laws and Condominium Map at anytime prior to recording of the sale of the unit.
2. To amend the Declaration and Condominium Map to file the "as built" certificate.

**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.
- Leaschold 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-Annually                       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-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: 3726/3726A Claudine Street Tax Map Key (TMK): (1) 3-3-15: 35

Honolulu, HI 96816

Address  TMK is expected to change because \_\_\_\_\_

Land Area: 11,713  square feet  acre(s) Zoning: R-5

(Fee Owner): Marvin H. S. Lee, Trustee and Jeffrey H. T. Lee, Trustee  
 Name  
3726/3726A Claudine Street  
 Address  
Honolulu, HI 96816

Lessor: N/A  
 Name  
 \_\_\_\_\_  
 Address  
 \_\_\_\_\_

**C. Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building 1

Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other Glass

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>2</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	___	<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: \_\_\_\_\_

[ ] Number of Occupants: \_\_\_\_\_

[ ] Other: \_\_\_\_\_

[X] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None      Stairways: None      Trash Chutes: None

Apt.No.			Net	Net	
<u>Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Living Area (sf)*</u>	<u>Other Area (sf)</u>	<u>(Identify)</u>
<u>3726</u>	<u>1</u>	<u>3/2</u>	<u>1,344</u>	<u>320</u>	<u>Carport</u>
<u>3726A</u>	<u>1</u>	<u>3/2</u>	<u>1,688</u>	<u>400</u>	<u>Carport</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 2

**\*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 the those above because a different method of determining the floor area may have been used.**

Boundaries of Each Apartment:

1. All perimeter walls, floors, foundations and roof of each building.
2. All pipes, wires, conduits, or other utility and service lines in such building, outside such building, if the same are not utilized for more than one apartment.

Permitted Alterations to Apartments:

Apartment owner, may renovate, remodel, make additions to, remove or restore the unit.

7. Parking Stalls:

Total Parking Stalls: 4

	<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 units)	<u>2</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>4</u>
Guest	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
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>4</u>	<u>    </u>	<u>0</u>	<u>    </u>	<u>0</u>	<u>    </u>	<u>4</u>

Each 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      contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool       Storage Area                       Recreation Area

Laundry Area       Tennis Court                       Trash Chute

Other: \_\_\_\_\_

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations (See Exhibit G)

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 A)

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:

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>	<u>      </u>	<u>      </u>
Structures	<u>  X  </u>	<u>      </u>	<u>      </u>
Lot	<u>  X  </u>	<u>      </u>	<u>      </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:** 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.

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

described in Exhibit \_\_\_\_\_.

as follows:

The portion of the land area beneath and adjacent to each unit as delineated on the site plan of the Condominium Map. Said land areas are NOT legally subdivided lots.

Unit 3726 Limited Common Area: 5,000 sq.ft.

Unit 3726A Limited Common Area: 5,228 sq.ft.

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:

<u>Unit No.</u>	<u>Common Interest Percentage</u>
3726	50%
3726A	50%

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 D describes the encumbrances against the title contained in the title report dated September 1, 2000 and issued by First Hawaii 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 specified 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>
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**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

2. Appliances: None

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

Dwelling 3726 was constructed in 1983 and Dwelling 3726A was constructed in 1957.

**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):

**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:

- |   |  |
|---|--|
| <input type="checkbox"/> not affiliated with the Developer                              | <input type="checkbox"/> the Developer or the Developer's affiliate. |
| <input checked="" type="checkbox"/> self-managed by the Association of Apartment Owners | <input type="checkbox"/> 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 placed 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 C 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:

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Electricity ( _____ Common Elements only _____ Common Elements & Apartments) |
| <input type="checkbox"/> Gas             | ( _____ Common Elements only _____ Common Elements & Apartments)                                      |
| <input type="checkbox"/> Water           | <input type="checkbox"/> Sewer <input type="checkbox"/> Television Cable                              |
| <input type="checkbox"/> 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:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit \_\_\_\_\_ contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated September 29, 2000

Exhibit E 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 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 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.
  - 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. 4507 filed with the Real Estate Commission on October 11, 2000.

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

**C. Additional Information Not Covered Above**

**No Reserve Study:** The Developers disclose that no reserve study was done in accordance with Chapter 514A-83.6, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 106, Hawaii Administrative Rules, as amended.

Disclosure regarding selection of Real Estate Broker.

The developer(s), as Trustees, have not selected a real estate broker for the sale of condominium units in the project at this time. In the event the Developer chooses to use a real estate broker for the sale of a condominium unit, prior to entering into a binding contract for such sale the Developer shall: (1) submit to the Real Estate Commission a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, together with a duly executed Disclosure Abstract identifying the designated broker and "Trustees" as an "owner" defined under Section 467-2(1), Hawaii Revised Statutes; and (2) provided a copy of the Disclosure Abstract to the purchase together with a copy of this Public Report.

**First Amendment to Declaration of Condominium Property Regime and Amended Floor Plans and Elevations:** By amendment to the Declaration dated December 22, 2000, recorded as Document No. 2001-000952, the Declarant amended the Declaration and Condominium Map as follows:

1. Amended Section 4, Description of Apartments, paragraph 6 of the Declaration to clarify that Unit 3726 is: (1)the dwelling closest to Claudine Street; (2) the net living area is 1,344 sq.ft.; and (3)the limited common area is 5,000 sq.ft., and that Unit 3726A is: (1) the dwelling furthest away from Claudine Street; (2) the net living area is 1,688 sq.ft.; and (3) the limited common area is 5,228 sq.ft.
2. The floor plans and elevations were amended to clarify that Unit 3726 is: (1) the dwelling closest to Claudine Street; and (2) the net living area is 1,344 sq.ft.; and that Unit 3726A is: (1) the dwelling furthest away from Claudine Street; and (2) the net living area is 1,688 sq.ft..

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.

Marvin H. S. Lee, Trustee and Jeffrey H. T. Lee, Trustee

Printed Name of Developer

By: Marvin H.S. Lee Trustee  
Jeffrey H.T. Lee Trustee 1/3/2001  
Duly Authorized Signatory\* Date

\_\_\_\_\_  
Print 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.*

10/98



**ARCHITECTS PACIFIC, INC.**

938-C Kapahulu Avenue

Honolulu, Hawaii 96816-1481

Phone: (808) 737-8853 • Fax: (808) 735-8863

October 20, 1999

Re: 3726 Claudine Street – CPR  
3726 Claudine Street  
Honolulu, Hawaii 96816  
**API Job No. 98076.00**

Dear Gentlemen:

The existing residence is as follows:

1. One-story with single wall construction, post and pier foundation on a sloping site and aluminum roofing.
2. Carport is constructed of single wall and post/studs and aluminum roofing.

Respectfully,  
*ARCHITECTS PACIFIC, INC.*

*Curtis K. Miyamura*

Curtis K. Miyamura, AIA  
Vice President

**EXHIBIT A**

**Page 1 of 2**



**ARCHITECTS PACIFIC, INC.**

938-C Kapahulu Avenue  
Honolulu, Hawaii 96816-1481  
Phone: (808) 737-8853 • Fax: (808) 735-8863

October 20, 1999

Re: 3726-A Claudine Street – CPR  
3726-A Claudine Street  
Honolulu, Hawaii 96816  
**API Job No. 98076.00**

Dear Gentlemen:

The existing residence is as follows:

1. One-story with single wall construction, post and pier foundation on a sloping site and aluminum roofing.
2. Carport is constructed of single wall and post/studs and aluminum roofing.

Respectfully,  
*ARCHITECTS PACIFIC, INC.*

*Curtis K. Miyamura*

Curtis K. Miyamura, AIA  
Vice President

**EXHIBIT A**

**Page 2 of 2**

EXHIBIT B

DESCRIPTION OF COMMON ELEMENTS

1. The land in fee simple described in the Declaration of Condominium Property Regime.

2. All ducts, sewer lines, electrical equipment, pipes, wiring, and other central and appurtenant transmission facilities and installations which serve the apartments for services such as power, light, water, gas, refuse, telephone, radio, and television signal distribution.

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

4. A common area A.C. Driveway approximately 1,485 sq.ft.

EXHIBIT C  
 ESTIMATE OF INITIAL MAINTENANCE FEES  
 AND  
 ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

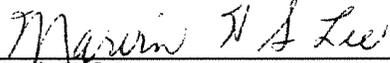
Estimate of Initial Maintenance Fees:

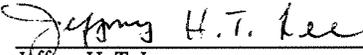
<u>Apartment</u>	<u>Monthly Fee x 12 months</u>	<u>Yearly Total</u>
3726	125.00	1,500.00
3726A	125.00	1,500.00
TOTAL		\$ 3,000.00

Estimate of Maintenance Fee Disbursements:

Maintenance, Repairs and Supplies	100.00	1,200.00
Insurance	150.00	1,800.00
Reserves(*)		
Other		
TOTAL		\$ 3,000.00

We, Marvin H. S. Lee and Jeffrey H. T. Lee, as the developers, for the 3726 CLAUDINE STREET condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

  
 \_\_\_\_\_  
 Marvin H. S. Lee

  
 \_\_\_\_\_  
 Jeffrey H. T. Lee

(\*) Mandatory reserves in effect January 1, 1993

Date: 1/3/2001

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

EXHIBIT D

LIST OF ENCUMBRANCES

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Grant of easement dated July 27, 1951, in favor of the City and County of Honolulu for sewer and incidental purposes recorded in said Bureau in Book 2493, Page 131.
3. Party Wall Agreement dated May 9, 2000, recorded in said Bureau as Document No. 2000-086074.
4. The terms, provisions, conditions and restrictions, if any, contained in the Marvin H. S. Lee Revocable Living Trust dated July 27, 1993 and Jeffrey H. T. Lee revocable Living Trust dated July 27, 1993.
5. Declaration of Condominium Property Regime of 3726 Claudine Street dated August 11, 2000, recorded in said Bureau of Conveyances as Document No. 2000-121531.
6. By-Laws of the Association of Apartment Owners of 3726 Claudine Street dated August 11, 2000, recorded in said Bureau of Conveyances as Document No. 2000-121532.
7. Condominium Map No. 3156, filed in said Bureau of Conveyances.
8. Any real property taxes that may be due and payable. For more information contact City and County of Honolulu, Department of Finance, Real Property Tax Assessment.

EXHIBIT E

SUMMARY OF ESCROW AGREEMENT

The escrow agreement establishes an arrangement under which a purchaser's deposits will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen:

(a) Escrow will collect and hold payments due pursuant to any sales contract.

(b) Signed copies of the sales contract will be delivered to Escrow.

(c) Owner will notify Escrow who in turn will notify purchasers when payments are due.

(d) Escrow will accept purchaser'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 buyers funds. Escrow will disburse upon receipt of the following:

1. Notification that a final public report has been issued and that purchaser has received a copy.
2. Owner has furnished Escrow an opinion that the requirements of HRS have been met.

(f) Under the escrow agreement purchaser shall be entitled to a refund, if purchaser makes a written request for a refund and Escrow has received a written request from Owner to return purchaser's funds and purchaser's funds were obtained prior to the issuance of a final public report.

(g) The escrow agreement states what will happen to a purchaser's funds upon default under the sales contract. Owner is required to certify to Escrow in writing that purchaser defaults and that Owner is terminating the contract. Escrow will notify purchaser by registered mail of the default. Escrow will treat the purchaser's funds as belonging to the Owner 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.

EXHIBIT F

DISCLOSURE ABSTRACT

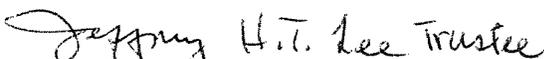
1. a. PROJECT: 3726 CLAUDINE STREET  
3726/3726A Claudine Street  
Honolulu, HI
- b. DEVELOPER/  
OWNER: Marvin H. S. Lee, Trustee and  
Jeffrey H. T. Lee, Trustee  
3726/3726A Claudine Street  
Honolulu, HI 96816
- c. MANAGING AGENT: None. Project will be self-managed.
2. Estimated Maintenance Fee Assessments and Disbursements  
  
Maintenance Fees: The routine maintenance and repair of each apartment unit, including all utility charges, is the sole responsibility of each owner. The breakdown of annual maintenance fees and monthly estimate for each apartment has been based on generally accepted accounting principles and is attached as Exhibit C.
3. Structural Components and Mechanical and Electrical Installations.  
  
Based on a visual inspection report prepared by a licensed architect (a copy of said report is attached to this public report as Exhibit A), it is the Developer's opinion that all structural components and electrical and plumbing systems material to the use and enjoyment of the units appear to be functioning and in satisfactory working condition. However, NO REPRESENTATIONS OF ANY KIND ARE MADE AS TO THE EXPECTED USEFUL LIFE, IF ANY, OF THE STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL INSTALLATIONS MATERIAL TO THE USE AND ENJOYMENT OF THE UNITS.
4. Code Violations. To the best of the knowledge, information and belief of the undersigned, there are no outstanding notices of uncured violations of the building code or municipal regulations of the City and County of Honolulu.
5. Use of Apartments. The 3726 CLAUDINE STREET condominium project will consist of two (2) apartments which will be used for residential purposes by the owners, their tenants,

servants, guests and invitees and for no other purpose.

6. No Sale of Apartments. At this time the Owners do not intend to offer for sale to the public either of the apartments.

DATE: 1/3/2001

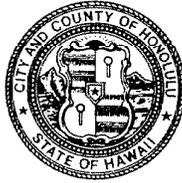
  
\_\_\_\_\_  
Marvin H. S. Lee, Trustee

  
\_\_\_\_\_  
Jeffrey H. T. Lee, Trustee

**EXHIBIT G**  
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  
ACTING DIRECTOR

LORETTA K.C. CHEE  
DEPUTY DIRECTOR

February 3, 2000

1999/CLOG-7025  
B56-IM

Mr. Glenn M. Adachi  
Attorney at Law  
Davies Pacific Center  
841 Bishop Street, Suite 1601  
Honolulu, Hawaii 96813-3916

Dear Mr. Adachi:

Subject: Condominium Conversion Project  
3726 Claudine Street  
Honolulu, Hawaii 96816  
Tax Map Key 3-3-015: 035

This is in response to your letter dated October 18, 1999 requesting verification that the structures at the above-mentioned address met all applicable code requirements at the time of construction.

Investigation revealed that the two one-story, single-family detached dwellings with four all-weather surface off-street parking spaces met all applicable code requirements when they were constructed in 1957 and 1983.

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

For your information, 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.

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.

Mr. Glenn M. Adachi  
Attorney at Law  
February 3, 2000  
Page 2

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

Sincerely yours,

  
RANDALL K. FUJIKI, AIA  
Acting Director of Planning and Permitting

RKF:ak