

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: John Michael Gagen, Marilyn Jean Gagen, Developer Michael Dennis Viator, Virginia Ruth Viator, and Thomas Raymond Gagen Address c/o 41-926 Laumilo Street, Waimanalo, Hawaii 96795

Project Name(*): AUWAI ESTATES Address: 620-A, 620-B, 626, 626-A, 626-B and 630 Auwai St., Kailua, Hawaii 96734

Registration No. 5001 (Conversion) Effective date: January 29, 2003 Expiration date: February 28, 2004

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.
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 This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request. FORM: RECO-30 286/986/189/1190/892/0197/1098/0800 G:\CPR\CLIENT\Gagen Auwai\FINAL PUBLIC REPORT.wpd

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report
as Exhibit "H"

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

The Developer has disclosed the following:

- (a) 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 does not represent a legally subdivided lot. The dotted lines in the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.
- (b) No warranties are given to the purchaser as to the construction, materials or workmanship of the Project. The Project is being sold in "as is" condition (pages 12 and 15).

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

THE PROSPECTIVE PURCHASERS ARE CAUTIONED TO CAREFULLY REVIEW ALL DOCUMENTS REGARDING THIS CONDOMINIUM PROJECT 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 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: John Michael Gagen, Marilyn Jean Gagen, Michael Dennis Viator,
Virginia Ruth Viator, and Thomas Raymond Gagen Phone: (808) 259-8180
Name* (Business)
c/o 41-926 Laumilo Street
Business Address
Waimanalo, HI 96795

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. See Page 20 for further disclosure Phone: _____
Name (Business)
Business Address

Escrow: Hawaii Escrow & Title, Inc. Phone: (808) 532-2977
Name (Business)
700 Bishop Street
Business Address
Honolulu, HI 96813

General Contractor*: N/A Phone: _____
Name (Business)
Business Address

Condominium Managing Agent*: Self-Managed by the Association Phone: _____
Name of Apartment Owners (Business)
Business Address

Attorney for Developer: Jeffrey S. Grad, Esq. Phone: (808) 521-4757
Name (Business)
841 Bishop St., Ste. 1800
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:

<input type="checkbox"/> Proposed			
<input type="checkbox"/> Recorded -	Bureau of Conveyances:	Document No.	_____
		Book _____	Page _____
<input checked="" type="checkbox"/> Filed -	Land Court:	Document No.	<u>2874020</u>

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

- 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:

<input type="checkbox"/> Proposed			
<input type="checkbox"/> Recorded -	Bureau of Conveyances	Condo Map No.	_____
<input checked="" type="checkbox"/> Filed -	Land Court	Condo Map No.	<u>1526</u>

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

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

<input type="checkbox"/> Proposed			
<input type="checkbox"/> Recorded -	Bureau of Conveyances:	Document No.	_____
		Book _____	Page _____
<input checked="" type="checkbox"/> Filed -	Land Court:	Document No.	<u>2874021</u>

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

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

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

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

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

* The 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:

See attached Exhibit "A"

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: 620-A, 620-B, 626, 626-A, 626-B and 630 Auwai St.
Kailua, Hawaii 96734

Tax Map Key (TMK): (1) 4-3-62-63

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

Land Area: 36,000 [X] square feet [] acre(s) Zoning: R-5

Fee Owner: John Michael Gagen, Marilyn Jean Gagen, Michael Dennis Viator,
Virginia Ruth Viator and Thomas Raymond Gagen
 Name*
c/o 41-926 Laumilo Street
 Business Address
Waimanalo, HI 96795

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: 6 Floors Per Building 1

Exhibit _____ contains further explanations.

3. **Principal Construction Material:**

Concrete Hollow Tile Wood

Other _____

4. **Uses Permitted by Zoning:**

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>6</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<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"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other-garage	_____	<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: -0- Stairways: -0- Trash Chutes: -0-

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>SEE ATTACHED EXHIBIT "I"</u>					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 6

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

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

Boundaries of Each Apartment:

The outside surfaces of the exterior walls and roof and the bottom surfaces of the footings and foundations of each Unit.

Permitted Alterations to Apartments:

See attached Exhibit "B"

Apartments Designated for Owner-Occupants Only: Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has elected to provide the information in a published announcement or advertisement.

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	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. *** See Exhibit "J" (Existing Use Permit) for further disclosure**

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 C.

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 D.

as follows:

NOTE: Reference to said Exhibit "D" to "Exclusive Use Areas" does not mean legally subdivided lots.

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:

SEE EXHIBIT "I"

- 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 E describes the encumbrances against the title contained in the title report dated December 27, 2002 and issued by Hawaii Escrow & Title, Inc.

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.

[x] 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>
Mortgages	Buyer's interest may be terminated by mortgagee but Buyer shall be entitled to return of his deposit, less escrow cancellation fee.

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:

Developer is giving no warranties to Purchaser on the materials and workmanship of the Units.

2. Appliances:

N/A

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

The Units were constructed in 1959.

H. **Project Phases:**

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

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

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated December 10, 2002

Exhibit G 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. 5001 filed with the Real Estate Commission on January 2, 2003.

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**

LEAD WARNING STATEMENT

Pursuant to federal law, 42, U.S.C 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

DISCLOSURE REGARDING SELECTION OF REAL ESTATE BROKER:

The Developer does not presently intend to use a real estate broker for the sale of apartments in the Project.

In the event the Developer chooses to use a real estate broker for the sale of an apartment, 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 (2) provide a copy of the disclosure abstract to the purchaser together with a copy of this public report.

John Gagen is a licensed real estate associate with East Oahu Realty Inc.

EXHIBIT "A"

DEVELOPER'S RESERVED RIGHTS

The Developer (Declarant) has reserved the following rights to change the Declaration, Condominium Map, By-Laws or House Rules:

Paragraph 21 of the Declaration states:

"Except as otherwise provided herein, this Declaration may be amended by vote of seventy-five percent (75%) of the Unit Owners, effective only upon the recording of an instrument setting forth such amendment and vote duly executed by such Owners or by the proper officers of the Association.

In addition, the approval of eligible holders of first mortgages on Units to which are appurtenant at least 51% of the common interest of the project shall be required for any material amendment to the Declaration or any amendment of a provision for the express benefit of holders or insurers of first mortgages on Units. An eligible holder is a holder of a first mortgage on a Unit which has made a written request to the Association that it receive notices of proposed changes to the Declaration. A material amendment to the Declaration is one which establishes, provides for, governs or regulates any of the following: (1) voting; (2) assessments, assessment liens, or subordination of such liens; (3) reserves for maintenance, repair and replacement of the common elements; (4) insurance or fidelity bonds; (5) rights to use of the common elements; (6) responsibility for maintenance and repair of the project; (7) expansion or contraction of the project for the addition, annexation or withdrawal of property to or from the project; (8) boundaries of any Unit; (9) the interest in the common elements; (10) convertibility of Units into common elements or of common elements into Units; (11) leasing of Units; (12) imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer or otherwise convey his or her interest in the Unit; or (13) establishment of self management by the Association after professional management has previously been required by any of the mortgage holders.

Notwithstanding the foregoing, however, if (1) at any time prior to the first filing in the Recording Office of a conveyance of a Unit, the Declarant may amend this Declaration (including all exhibits) and the By-Laws in any manner, without the consent of any Unit purchaser; and (2) at any time thereafter, the Declarant may amend this Declaration (and when applicable, the Condominium Map) to file the "As Built" verified statement required by Section 514A-12 of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plan thereto filed fully and accurately depicts layout, location, apartment numbers, and the dimensions of an improvement or change in a Unit as-built; or (ii) so long as the plans filed therewith involve only immaterial changes to the layout, location, or dimensions of the apartments as built or any change in any apartment number.

Notwithstanding the foregoing, the Owner of any Unit or Units shall have the right without the consent or joinder of any other person to amend this Declaration and the Condominium Map to reflect the changes made to a Unit in accordance with Paragraph 20.1 or 20.2 of this Declaration. Promptly upon completion of such changes, the Owner of the changed Unit shall duly record with the Recording Office an amendment to this Declaration and to the Condominium Map, together with a complete set of the floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. All existing Unit Owners and all future Unit Owners and their mortgagees, by accepting an interest in a Unit, shall be deemed to have given each Unit Owner a Power of Attorney to execute an amendment to the Declaration solely for the purpose of describing the changes to his respective Unit on the Declaration so that each Unit Owner shall hereafter have a Power of Attorney from all the other Unit Owners to execute such amendment to the Declaration. This Power of Attorney shall be deemed coupled with each Owner's interest in his Unit (including his common interest) and shall be irrevocable.

Notwithstanding the foregoing, the Owners of two or more Units which have contiguous Dwelling Areas shall have the right without the consent or joinder of any other person to amend this Declaration and the Condominium Map to reflect the changes made in the boundaries between their Dwelling Areas in accordance with Paragraph 20.2 of this Declaration. Promptly upon completion of such changes, the Owners of the changed Dwelling Areas shall duly record with the Recording Office an amendment to this Declaration and to the Condominium Map, together with a complete set of the floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. All existing Unit Owners and all future Unit Owners and their mortgagees, by accepting an interest in a Unit, shall be deemed to have given each Unit Owner a Power of Attorney to execute an amendment to the Declaration solely for the purpose of describing the changes to his respective Unit on the Declaration so that each Unit Owner shall hereafter have a Power of Attorney from all the other Unit Owners to execute such amendment to the Declaration. This Power of Attorney shall be deemed coupled with each Owner's interest in his Unit (including his common interest) and shall be irrevocable."

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS.

Sub-paragraph 20.1 of the Declaration states:

"Changes to Units. Notwithstanding anything to the contrary contained in this Declaration, a Unit Owner, with the consent by the holder of any mortgage affecting the Owner's Unit if required by such mortgage, shall have the right at his sole option at any time and from time to time without the consent of any other person, to improve, renovate, remodel, make additions to, enlarge, remove, replace or restore the improvements to or in his Unit or portions thereof or to make or build improvements upon the Exclusive Area appurtenant to his Unit (each of the foregoing is referred to as a "change" and collectively, as "changes") subject to the following conditions:

(a) All changes shall comply with the Land Use Ordinance and other applicable City and County building, zoning laws and ordinances ("County Rules") and applicable State of Hawaii laws and regulations ("State Laws") in effect when the change is to be made, and the Existing Use Permit.

(b) All changes to a Unit shall comply with the conditions and provisions contained in the Existing Use Permit attached hereto as Exhibit "B".

(c) No change to a Unit shall be made if the effect of such change would be to exceed the Unit's "proportionate share" of the floor area, building area coverage, or number of dwelling units permitted on the Land, as such is defined by the County Rules in effect when the change is to be made; provided, however, unless more than six dwelling units are permitted on the Land, then each Unit Owner shall have the right to have one dwelling unit, but may otherwise be used for all other purposes permitted by the LUO; and provided further, that if more than six dwelling units are permitted on the Land, then the first additional dwelling unit shall be allocated to Unit 620-A, with any additionally permitted dwelling units to be allocated pursuant to this Paragraph 20.1. The "proportionate share" for each Unit shall be the fraction having as its numerator the land area of its appurtenant Dwelling Area and as its denominator the total land area of all of the Exclusive Use Areas within the Project.

(d) All such changes shall be at the expense of the Owner making the change, shall be expeditiously made and completed in a manner that will not unreasonably interfere with or cause damage to any other Unit, its appurtenant Dwelling Area, or the use thereof by an Owner of any Unit.

(e) During the entire course of such construction, the Owner making such change will cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association shall be named as an additional insured and upon the request of the Association, evidence of such insurance shall be deposited with the Association or its Managing Agent, if any;

(f) The Owner of the Unit making such change shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the Unit being changed for electricity, sewer and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements (exclusive of the limited common elements) as necessary or desirable in connection therewith; provided that the same shall not cause any interruption in the service of such utilities to any other part of the Project or otherwise materially interfere with the use by any other Owner of his Unit or its appurtenant Dwelling Area.

(g) If required by the Act or under other law, by the Owner making the change to his Unit or the Permitting Agencies, then upon the request of the Owner making the change to his Unit, each other Owner, lien holder or other person having any interest in the Project hereby agrees in advance to join in, consent to, or execute all instruments or documents necessary or desirable so that the Owner making the change to his Unit may effectuate his right to change his Unit.

If such Owner, lien holder or other person having any interest in the Project fails to provide such requested written joinder, consent, or take such action, as the case may be, such shall be accomplished by the Owner making the change to his Unit under an irrevocable power-of-attorney in favor of the Owner making the change to his Unit from each of the other Owners, lien holders or such other parties, the acquiring or acceptance of ownership in a Unit or of a lien covering a Unit or of any other interest in the Project being a grant of such power, and the grant being coupled with an interest, being irrevocable.

(h) Each and every conveyance, lease and mortgage or other lien made or created on any Unit and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of an Dwelling Area shall reserve to each Owner the rights set forth in this paragraph."

EXHIBIT "C"

COMMON ELEMENTS. Paragraph 5 of the Declaration designates certain portions of the Project as "common elements", including specifically but not limited to:

One freehold estate is hereby also designated in all the remaining portions of the Project, herein called "common elements", including specifically but not limited to:

- (1) The Land in fee simple;
- (2) Existing driveways, walkways and other rights of access;
- (3) All ducts, vents, shafts, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, telephone equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one Unit for services such as power, light, water, gas (if any), cablevision (if any), sewer, refuse, telephone, and radio and television signal distribution;
- (4) All fences, markers and walls indicating the perimeter boundaries of the Land or a Dwelling Area;
- (5) 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, or normally in common use.

EXHIBIT "D"

LIMITED COMMON ELEMENTS. Paragraph 6 of the Declaration designates:

Certain parts of the common elements, herein called and designated limited common elements, are hereby set aside and reserved for the exclusive use of certain Units and such Units shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(1) Any entrance, exit, gateway, entry, patio, yard, driveway or steps which would normally be used only for the purposes of ingress to and egress from a Unit shall be a limited common element appurtenant to and reserved for the exclusive use of such Unit.

(2) That portion of the Land designated as a "Dwelling Area" or "Exclusive Use Area" (called for convenience, "Dwelling Area",) as shown on the Condominium Map is for the exclusive use of the Unit having the same numerical and/or letter designation as such Dwelling Area. The following Dwelling Areas are exclusively appurtenant to the Unit having the same letter or number as the Dwelling Area designated on the Condominium Map, namely:

Dwelling Area 620-A, 11,000 square feet.

Dwelling Area 620-B, 5,000 square feet.

Dwelling Area 626, 5000 square feet.

Dwelling Area 626-A, 5000 square feet.

Dwelling Area 626-B, 5000 square feet.

Dwelling Area 630, 5000 square feet.

(Dwelling Area 620-A and Dwelling Area 626-A are subject to easements for the benefit of other Units.)

(3) All portions of fences, markers and walls indicating the perimeter boundaries or boundaries between Dwelling Areas shall be a limited common element belonging to the Unit on whose Dwelling Area such fence, marker or wall is located.

(4) The interior roadway shown on the Condominium Map as "Roadway A" is a limited common element for Units 626-A, 626-B, 620-A and 620-B, as shown on the Condominium Map.

(5) The interior roadway shown on the Condominium Map as "Roadway B" is a limited common element for Units 626-A, 626-B, and 620-B, as shown on the Condominium Map.

Note: The "Dwelling Areas" herein described are not legally subdivided lots.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. Grant of Easement dated January 7, 1960, filed in said Office as Document No. 250809, made in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company, Incorporated, a Hawaii corporation, now known as Verizon Hawaii, Inc. granting an easement for utility purposes.
3. Mortgage dated November 27, 2001, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No.2756657, in favor of First Hawaiian Bank, a Hawaii corporation.
4. Financing Statement recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2001-187690.
5. Declaration of Condominium Property Regime dated December 10, 2002, recorded in said Office as Document No. 2874020 (Project covered by Condominium Map No. 1526). By-Laws dated December 10, 2002, filed as Document No. 2874021.

EXHIBIT "F"

SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT (consisting of Standard DROA Form and attached "Special Provisions to the "DROA")

1. Description of the Property to be Conveyed: Fee simple title to the Apartment, together with the furnishings and appliances and an undivided interest in the common elements.

2. Purchase Price and Terms. The purchase price set forth on page 1 of the DROA is to be paid as follows:

- a. An initial deposit;
- b. An additional cash deposit, if any;
- c. The balance of the purchase price is to be paid to escrow by purchaser before closing.

3. Financing of Purchase. Paragraph 16 of the Special Provisions provides if Buyer desires financing, a loan application must be made within ten (10) days and if Buyer's application is not approved within forty-five (45) days after the application, then either Seller or Buyer may cancel the Sales Contract. Upon such cancellation, Buyer's deposits will be refunded by escrow without interest.

4. Closing Costs. Pursuant to Paragraph 14 of the Special Provisions, the Buyer is required to pay at closing all escrow fees, Buyer's notary fees and all recording fees. Buyer's proportionate share of any liability insurance premium, real property taxes, maintenance fees and any other charges with respect to the Property shall be pro-rated between Seller and Buyer as of the date of final closing.

5. Closing. Seller has agreed to cause the Apartment to be sold to the Buyer within the time period set forth on page 1 of the DROA, which is expected to occur within 90 days of the date of the DROA.

6. Seller's Rights to Cancel Sales Contract. The Seller may cancel the Sales Contract with the Buyer if (a) Buyer fails to qualify for a permanent loan (paragraph 14 of the Special Provisions); (b) Buyer defaults under the Sales Contract (paragraph 5.2 of the Special Provisions); or (c) Buyer dies prior to Closing Date (paragraph 5.1 of the Special Provisions). Pursuant to Paragraph 5.2 of the Special Provisions, if Buyer fails to close as required, then after ten (10) days following Seller's notice of Buyer's default, if Buyer has not cured his default under the Sales Contract, the Seller may cancel the Sales Contract and all sums previously paid by Buyer will belong absolutely to the Seller as liquidated damages. Additionally, Seller may pursue any other remedy, and all costs, including reasonable attorney's fees, incurred by reason of default by the Buyer shall be borne by the Buyer. Time is the essence of the Sales Agreement.

7. No Present Transfer and Subordination to Construction Loan.

(a) The Sales Contract may be subject to existing loans, and any security interest now or hereafter obtained by Lender is or will be prior and senior to any rights arising under the Sales Contract. This obligation to subordinate the purchaser's right under the Sales Contract to loans now or hereafter made by the Seller is set forth in Paragraph 4 of the Special Provisions.

(b) Seller may also assign by way of security all of its interest in the Sales Contract, as collateral for the repayment of the loan and if the Lender acquires the Seller's interest in the Sales Contract, then the Buyer is obligated to perform the Sales Contract, and to attorn to and recognize the Lender as the seller under the Sales Contract.

8. Rights of Buyer to Cancel the Sales Contract. The Buyer has the right to cancel the Sales Contract under the following conditions:

a. At any time within thirty (30) days following the date the Final Public Report is delivered to Buyer. If Buyer so cancels, Buyer will be entitled to receive refund of any deposits, less any escrow cancellation fees and other costs up to \$250. If Buyer does not act within the thirty (30) day period, or if the Apartment is conveyed to the Buyer, Buyer will be deemed to have executed the receipt for the Final Public Report and to have waived his right to cancel (paragraphs 6.1 and 6.3 of the Special Provisions).

b. The Buyer may cancel his purchase if there is a material change in the Project which directly, substantially and adversely affects the use or value of the Buyer's Apartment or the amenities available for the Buyer's use (paragraph 7.1 of the Special Provisions).

c. Buyer fails to qualify for permanent financing (paragraph 16 of the Special Provisions).

9. Paragraph 10 of the Special Provisions provides that the Buyer acknowledges that he or she has examined (and agrees to be bound) by the following:

- (a) The floor plans for the Project;
- (b) Escrow Agreement;
- (c) The Declaration of Condominium Property Regime, By-Laws of the Association of Apartment Owners;
- (d) The Apartment Deed;
- (e) Disclosure Abstract; and
- (e) The Final or Supplementary Public Report

EXHIBIT "G"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Developer and Hawaii Escrow & Title, Inc..

1. All deposits will be paid to Escrow. A copy of each Sales Contract and all payments made to purchase an Apartment shall be turned over to the Escrow Agent.

2. Refunds. A Buyer shall be entitled to a return of his funds, and Escrow shall pay such funds to such Buyer, without interest, in accordance with the Sales Contract if any of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised his right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) A purchaser has exercised his right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

Upon such refund, Escrow Agent shall be entitled to a reasonable fee not less than \$25 or a fee commensurate with the work done by Escrow prior to cancellation.

3. Requirements Prior to Disbursement of Buyer's Funds. Escrow Agent shall make no disbursements of Buyer's funds, pursuant to paragraph 5 of the Escrow Agreement until all of the following have occurred:

(a) the Real Estate Commission has issued a final public report (the "Final Report") on the Project;

(b) Seller or Seller's attorney has given a written opinion to Escrow stating that all of the requirements of Sections 514A-39.5 (as to contingent final public reports), 514A-40 (as to final public reports) and 514A-63 of the Hawaii Revised Statutes, then applicable to the Project, have been satisfied.

(c) Seller shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract.

4. Purchaser's Default. Seller must notify Escrow in writing if Purchaser defaults, and must certify that Seller has canceled the Purchaser's Sales Contract. After such cancellation Escrow will treat the Purchaser's funds less Escrow's cancellation fees as belonging to the Seller.

EXHIBIT "H"

DISCLOSURE ABSTRACT

1. (a) PROJECT: AUWAI ESTATES
620-A, 620-B, 626, 626-A, 626-B & 630 Auwai Street
Kailua, Hawaii 96734
- (b) DEVELOPER: John M. Gagen, Marilyn J. Gagen, Michael D. Viator,
Virginia R. Viator, and Thomas R. Gagen
c/o 41-926 Laumilo Street
Waimanalo, Hawaii 96795

Telephone: (808) 259-8180
- (c) MANAGING AGENT: Self-Managed by the Association
of Apartment Owners
2. Breakdown of annual maintenance fees and monthly estimate costs for each unit are more fully described on Exhibit "1" attached hereto (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).

Note: 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 107, Hawaii Administrative Rules, as amended.
3. DESCRIPTION OF ALL WARRANTIES COVERING THE DWELLINGS AND COMMON ELEMENTS:

The Developer is not giving any warranty on the materials and workmanship of the Units.
4. USE OF UNITS. The AUWAI ESTATES Condominium Project will consist of six (6) units which will be used only for residential purposes by the respective owners thereof, their tenants, families, domestic servants and social guests, and for any other purpose permitted by the zoning ordinance for the City and County of Honolulu then in effect .
5. EXISTING STRUCTURES BEING CONVERTED. Based upon a report prepared by CARLOS PRISKA, Registered Professional Architect, the Developer states:
 - a. Subject to normal wear and tear commensurate with its age, each of the buildings appear to be in relatively good structural condition consistent with their age.
 - b. Subject also to normal wear and tear, the electrical and plumbing systems are operable and in good working order consistent with their age.
 - c. The Developer makes no statement with respect to the expected useful life of each item set forth in paragraph (a); and
 - d. There are no outstanding notices of uncured violations of building code or other municipal regulations.

EXHIBIT "1"
ESTIMATED OPERATING EXPENSES
For Period January 1, 2003 to December 31, 2004
As Prepared by Developer

Estimated Annual Expenses

Ground Maintenance	
Water/Sewer	\$-0-
* Electricity:	\$-0-
**Fire/Liability Insurance:	\$-0-
Management Fee:	\$-0-
Miscellaneous:	\$-0-
TOTAL ANNUAL EXPENSES	\$-0-

Estimated Monthly Expenses

\$-0-

Estimated Monthly Maintenance Fee

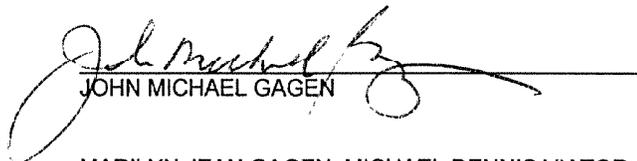
for Each Apartment:

\$-0-

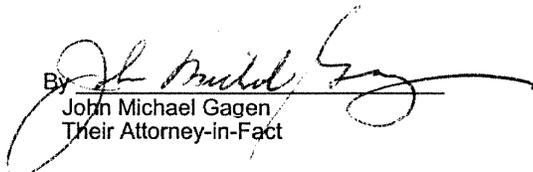
Note: * All utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges.

** Section 514A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners to purchase fire insurance to cover the improvements of the Project, and that premiums be common expenses. Developer anticipates that the Association may elect to permit individual apartment owners to obtain and maintain separate policies of fire insurance and name the Association as an additional insured. In such case, fire insurance premiums will be the responsibility of individual apartment owners and not common expenses.

The Developer certifies that the maintenance fees and costs as estimated by the Developer is based on generally accepted accounting principles.


JOHN MICHAEL GAGEN

MARILYN JEAN GAGEN; MICHAEL DENNIS VIATOR;
VIRGINIA RUTH VIATOR; and THOMAS RAYMOND GAGEN

By 
John Michael Gagen
Their Attorney-in-Fact

"Developer"

EXHIBIT "I"

<u>UNIT NO.</u>	<u>No. of Bdrm/Bath</u>	<u>NET LIVING AREA (Sq. Ft.)</u>	<u>LANAI (Sq. Ft.)</u>	<u>GARAGE/ CARPORT</u>	<u>Undivided Interest (Fractional)</u>	<u>Parking Stalls</u>
Unit 620-A	2/1	640	156	200	1/6	2 Covered
Unit 626-B	2/1	640	-0-	200	1/6	2 Covered
Unit 626	2/1	640	-0-	200	1/6	2 Covered
Unit 626-A	2/1	640	-0-	200	1/6	2 Covered
Unit 626-B	2/1	640	-0-	200	1/6	2 Covered
Unit 630	2/1	640	-0-	200	1/6	2 Covered

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 • INTERNET: www.co.honolulu.hi.us

EXHIBIT "J"

JEREMY HARRIS
MAYOR



RANDALL K. FUJIKI, AIA
DIRECTOR

LORETTA K. C. CHEE
DEPUTY DIRECTOR

2002/EU-1(AM)

MINOR PERMIT	:	EXISTING USE (EU)
File Number	:	2002/EU-1
Project	:	Gagen Existing Use
Location	:	620-A, 620-B, 626, 626-A, 626-B, and 630 Auwal Street - Kallua
Tax Map Key	:	4-3-062: 063
Zoning	:	R-5 Residential District
Applicant	:	John Michael Gagen
Date Received	:	December 31, 2001
Date Accepted	:	January 15, 2002

APPROVAL is granted to the existing use, six (6) existing single-family dwellings, in accordance with the application documents (plans date-stamped December 31, 2001), 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 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. In particular, the finish floor of dwellings within Flood Fringe Zone AH shall be reconstructed above the required flood elevation.
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 dwellings which is part of a larger development, shall require the processing of a Cluster Housing Permit.
5. The applicant or owners 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 Department of Planning and Permitting (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.

6. If the project will be condominiumized, the applicant or owners 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.
7. All work shall comply with the applicable LUO standard for the underlying zoning district, unless otherwise stated herein:
 - (a) A minimum 20-foot clear access width shall be maintained along the common access driveway;
 - (b) A minimum 10-foot setback, for structures, fences or walls, shall be required from the common access drive or Auwal Street;
 - (c) Within the project, the minimum distances between buildings shall be as follows:
 - (i) 10 feet between two one-story dwellings
 - (ii) 15 feet between a one-story and a two-story dwelling or portion thereof
 - (iii) 20 feet between two-story dwellings

If the property is condominiumized, then, buildings shall comply with required yards and height setbacks of the underlying zoning district as measured from limited common element lines; and
 - (d) Maximum building area shall not exceed 30 percent of the original lot area of 36,000 square feet. If the property is condominiumized, then, within each limited common element, the maximum building area shall not exceed 40 percent of the area for each limited common element.
8. 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 (building 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.
9. A minimum of 12 parking spaces, two stall 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), and reconstructed dwellings shall have a minimum 16-foot driveway depth fronting the carport or garage.
10. An all-weather surface shall be provided at each individual unit driveway and required parking prior to the issuance of any building permits for that individual unit. In addition, reconstructed dwellings shall have a minimum 16-foot driveway depth fronting the carport or garage.
11. All walls or fences along the shared driveway and Auwal Street shall be a maximum 5 feet high and be set back at least 18 inches. New fencing shall be screened by a minimum three-foot high continuous hedge, maintained in a healthy condition.
12. All existing trees 6 inches or greater in diameter shall be retained on-site, or replacement landscaping shall be required. All landscaping shall be maintained in a healthy visual condition at all times.

13. 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.

doc136500r1

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

	Director	February 14, 2002
SIGNATURE	TITLE	DATE

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

SUPERCEDES

FLOOD MAP DATE-
STAMPED 2-12-02

43062063

AT
216'
AWAY

HINANO WAY

KUHANA

WAY

STREET

HALEA

KIPIKA

