

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer Mary Margaret Mench  
Address 45-254 Kokohahi Place, Kaneohe, Hawaii 96744

Project Name(\*): OILIPUAOKALEI ESTATE  
Address: 41-1698A, 41-1698B, 41-1694A & 41-1694B Kalaniana'ole Highway, Waimanalo, HI 96795

Registration No. 5159 (Partial Conversion) Effective date: August 12, 2003  
Expiration date: September 12, 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.  
    - 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-30 286/986/189/1190/892/0197/1098/0800/0203  
C:\CPR\CLIENT\Mench Waimanalo\FINAL UPDATED FORM.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) Facilities and improvements normally associated with county approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.
- (c) A prospective purchaser of a Unit which is not presently a residence, but which the purchaser may intend to change to residential or other use, should be aware he will be required to comply with the building codes, land use laws (LUO) and other county laws and ordinances. The LUO, for example, contains restrictions relating to the permissible use of the land, the number of dwelling units permitted, and the amount of total development permitted on a lot.

A prospective purchaser should be aware (a) it will be necessary to obtain building and other permits from the County and (b) it may be necessary to obtain and to have installed utilities to service the site. Obtaining such permits will require compliance with building codes, LUO and other County requirements and compliance with any conditions which may be imposed under any such issued permits.

Obtaining utilities and services will require agreements with the providers of such utilities. Developer disclaims all warranties relating to the availability of such utilities, any conditions that may be imposed by the providers, or the cost thereof.

Accordingly, before buying an apartment unit, a prospective purchaser, together with an architect or professional builder, is urged to review the LUO and other applicable County ordinances which may affect the Purchaser's use of his Apartment Unit and to review their intended plans with County officials. Developer disclaims all warranties with respect to Purchaser's being able to use the Apartment unit for his intended purposes.

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: Mary Margaret Mench Phone: (808) 235-1577  
Name\* (Business)  
45-254 Kokohahi Place  
Business Address  
Kaneohe, HI 96744

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\*: Miracle Sales & Mgmt Phone: (808) 377-9673  
Name (Business)  
261 Puuikena Drive  
Business Address  
Honolulu, HI 96821

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

General Contractor\*: Crummer Enterprise, Inc. Phone: (808) 235-0800  
Name Business)  
45-409 Koa Kahiko Street  
Business Address  
Kaneohe, HI 96744

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 checked="" type="checkbox"/> Recorded -	Bureau of Conveyances:	Document No. <u>2003-127092</u>	
		Book _____	Page _____
<input type="checkbox"/> 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]:

- 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 checked="" type="checkbox"/> Recorded -	Bureau of Conveyances	Condo Map No. <u>3604</u>	
<input type="checkbox"/> 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]:

- 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 checked="" type="checkbox"/> Recorded -	Bureau of Conveyances:	Document No. <u>2003-127093</u>	
		Book _____	Page _____
<input type="checkbox"/> Filed -	Land Court:	Document No. _____	

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>100%</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: 41-1698A, 41-1698B, 41-1694A  
& 41-1694B Kalaniana'ole Highway Tax Map Key (TMK): (1) 4-1-008-015  
Waimanalo, HI 96795

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

Land Area: 36,293  square feet  acre(s) Zoning: Country

Fee Owner: Mary Margaret Mench  
 Name\*  
45-254 Kokohahi Place  
 Business Address  
Kaneohe, HI 96744

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: 5 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>2</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 checked="" type="checkbox"/> Other-shed	<u>2</u>	<input checked="" 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>Unit 1</u>	<u>1</u>	<u>2/1</u>	<u>900</u>	<u>200/440</u>	<u>garage/deck</u>
<u>Unit 2</u>	<u>1</u>	<u>3/2</u>	<u>2,310</u>	<u>400/300</u>	<u>garage/patio</u>
<u>Unit 3</u>	<u>1</u>	<u>--</u>	<u>-0-</u>	<u>64</u>	<u>shed</u>
<u>Unit 4</u>	<u>1</u>	<u>--</u>	<u>-0-</u>	<u>64</u>	<u>shed</u>

Total Number of Apartments: 4

**\*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.

7. Parking Stalls:

Total Parking Stalls:		_____ -3- _____						
		<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		
		<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>TOTAL</u>
Assigned Unit 1	_____ 1 _____							
(for each unit)	_____ 2 (Unit 2) _____							<u>3</u>
Guest	_____							
Unassigned	_____							
Extra for Purchase	_____							
Other:	_____							
Total Covered & Open:	_____ -3- _____			_____ -0- _____		_____ -0- _____		<u>-3-</u>

Each apartment will have the exclusive use of at least -1- parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

Note: The Owner of Units 3 and 4 have the right to designate parking stalls anywhere on their Dwelling Areas.

- 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/Enclosure(s)
- Other: \_\_\_\_\_

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

- There are no violations.                       Violations will not be cured.
- Violations and cost to cure are listed below:                       Violations will be cured by \_\_\_\_\_ (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):

The present condition of all structural components and mechanical and electrical installation material to the use and enjoyment of the Project appears to be good. No warranty is made as to the expected useful life of the Project.

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:

Zoning Variance No. 96/VAR-10

STOP HERE!@!!!!

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>          </u>	<u>    X*   </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. \* See Exhibit "I" for further disclosure.

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     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 "Dwelling 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:

Unit 1	-	25%
Unit 2	-	25%
Unit 3	-	25%
Unit 4	-	25%

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  July 2, 2003  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 <b>Prior to Conveyance</b></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 Units 1, 3 and 4. The Developer is giving a one-year warranty from the date of completion on the materials and workmanship of Unit 2.

2. Appliances:

N/A

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

Unit 1 was constructed in the 1940's. Unit 2 was completed in May, 2003. Units 3 and 4 were constructed in 2002.

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 July 5, 2003

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 or through the developer's sales agent, if any. 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. 5159 filed with the Real Estate Commission on July 22, 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."

**HAZARDOUS MATERIALS**

The Developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The developer will not correct any defects in the apartments or in the Project or anything installed or contained therein and Buyer expressly releases the developer from any liability to Buyer if any hazardous materials are discovered.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SHL 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. 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.

MARY MARGARET MENCH Mary Margaret Mench  
 Printed Name of Developer

By: Mary Margaret Mench 6/5/2003  
 Duly Authorized Signatory\* Date

MARY MARGARET MENCH  
 Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

## EXHIBIT "A"

### DEVELOPER'S RESERVED RIGHTS

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

Paragraph 20 of the Declaration states:

**"20.1 Amendments Generally.** Except as otherwise expressly provided herein or in the Act, this Declaration and the Condominium Map may be amended only by the affirmative vote or written consent of all of the Apartment Owners, evidenced by an instrument in writing, signed and acknowledged by each of them, which amendment shall be effective upon recordation in the Recording Office; provided, however, that notwithstanding the foregoing provision, at any time prior to the first recording of a conveyance or transfer (other than for security) of an Apartment and its appurtenances to a party not a signatory, hereto, the Declarant may amend this Declaration (including all exhibits), the Condominium Map and the Bylaws in any manner, without the consent or joinder of any Apartment purchaser or any other party. Notwithstanding the lease, sale or conveyance of any of the Apartments, Declarant may amend this Declaration (and when applicable, any exhibits to this Declaration and 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 plans thereto filed fully and accurately depict the layout, location, Apartment numbers, and the dimensions of the Apartments as built, or (ii) so long as the plans filed therewith involve only minor changes to the layout, location, or dimensions of the Apartments as built or any change in the Apartment number.

**20.2 Amendments Required by Law, Lenders, Title Insurers, Etc.** Any other provision of this Declaration notwithstanding, for so long as the Declarant retains any interest in an Apartment in the Project, the Declarant shall have the right (but not the obligation) to amend this Declaration and the Bylaws (and the Condominium Map, if appropriate) without the consent or joinder of any Apartment Owner, lienholder or other person or entity, for the purpose of meeting any requirement imposed by (i) any applicable law, (ii) the Real Estate Commission of the State of Hawaii, (iii) any title insurance company issuing a title insurance policy on the Project or any of the Apartments, (iv) any institutional lender lending funds on the security of the Project or any of the Apartments, or (v) any other governmental or quasi-governmental agency including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development or the Veterans Administration; provided, however, that no amendment which would change the common interest appurtenant to an Apartment or substantially change the design, location or size of an Apartment shall be made without the consent of all persons having an interest in such Apartment. Each and every party acquiring an interest in the Project, by such acquisition, consents to the amendments described in this Paragraph 20.2 and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same, and appoints Declarant and its assigns as his or her attorney-in-fact with full power of substitution to execute and deliver such documents and instruments and to do such things on his or her behalf, which grant of such power, being coupled with an, interest, is irrevocable for the duration of such reserved rights, and shall not be affected by the disability of such party or parties.

**20.3 Mortgage Approval.** Any other provision of this Declaration notwithstanding, the approval of eligible holders of first mortgages (as defined below) on Apartments to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such eligible holders are allocated shall be required to materially amend any provision herein, or to add any material provisions hereto, which establish, provide for, govern or regulate any of the following: (a) voting; (b) assessments, assessment liens or subordination of such liens; (c) reserves for maintenance, repair and replacement of the common elements; (d) insurance or fidelity bonds; (e) right to use of the common elements; (f) responsibility for maintenance and repair of the several portions of the Project; (g) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project; (h) boundaries of any Unit (except where the amendment merely reflects that a Unit has been constructed according to alternate plans shown on the Condominium Map); (i) the interests in the common elements or limited common elements; (j) convertibility of Units into common elements or of common elements into Units; (k) leasing of Units; (l) imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his Unit; (m) establishment of self-management of the Project by the Association where professional management has been required by any agency or corporation which has an interest or prospective interest in the Project; and (n) any provision that expressly benefits holders, insurers, or guarantors of first mortgages on apartments in the Project. To qualify as an "eligible holder of a first mortgage", a holder, insurer or guarantor of a first mortgage on a Unit in the Project must have made a written request to the Association for timely written notice of proposed amendments to the condominium instruments. The request must state the name and address of the holder, insurer or guarantor and the number of the Unit covered by the mortgage. In the event that an eligible holder of a first mortgage fails to appear at a meeting of the Association at which amendments of a material nature to this Declaration are proposed and considered, or fails to file a written response with the Association within thirty (30) days after it receives proper notice of the proposed amendment, delivered by certified or registered mail, with a "return receipt" requested, then and in any such event such amendments shall conclusively be deemed approved by such eligible holder of a first mortgage.

In addition to the foregoing, no amendment to this Declaration which would allow any action to terminate the condominium property regime created hereby for reasons other than substantial destruction or condemnation shall be made without the prior written approval of not less than sixty-seven percent (67%) of the eligible holders of first mortgages.

20.4 Notwithstanding the foregoing, an Owner 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 his Unit in accordance with Paragraph 19.1 of this Declaration. Promptly upon completion of such changes, the Unit Owner shall duly record with the Recording Office an amendment to his Declaration and to the Condominium Map, together with a complete set of the floor plans of the Project as so altered, certified as build 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 its appurtenant common interest) and shall be irrevocable.

20.5 Restatement. Any other provision of this Declaration notwithstanding, the Board, upon resolution duly adopted, shall have the authority as set forth in the Act to restate this Declaration from time to time to set forth any prior amendments hereto, or to amend this Declaration as required to conform with the provisions of the Act or any other statute, ordinance, rule or regulation enacted by any governmental authority."

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS.

Sub-paragraph 19.1 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 Dwelling Area appurtenant to his Unit (collectively, the foregoing are referred to "changes") subject to the following conditions:

- (a) All changes shall conform with applicable City and County building, the Land Use Ordinance then in effect ("LUO") and other applicable laws and ordinances ("County Rules") applicable State of Hawaii laws and regulations ("State Laws") and the Variance.
- (b) All changes to a Unit must be made within the Dwelling Area which is appurtenant to the Unit, provided however, that no structure as defined under the LUO shall be constructed or placed within five (5) feet of any boundary line separating two Dwelling Areas or a Dwelling Area and a Common Element(exclusive of limited common elements).
- (c) No change to a Unit will be made if the effect of such change would be to exceed the Unit's proportionate share of the allowable floor area or building area coverage for the Land, or number of dwelling units, as defined by the LUO in effect when the change is to be made; provided, however, that so long as four (4) dwelling units on the Land, then each of the Units shall be permitted to have one dwelling unit. For purposes hereof, the "proportionate share" for each Unit shall be a fraction having as its numerator the land area of the Unit's Dwelling Area and having as its denominator the total land area of all of the Dwelling Areas (namely 33.137 square feet).
- (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 another 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 changed Unit shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the Unit affected by such change 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 as necessary or desirable in connection therewith; provided that the same shall not cause any permanent interruption in the service of such utilities to any other part of the Project or otherwise materially interfere with their use by any other Owner."

EXHIBIT "C"

**COMMON ELEMENTS.** Paragraph 4 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 (including the perpetual easement or right of way for any and all purposes to be used in common with others legally entitled thereto) subject to those encumbrances referred to in Exhibit "A" attached to the Declaration;
2. The limited common elements described in Paragraph 5 of this Declaration;
3. All pipes, wires, ducts, conduits or other utility or service lines, drainage ditches or appurtenant drainage structures and retaining walls (if any), which are located outside the Units and which are utilized for or serve more than one Unit;
4. All pipes, wires, ducts, conduits or other utility or service lines running through a Unit which are utilized by or serve more than one Unit.
5. Driveway shown as "common element -3156 square feet" as shown on the Condominium Map.

EXHIBIT "D"

LIMITED COMMON ELEMENTS. Paragraph 5 of the Declaration designates:

Certain parts of the common elements, herein called the "Limited Common Elements", are hereby designated and set aside for the exclusive use of certain of the Units, and each Unit shall have appurtenant thereto exclusive easements for the use of all such limited common elements set aside and reserved for such Unit's exclusive use. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne by the Unit to which it is appurtenant.

1. The limited common elements so set aside and reserved for the exclusive use of Unit 1 is as follows:

(a) The site on which Unit 1 is located, consisting of the land area beneath and immediately adjacent to Unit 1, as shown and delineated on the Condominium Map as "Dwelling Area Unit 1 (7,808 Sq. Ft.)" (including the airspace above such site) is for the exclusive benefit of Unit 1.

2. The limited common elements so set aside and reserved for the exclusive use of Unit 2 is as follows:

(a) The site on which Unit 2 is located, consisting of the land beneath and immediately adjacent to Unit 2, as shown and delineated on the Condominium Map as "Dwelling Area Unit 2 (8,873 Sq. Ft.)" (including the airspace above such site) is for the exclusive benefit of Unit 2;

3. The limited common elements so set aside and reserved for the exclusive use of Unit 3 is as follows:

(a) The site on which Unit 3 is located, consisting of the land beneath and immediately adjacent to Unit 3, as shown and delineated on the Condominium Map as "Dwelling Area Unit 3 (8,228 Sq. Ft.)" (including the airspace above such site) is for the exclusive benefit of Unit 3.

4. The limited common element so set aside and reserved for the exclusive use of Unit 4 is as follows:

(a) The site on which Unit 4 is located, consisting of the land beneath and immediately adjacent to Unit 4, as shown and delineated on the Condominium Map as "Dwelling Area Unit 4 (8,228 Sq. Ft.)" (including the airspace above such site) is for the exclusive benefit of Unit 4.

5. Any other common element of the Project which is rationally related to fewer than all the Units shall be deemed a limited common element appurtenant to and for the exclusive use of such Unit to which it is rationally related.

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. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. Any variations in and along the boundaries of the land herein described running along Waimanalo Stream, as may be caused by natural deviation of said stream.
4. Reservations unto the Waimanalo Agricultural Development Company, Limited, its successors and assigns, all water and water rights belonging to or appurtenant to said land, and further reserving unto the Waimanalo Agricultural Development Company, Limited, its successors and assigns, an easement and/or right of entry for the laying and construction of water pipe lines, an easement for electric power lines, and an easement and/or right of entry to go on the land to maintain and repair any water system and water works or electric power lines, now or hereafter located in said premises, as reserved in Deed dated April 8, 1952, recorded in said Bureau in Liber 2576, Page 182.
5. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in Declaration dated May 6, 1994, recorded in said Bureau as Document No. 94-077042, as amended.
6. Mortgage dated August 26, 2002, recorded in said Bureau as Document No. 2003-046539.
7. Grant of Easement dated March 10, 2003, recorded in said Bureau as Document No. 2003-049494.
8. Declaration of Condominium Property Regime dated June 5, 2003, recorded in said Bureau as Document No. 2003-127092 (Project covered by Condominium Map No. 3604). By-Laws dated June 5, 2003, filed as Document No. 2003-127903.

## EXHIBIT "F"

**SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT.** The Sales Contract consists of two documents: the then current form of the HAR Standard form of Deposit Receipt Offer and Acceptance ("DROA") and a document attached to the DROA which is entitled "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, if any, described in the DROA and the undivided interest in the common elements set forth in the DROA..

2. Purchase Price and Terms. The purchase price for the Apartment is set forth on page 2 of the DROA is to be paid in the method and at the times set forth in the DROA. This may include payment of (a). An initial deposit; (b). An additional cash deposit, if set forth in the DROA ; and (c) the balance of the purchase price is to be paid to escrow by purchaser on or before closing.

3. Financing of Purchase. Paragraph C-24 of the DROA Form (if selected) provides if Buyer desires financing, a loan application must be made within a certain number of days and if Buyer's application is not approved within a certain number of 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. Closing costs and escrow fees are to be shared in accordance with the DROA, except that Seller does have the option to require two months' advance payment of Association maintenance fees and a start up expense for the Association of Apartment Owners equal to two months' of Association maintenance 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 closing.

5. Closing. Seller has agreed to cause the Apartment to be sold to the Buyer within the time period set forth on page 3 of the DROA which is expected to occur within 90 days of the date of the Sales Contract.

6. No Present Transfer and Subordination to Construction Loan.

(a) The Sales Contract may be subject to existing blanket loans, and any security interest now or hereafter obtained by a lender of Seller is or will be prior and senior to any rights of the Buyer 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.

(c) Notwithstanding that the Sales Contract may be subordinate to a blanket lien, if the Buyer performs his obligations under the Sales Contract, then Seller is required to convey the Apartment to Buyer at closing free and clear of any blanket lien.

7. 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 (if Paragraph C-24 of the DROA is selected); (b) Buyer defaults under the Sales Contract (paragraph 5(b) of the Special Provisions); or (c) Buyer dies prior to Closing Date (paragraph 5(a) of the Special Provisions). Pursuant to Paragraph 5(b) 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.

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(a) of the Special Provisions).

c. Buyer fails to qualify for permanent financing if Paragraph C-24 of the DROA has been selected.

9. Paragraph 11 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 Condominium Map (including floor plans, exterior elevations and site map for the Project;)
- (b) Escrow Agreement;
- (c) The Declaration of Condominium Property Regime and the By-Laws of the Association of Apartment Owners;
- (d) Specimen form of the Apartment Deed;
- (e) Disclosure Abstract; and
- (e) The Final Public Report (or Supplementary Public Report, if any) an effective date having been issued by the Real Estate Commission of the State of Hawaii.

10. Paragraph 12 of the Special Provisions contains an "as is" clause whereby Seller disclaims all warranties relating to construction, design, materials or workmanship of the Apartment being bought and the Project. Buyer is cautioned to have his own inspection of the property and the Apartment. If construction of the Project was completed within one year of the date of the Sales Contract, then in accordance with subparagraph (a) the Seller may be giving a limited one year warranty as provided in such Subparagraph 12(a), which Buyer should review closely.

The Summary contained in this Exhibit is merely a summary and is not intended to be a substitute for the Buyer's careful review of the Sales Contract.

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: OILIPUAOKALEI ESTATE  
41-1698A, 41-1698B, 41-1694A and 41-1694B Kalaniana'ole Highway  
Waimanalo, Hawaii 96795.
- (b) DEVELOPER: Mary Margaret Mench  
45-254 Kokohahi Place  
Kaneohe, Hawaii 96744  
  
Telephone: (808) 235-1577
- (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 Units 1, 3 and 4. The Developer is giving a one-year warranty from the date of completion on the materials and workmanship of Unit 2.

4. USE OF UNITS. The OILIPUAOKALEI ESTATE Condominium Project will consist of four (4) units which shall be occupied and 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 Howard Paul Sheffield, Registered Professional Architect, the Developer states:

a. Subject to normal wear and tear commensurate with its age, the building appears 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 its 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 August 1, 2003 to July 31, 2004  
As Prepared by Developer

Estimated Annual Expenses

Ground Maintenance	
Water/Sewer	\$-0-
* Electricity:	\$-0-
**Fire/Liability Insurance:	\$-0-
Management Fee:	\$-0-
***Common Driveway:	\$-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 owners of the Units will share the cost of maintenance and repair of the Common Driveway", when such maintenance and repair becomes necessary .

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

  
MARY MARGARET MENCH

"Developer"



Building Department records indicate that Dwellings Nos. 2, 3, and 4 remain nonconforming. The applicant proposes to demolish Dwelling No. 2 (a quonset hut). Thus, the total number of single-family dwellings on the site will be 3; Dwelling No. 1 (the new dwelling), and Dwellings Nos. 3 and 4, existing dwellings. There are no nonconforming lodging units. However, the site contains 3 unauthorized lodging units (Buildings Nos. 5, 6, and 7), which are not a permitted use in the Country District. The applicant proposes to demolish 2 lodging units (Nos. 5 and 6), and convert the other (No. 7) to a storage building. See Exhibits B-1 through B-10.

Note: The applicant indicates that the existing camper van (with kitchen) will be removed. It is not part of the variance request.

3. Variance Required: Land Use Ordinance (LUO) Sections 3.120, 5.30-2, 5.30-4 (Tables 6-A and 6-B), and 6.30, relating to nonconformities, country cluster and site development plan, and use regulations.
4. Applicant's Justification: The applicant provided justification statements which are part of the file.

## II. FINDINGS OF FACT

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

1. Description of Site: The lot is irregular in shape but level in topography. It has frontage along Kalaniana'ole Highway along the makai side. To the mauka and makapuu sides, it abuts Waimanalo Stream.
2. Land Use: The site is developed with 4 single-family detached dwellings, a camper van/trailer/wooden structure, 3 lodging units, and laundry room (attached to one of the lodging units), and 2 storage sheds. The surrounding area contains a variety of uses, including grazing lands, nurseries, single-family dwellings, and fruit, vegetable, and flower farms. The Olomana Golf Course and the New Town and Country Stables are nearby, off Kalaniana'ole Highway.
3. Other Permits and Approvals:
  - a. Building Permits: The Building Department has issued the following building permits for the site:

PERMIT NO.	DATE ISSUED	WORK AUTHORIZED
171517	8/17/60	Addition
207727	4/22/63	Repair
207728	4/22/63	Relocate dwelling (524 square feet)
207729	4/22/63	Post dwelling (foundation)
3087	4/28/73	Plumbing
153072	4/23/81	Plumbing
190426	2/28/84	Demolition of dwelling
199887	10/31/84	Repair
77126	11/15/71	Electrical

- b. Previous Variance Action: On February 2, 1994, the Director of Land Utilization granted partial approval of Variance No. 93/VAR-61. He approved the request to allow (retain) reconstruction of a single-family dwelling, for a total of 4 single-family dwellings which exceed the maximum density and increase nonconformity; and, he denied the variance to allow 2 lodging units which are not a permitted principal use, and, conversion of one lodging unit to a dwelling unit which exceeds the maximum density and increases nonconformity. That variance lapsed due to noncompliance with the approval conditions.
4. Nonconformities or Irregularities: The lot exceeds the number of dwelling units permitted in the Country District. The site contains 3 lodging units, which are not a permitted use.
5. Background: Building Department records indicate that the dwellings were probably constructed in 1938, 1942, and 1944; however, there are no building permits on file. On April 12, 1951, the site was zoned Highway Protective (Ordinance No. 1233), which permitted one dwelling per 5,000 square feet of lot area.

On June 1, 1967, the Building Department prepared a Housing Inspection report which indicated that there were 4 units on the site.

On June 9, 1967, the Building Department issued a Notice to Correct which stated that "since the required repairs to rehabilitate the duplex building will exceed 75 percent, the building shall be demolished". A building permit was required for demolition. However, the only demolition permit for the site was issued 17 years later (see Item 3, Building Permits).

On January 2, 1969, upon effectuation of Ordinance No. 3234, the site was zoned R-6 Residential District.

On March 1, 1984, upon effectuation of Ordinance No. 84-20, the site was zoned AG-1 Restricted Agricultural District.

On January 15, 1991, the Building Department issued a zoning report which indicated the status of the 5 existing dwelling units was "inconclusive".

On February 6, 1991, the Director and Building Superintendent of the Building Department determined that "replacement of 3 single-family dwellings and one 2-family dwelling will require an Existing Use Permit".

On October 2, 1991, the Building Department (zoning report) indicated that 3 one-family dwellings and one 2-family dwelling (5 units) appeared to be nonconforming. It also stated that 2 accessory structures were used for "storage". However, on August 19, 1992, the Building Department revised its zoning report to state that only 4 single-family detached dwellings were permitted. It noted that the 2-family dwelling had been demolished. It further indicated that the 3 accessory structures and camper van shall not be occupied.

6. Violations: On July 10, 1992, the Building Department issued a notice of violation (No. BV92-7-154) for demolition and alteration work on 2 quonset huts at the left front of the property without obtaining a building permit. On October 15, 1992, the Building Department issued a Notice of Order (No. BO92-10-10) for this violation. The violation has been referred to the Office of the Corporation Counsel.

On January 27, 1993, the Building Department issued 2 violation notices. Violation No. BV93-1-151 was for alteration and repair work to an "existing nonconforming, one-story single-family dwelling (Dwelling No. 4) without a building permit. On April 2, 1993, the Building Department issued a Notice of Order (No. BO93-4-2) for this violation. Violation No. BV93-1-152 was issued for alteration and repair work to an "existing nonconforming one-story, single-family dwelling (Dwelling No. 3) without a building permit. These violations have been referred to the Office of the Corporation Counsel.

7. Public Hearing Testimony: The agent and a family member (Martin Bayron) spoke in support of the request. The agent said they are trying to reduce the number of existing dwellings, and remove all the lodging units, so they can obtain a variance to keep the reconstructed dwelling. He said the quonset hut (Dwelling No. 2) is termite damaged, rusted, and unsafe. He also said the applicant has assured him that the camper van will be removed. The agent said they tried to get a building permit to convert the lodging units to carports, but they were told they needed to get the variance first. He said they propose to convert one lodging unit to a storage building. The public hearing officer questioned the inability to get a building permit for conversion of illegal structures to conforming structures. The DLU staff asked why the previous variance had been allowed to lapse. Mr. Bayron said the owner's son had "procrastinated" and did not meet the approval conditions within the time limits. The public hearing officer noted that if this variance is approved and then is allowed to lapse, they will not be able to apply for another variance for 3 years (in accordance with the DLU Rules of Practice and Procedure). Mr. Bayron said he has "people standing by" to demolish and build. No other testimony was given.
  
8. It is difficult to find that the applicant would be denied reasonable use if not allowed to reconstruct a single-family dwelling, since 3 dwelling units already exceed the maximum density (one unit) permitted on the 35,414-square foot Country zoning lot. However, there are mitigating circumstances which support a variance. Although the site lacks sufficient lot area to qualify for a country cluster or a site development plan, the proposal is to replace a former dwelling at the same location. The Building Department has determined that prior to demolition, the site contained a total of 4 nonconforming dwelling units. Since those dwellings existed for at least 50 to 56 years, the proposed single-family dwelling will not establish a density which exceeds the former level. Other zoning code regulations can be met, and street access and off-street parking are adequate.

It is noted that this request differs from the previous variance (93/VAR-61) in that the applicant now proposes to demolish Dwelling No. 2. In his previous decision, the Director found that the request for a total of 4 dwelling units was not excessive. The circumstances have not changed, and a variance to reconstruct a fourth single-family dwelling is still supportable. Although the agent states that

Dwelling No. 2 is termite damaged and rusted, the applicant could repair, replace, expand, and/or alter the nonconforming dwelling. That would approach total reconstruction. Once demolished, though, it could not be rebuilt. However, as before, the variance to allow reconstruction of Dwelling No. 1 can only be supported if density is limited to a total of 4 single-family dwellings. Any further increase of density (including dwelling or lodging units) would be contrary to the intent of the zoning code to maintain reasonable density levels and/or to permit maintenance of nonconforming dwellings. Therefore, as a condition of variance approval, the applicant should convert all 3 of the illegal lodging units to carports, and file a restrictive covenant to ensure that the structures will be used for off-street parking only.

9. The site is level and without adverse topographic conditions which prevent conforming development. Nevertheless, as discussed above, there are mitigating circumstances which support the reconstruction of one single-family dwelling. Although the site does not have sufficient lot area to qualify for a cluster housing or site development plan, it is fairly large and, with the exception of Dwelling No. 2, which is located immediately behind Dwelling No. 1, spacing between dwellings is adequate. The lot frontage along the highway is nearly 222 linear feet; that provides for adequate access. And, off-street parking is adequate. The applicant could have altered, enlarged, repaired, extended, or moved the former dwelling without a variance. Unfortunately, it appears that the dwelling was not in good condition, and the applicant completely demolished it. The applicant's failure to obtain a building permit before beginning construction is not condoned, and neither are after-the-fact variances. The applicant must obtain the necessary building permits; variance approval does not relieve him of that responsibility. The applicant failed to comply with the previous variance conditions, including removal of 3 illegal lodging units, and removal of a camper van. These longstanding violations must be remedied within a reasonable period. Otherwise, the applicant may be subject to daily civil fines until he complies with the zoning regulations.
10. The proposal will not alter the essential character of the locality and, as long as density is limited to a maximum of 4 single-family dwellings, the variance would not necessarily undermine the purpose of the zoning code. The new single-family dwelling replaces a former dwelling in the same location, so there will be minimal visual impact, if any. However, any increase in density, i.e., either a single-family dwelling or lodging units, would be contrary to the LUO density and use regulations. Therefore, the 3 lodging units should be removed or converted to carports (limited to off-street parking use only) or storage. If a lodging unit

is converted to a storage building, no interior partitions should be permitted. Further, the applicant should be required to file a restrictive covenant limiting the use of the lot to 4 single-family dwellings. If that density is exceeded, or if the applicant fails to meet other conditions, the variance shall automatically lapse. And, in that case, the applicant would be subject to daily civil fines, for zoning code violations.

### III. CONCLUSIONS OF LAW

1. There is evidence that the applicant would be deprived of a reasonable use of the land or building if the provisions of the zoning code were strictly applied.
2. The request of the applicant is due to unique circumstances and not to general neighborhood conditions, and it does not question the reasonableness of the neighborhood zoning.
3. The request will not alter the essential character of the neighborhood nor be contrary to the intent and purpose of the zoning ordinance.

### IV. DECISION AND ORDER

Pursuant to the foregoing Findings of Fact and Conclusions of Law, the Director of Land Utilization hereby APPROVES the application for a variance to allow (retain) reconstruction of a single-family dwelling, for a total of 4 single-family dwellings on a 35,414-square foot Country zoning lot, which exceeds the maximum density and increases nonconformity, as shown on the approved revised plans, subject to the following conditions:

1. Prior to the issuance of any building permits, and within 60 days from the date of this Order, the applicant shall submit revised plans, for review and approval by the Director of Land Utilization, showing a total of 4 single-family dwellings, and the 3 lodging units converted to carports (or to 2 carports and 1 storage building).
2. The use of the lot shall be limited to a maximum of 4 single-family detached dwellings. And, the 3 unauthorized lodging units shall be removed by conversion to carports (or 2 carports and 1 storage building). The carports shall not be enclosed or used for storage or any other use except for off-street parking. If one of the lodging units is converted to a storage building, it shall not have interior partitions or plumbing fixtures. The applicant shall submit a draft restrictive covenant, for review and approval by the Director of Land Utilization, agreeing to this condition. Upon

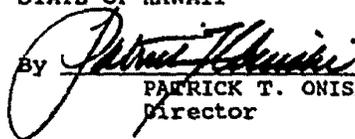
approval of the covenant, it shall be filed with the Bureau of Conveyances and/or the Office of the Assistant Registrar of the Land Court of the State of Hawaii as provided by Ordinance No. 4349, and a certified copy of the covenant shall be filed with the Department of Land Utilization prior to the issuance of a building permit.

3. The applicant shall obtain the necessary building permits, i.e., for reconstruction of the single-family dwelling (Dwelling No. 1) and for conversion of the 3 lodging units to carports, within 90 days of the date of this Order, or the variance shall lapse. Upon completion of construction, the applicant shall submit photographic documentation, and notify the Department of Land Utilization in writing so that a conformance inspection can be made.
4. This variance may be revoked by the Director when, due to a material change in circumstances, one or more of the three Charter-required findings of hardship can no longer be made; or when there is a breach of any of the conditions above stated; provided that, for good cause, the Director may amend the above conditions.

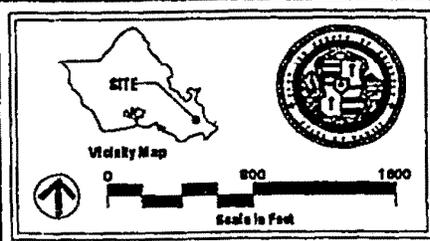
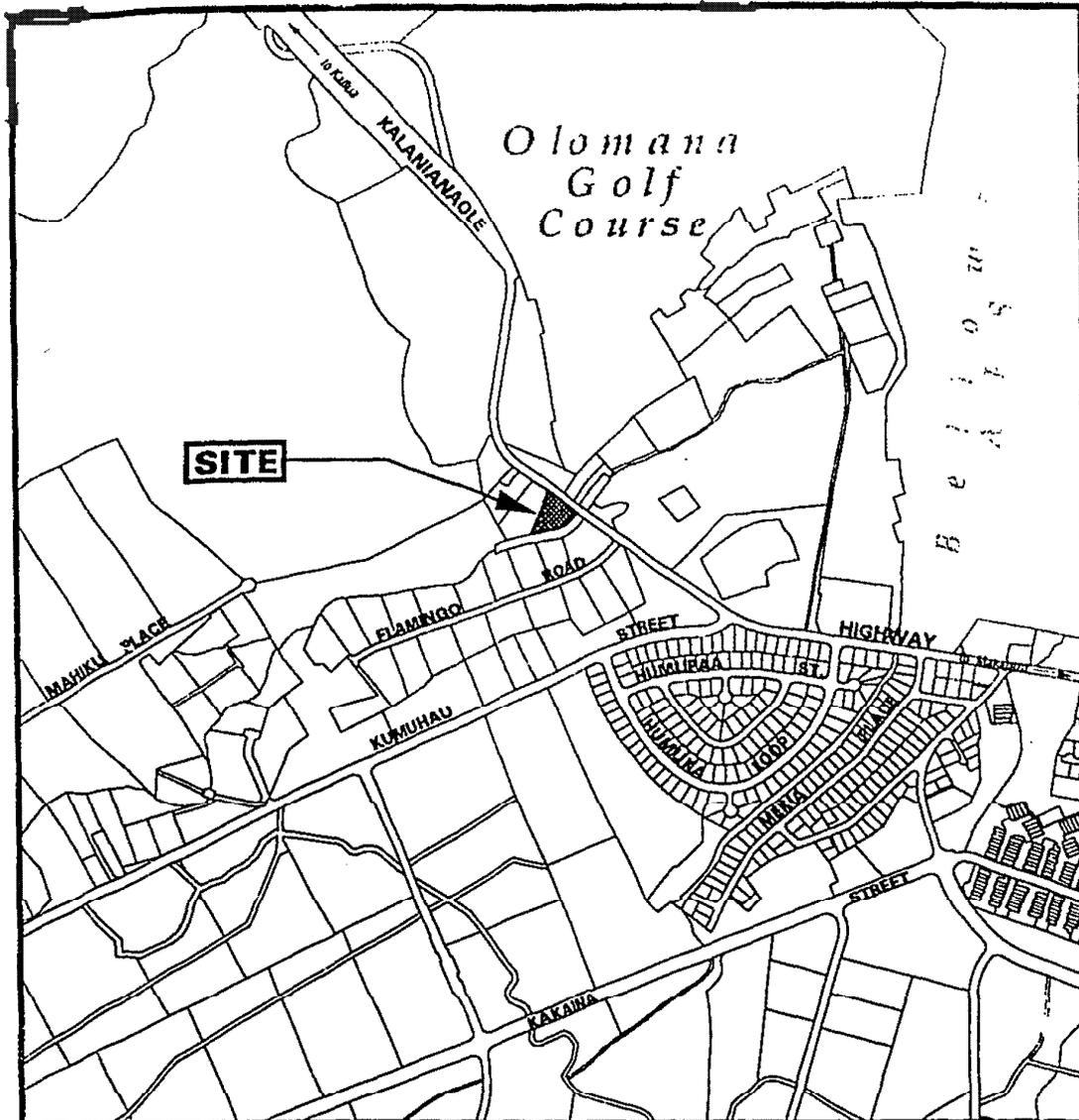
Dated at Honolulu, Hawaii, this 3rd day of July, 1996.

DEPARTMENT OF LAND UTILIZATION  
CITY AND COUNTY OF HONOLULU  
STATE OF HAWAII

By

  
PATRICK T. ONISHI  
Director

F06VAR10.ntt



**LOCATION MAP**  
**WAIMANALO**

FOLDER NO.: 96/VAR-10  
 TAX MAP KEY: 4-1-8:15

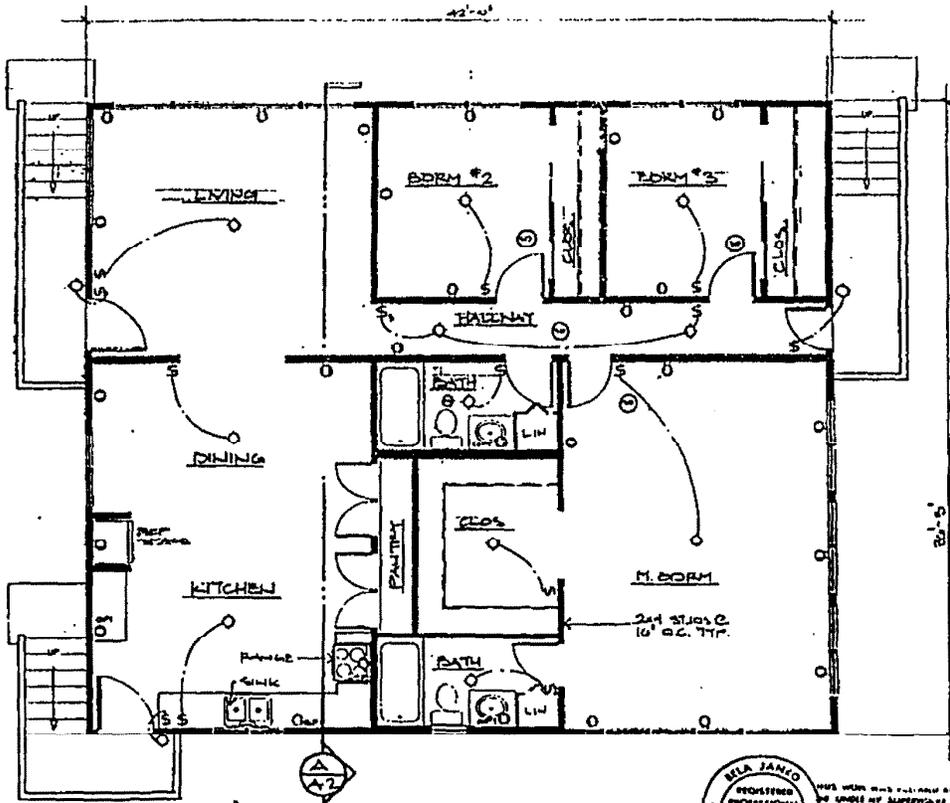
**EXHIBIT A**

PREPARED BY: Department of Land Utilization  
 City and County of Honolulu

DATE PREPARED: February

COPYRIGHT CITY & COUNTY OF HONOLULU  
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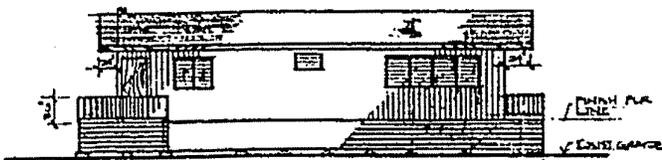


FLOOR PLAN (DWG. #1)  
SCALE = 1/4" = 1'-0"

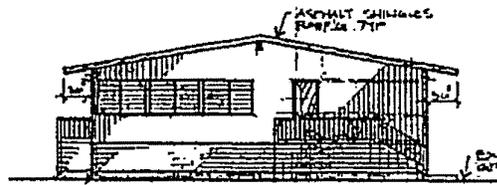
BELA JAMCO  
REGISTERED  
PROFESSIONAL  
ENGINEER  
NO. 22443  
HAWAII, U.S.A.

I HAVE BEEN THE ENGINEER OF RECORD FOR THE DESIGN AND CONSTRUCTION OF THIS PROJECT AND I HOLD MY LICENSE IN FULL FORCE AND EFFECT.

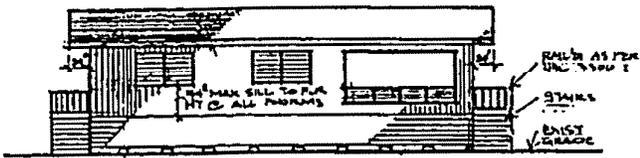
*[Signature]*



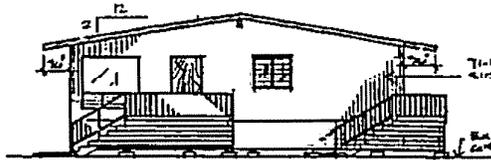
FRONT ELEVATION #1  
SCALE: 1/8" = 1'-0"



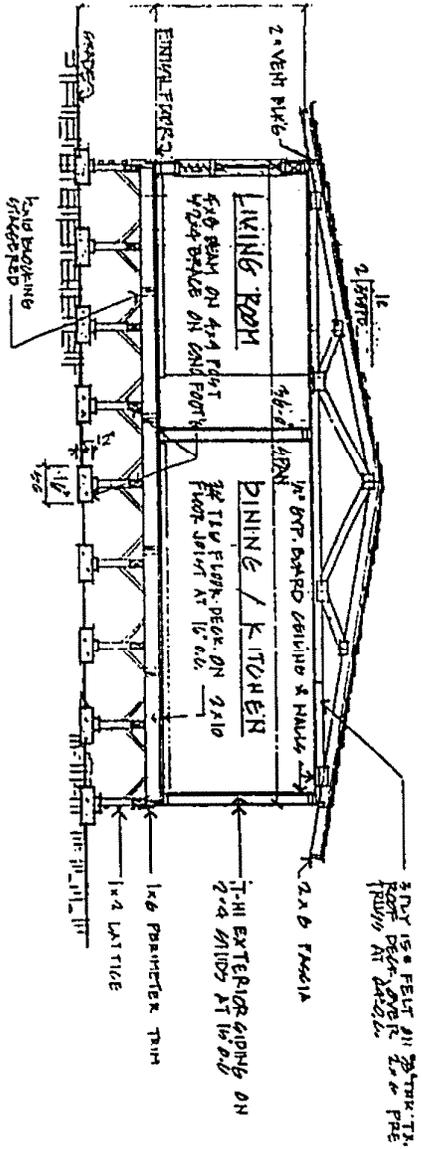
RIGHT ELEVATION #1  
SCALE: 1/8" = 1'-0"



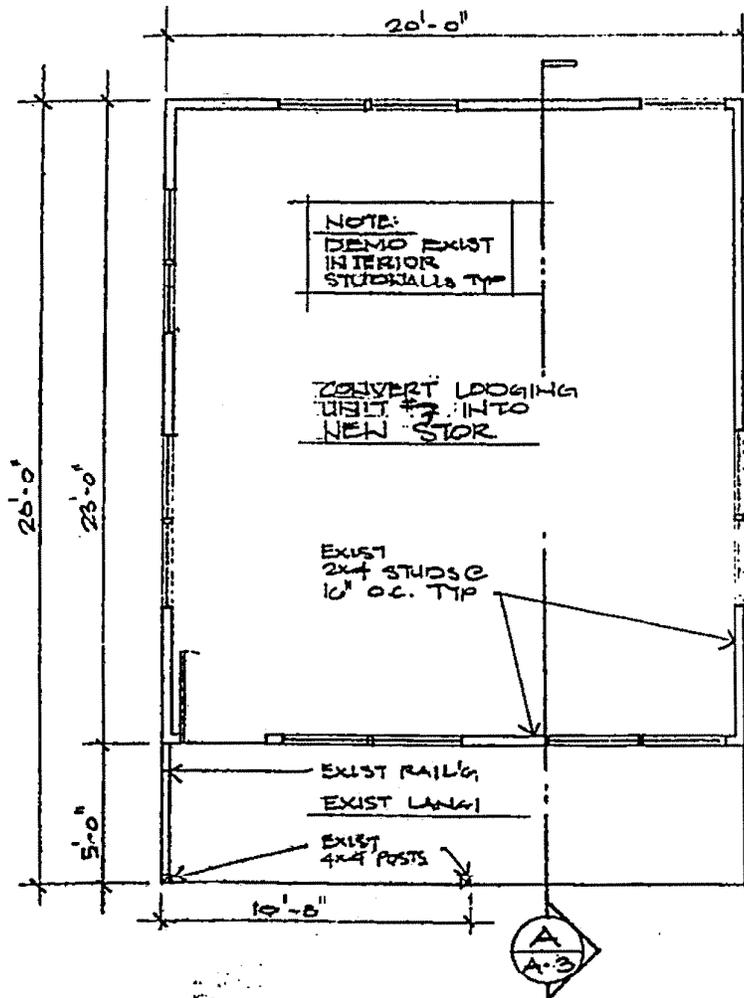
REAR ELEVATION #1  
SCALE: 1/8" = 1'-0"



LEFT ELEVATION #1  
SCALE: 1/8" = 1'-0"




 CROSS SECTION #1  
 SCALE 1/4" = 1'-0"



FLOOR PLAN (STOR.) #7

EXIST ASPHALT SHINGLE ROOFING ON SUEYENS 30' FEET ON 1/2" RADIUS BY CLIPS ON 2x6 RAFTERS @ 12" O.C.

EXIST VENTED RAFTERS

EXIST 2x6 FASCIA

EXIST 4" THK CONG SLAB REINF

EXIST-GRADE

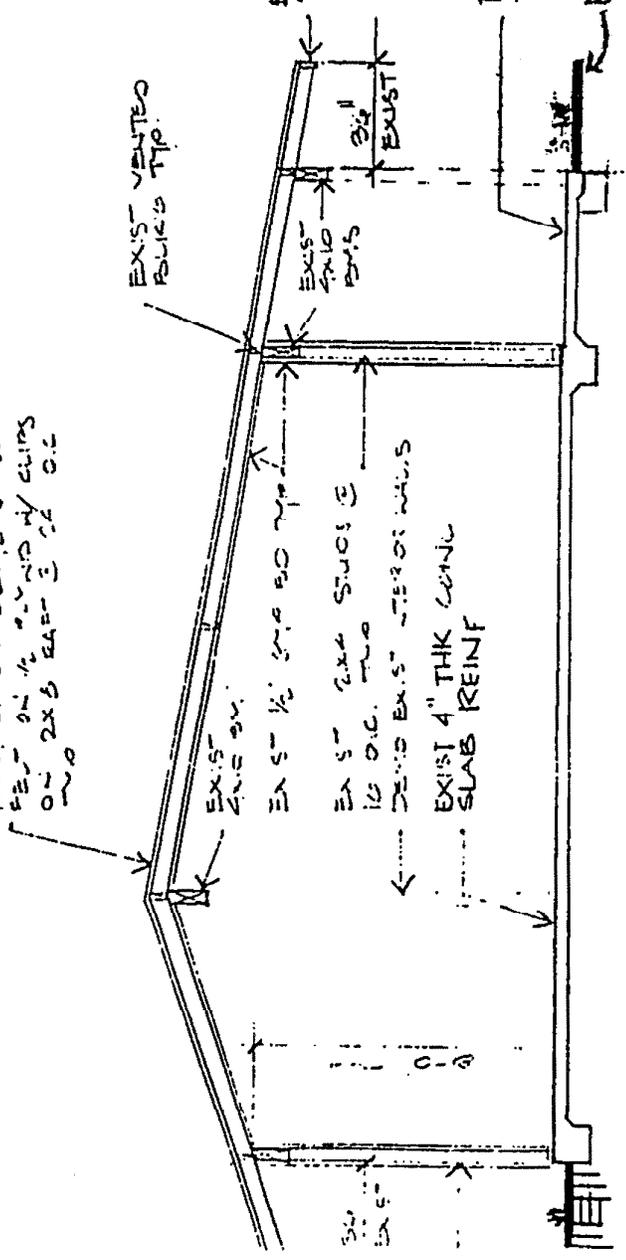
EXIST 2x6 BR.

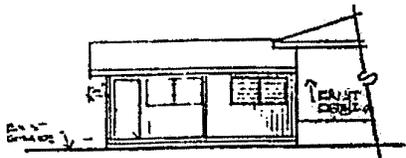
EX 5" 1/2" DIA 90 DEG

EX 5" 2x6 STUDS @ 16" O.C. TO

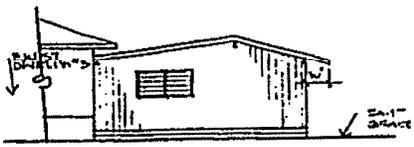
DEAD EXIST. TIE ROD WALLS

EXIST 4" THK CONG SLAB REINF

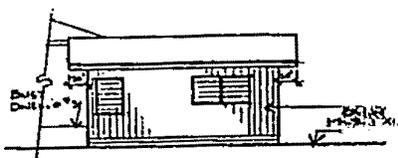




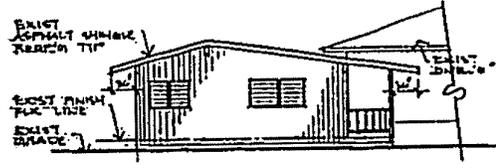
FRONT ELEVATION (1700)  
SCALE: 1/8" = 1'-0"



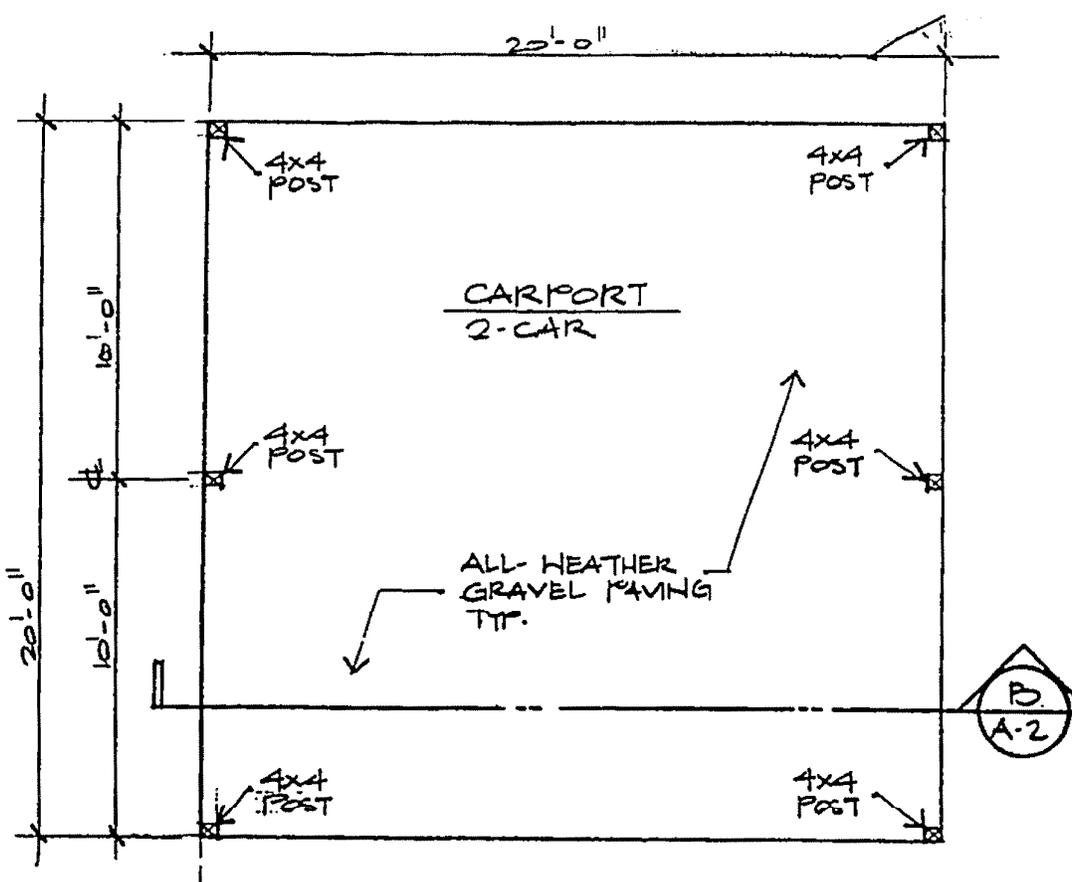
RIGHT ELEVATION (1700)  
SCALE: 1/8" = 1'-0"



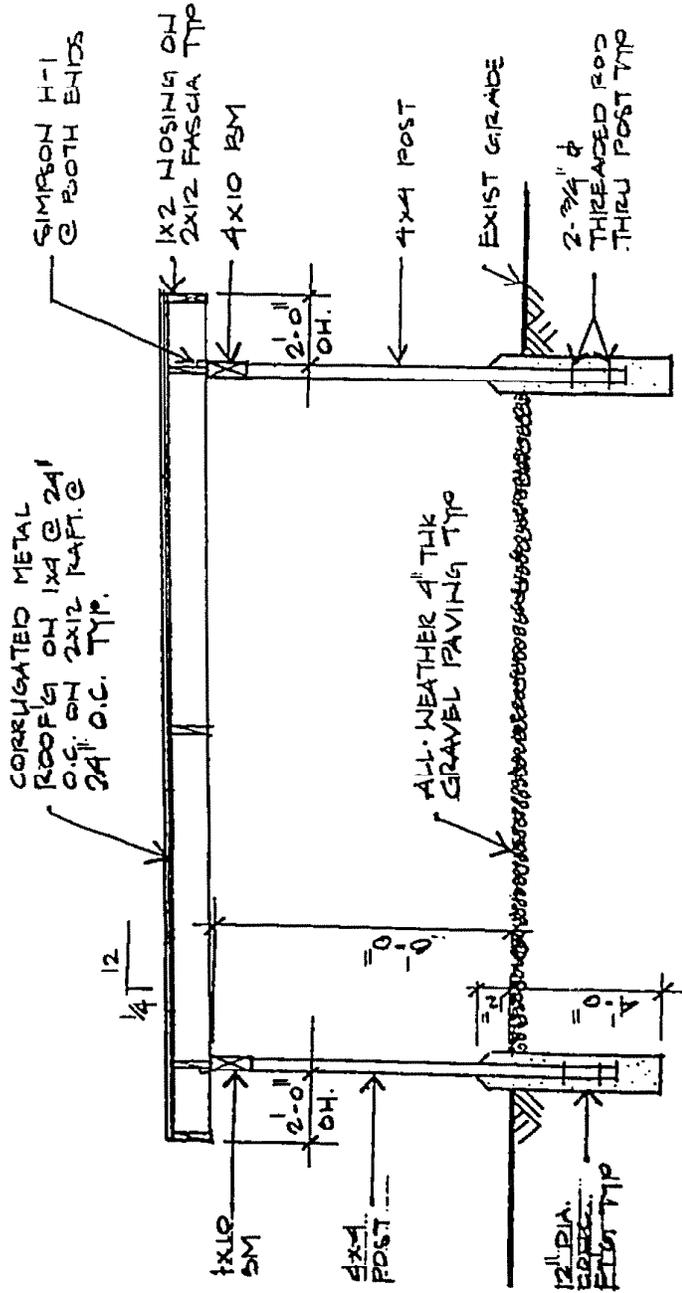
REAR ELEVATION (1700)  
SCALE: 1/8" = 1'-0"



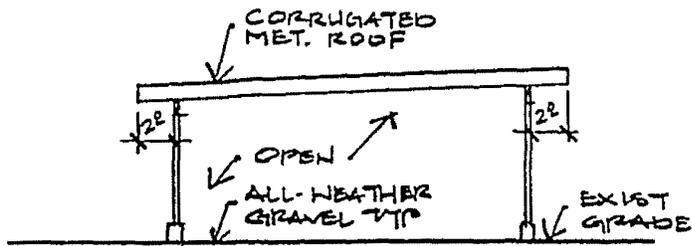
LEFT ELEVATION (1700)  
SCALE: 1/8" = 1'-0"



FLOOR PLAN (CARPORT)  
 SCALE = 1/4" = 1'-0"  
 NEW CARPORT FOR 5 & 6

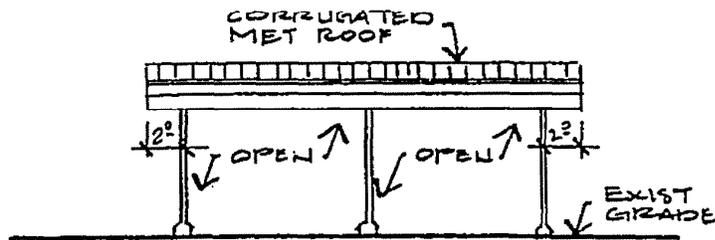


B SECTION (GARAGE)  
 SCALE: 1/4" = 1'-0"



FRONT ELEVATION

SCALE = 1/8" = 1'-0" (CARPORT)



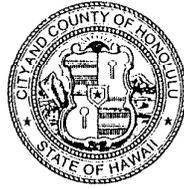
LEFT & RIGHT (SIM) ELEV.

SCALE = 1/8" = 1'-0" (CARPORT)

END OF EXHIBIT "B"

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



JEREMY HARRIS  
MAYOR

**EXHIBIT "J"**

ERIC C. CRISPIN, AIA  
DIRECTOR

BARBARA KIM STANTON  
DEPUTY DIRECTOR

2003/ELOG-962(LT)

July 15, 2003

Mr. Jeffrey S. Grad  
Attorney at Law  
A Law Corporation  
Davies Pacific Center, Suite 1800  
841 Bishop Street  
Honolulu, Hawaii 96813

Dear Mr. Grad:

Subject: Condominium Conversion Project  
41-1694 Kalaniana'ole Highway  
Tax Map Key: 4-1-8: 15

This is in response to your letter dated March 13, 2003 requesting verification that the structures on the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that the one-story single-family detached dwelling located at 1698 Kalaniana'ole Highway, with two off-street parking spaces, met all applicable code requirements when it was relocated with building permit #207727 in 1963 on this 17,766-square foot R-7.5 Residential District zoned lot.

Investigation also revealed the following:

- 1) The one-story single-family detached dwelling located at 1694 Kalaniana'ole Highway is under construction with building permits #542967 and #548244. These building permits are currently active.
- 2) There are no building permits for the two one-story single-family detached dwellings located at 1694A and 1698A Kalaniana'ole Highway and the storage shed. However, building permits #550577, #550578 and #550579 have been issued to demolish the two dwellings and storage shed. These building permits are currently active.

Mr. Jeffrey S. Grad  
July 15, 2003  
Page 2

- 3) 96/VAR-10 was approved with conditions on July 3, 1996 to allow four (4) single-family dwellings on a 35,414-square foot Country zoning lot, which exceeds the maximum density and increases nonconformity.
- 4) Building permit #539416 for electrical work is currently active.

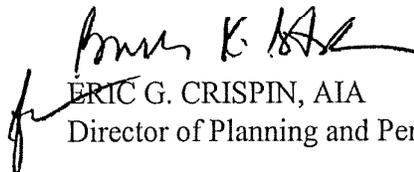
No other variances or special permits were granted to allow deviation from any applicable codes.

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.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of our Commercial and Multi-family Code Enforcement Branch at 527-6341.

Sincerely yours,

  
ERIC G. CRISPIN, AIA  
Director of Planning and Permitting

EGC:ft  
Doc 233860