

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Isaac Lum, as Trustee and as Successor Trustee
Address 1511 Nuuanu Avenue #324
Honolulu, Hawaii 96817
Project Name(\*): "2825 PARK STREET"
Address: 2825 Park Street, Honolulu, Hawaii 96817
Registration No. 5740 Effective date: August 10, 2005
Expiration date: September 10, 2006

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)
FINAL (white)
SUPPLEMENTARY (pink)
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.
The developer has legally created a condominium and has filed complete information with the Commission.
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 586-2643 to submit your request.
FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required and attached to this report.       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 NOTICE**

There are County restrictions on the number of residential dwelling units, or other structures, which may be build upon the property. Therefore, unless the purchaser is purchasing an existing residential dwelling, there is no assurance that the purchaser will be able to build a residential dwelling unit on the property. There is also no assurance that the purchaser will be able to convert an existing non-residential structure to a residential use. The purchase should consult with the appropriate County agencies to determine whether the purchaser may build a residential dwelling unit, or any other type of structure, upon the property.

This is a condominium project, not a subdivision, and the project does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated a limited common element and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

Facilities and improvements normally associated with County approved subdivisions may not necessarily be provided for and services such as County street maintenance and trash collection may not be available for interior roads.

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

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

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## **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 a 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:

Isaac Lum, as Trustee and Successor Trustee \_\_\_\_\_ Phone: (808) 942-4472  
Name\* (Business)

1511 Nuuanu Avenue #324 \_\_\_\_\_  
Business Address  
Honolulu, Hawaii 96817 \_\_\_\_\_

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\*:

Abe Lee Realty, LLC \_\_\_\_\_ Phone: (808) 942-4472  
Name (Business)

1585 Kapiolani Blvd., Suite 1533 \_\_\_\_\_  
Business Address  
Honolulu, Hawaii 96814 \_\_\_\_\_

Escrow:

Integrity Escrow & Title Company, Inc. \_\_\_\_\_ Phone: (808) 536-3600  
Name (Business)

333 Queen Street, Suite A \_\_\_\_\_  
Business Address  
Honolulu, Hawaii 96813 \_\_\_\_\_

General Contractor\*:

N/A \_\_\_\_\_ Phone: \_\_\_\_\_  
Name (Business)

Business Address \_\_\_\_\_  
\_\_\_\_\_

Condominium Managing Agent\*:

Self-Managed by Association of Apartment Owners \_\_\_\_\_ Phone: \_\_\_\_\_  
Name (Business)

Business Address \_\_\_\_\_  
\_\_\_\_\_

Attorney for Developer:

Jennifer A. Aquino \_\_\_\_\_ Phone: (808) 526-9400  
Name (Business)

1188 Bishop Street, Suite 3009 \_\_\_\_\_  
Business Address  
Honolulu, Hawaii 96813 \_\_\_\_\_

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

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

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

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

The Declaration for this condominium is:

Proposed  
 Recorded - Bureau of Conveyances      Document No. 2005-033473  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court      Document No. \_\_\_\_\_

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: i) First Amendment to Declaration of Condominium Property Regime of 2825 Park Street dated March 8, 2005, recorded March 11, 2005 as Document No. 2005-049351. ii) Second Amendment to Declaration of Condominium Property Regime of 2825 Park Street and First Amendment to Condominium Map No. 3948 and by-Laws of the Association of Apartment Owners of 2825 Park Street dated June 9, 2005, recorded June 13, 2005, as Document No. 2005-116189.

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

The Condominium Map for this condominium project is:

Proposed  
 Recorded - Bureau of Conveyances Condo Map No. 3948  
 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]: Second Amendment to Declaration of Condominium Property Regime of 2825 Park Street and First Amendment to Condominium Map No. 3948 and by-Laws of the Association of Apartment Owners of 2825 Park Street dated June 9, 2005, recorded June 13, 2005, as Document No. 2005-116189.

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

The Bylaws for this condominium are:

Proposed  
 Recorded - Bureau of Conveyances      Document No. 2005-033474  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court      Document No. \_\_\_\_\_

The Bylaws referred to above have been amended by the following instrument [state name of document, date and recording/filing information]: Second Amendment to Declaration of Condominium Property Regime of 2825 Park Street and First Amendment to Condominium Map No. 3948 and by-Laws of the Association of Apartment Owners of 2825 Park Street dated June 9, 2005, recorded June 13, 2005, as Document No. 2005-116189.

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 Exhibit "A".

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

Lease Term Expires: \_\_\_\_\_ Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:     Monthly                                     Quarterly  
                                   Semi-Annually                                     Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per:  Month  Year

[ ] Other:

**IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS**

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

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

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

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

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

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

**B. Underlying Land:**

Address: 2825 Park Street Tax Map Key (TMK) : (1)2-2-035-035  
Honolulu, Hawaii 96817

[ ] Address [ X ] TMK is expected to change because Individual CPR numbers will be assigned to  
each unit.

Land Area: 19,484\* [ X ] square feet [ ] acre(s) Zoning: R-10

\*NOTE: The Developer has reserved the right, but not the obligation, to acquire the interest in a portion of the parcel of land designated as Lot H, being a portion of TMK (1) 2-2-35-44, located between the subject property and Park Street, as shown on the Condominium Map. In the event the Developer acquires the interest in Lot H, the Developer has reserved the right to merge Lot H with the common elements of the Project, pursuant to Section T of the Declaration. See page 20 and Exhibit "A" for further information.

Fee Owner:

Isaac Lum, as Trustee and Successor Trustee  
Name  
1511 Nuuanu Avenue #324  
Address  
Honolulu, Hawaii 96817

Lessor: n/a  
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: Two Floors Per Building: One Floor

Exhibit "B" contains further explanations.

3. Principal Construction Material:

Concrete                     Hollow Tile                     Wood

Other \_\_\_\_\_

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Uses Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	_____	<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"/> Timeshare	_____	<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: \_\_\_\_\_

There are no special restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None                      Stairways: None                      Trash Chutes: None

<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(shed)</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>49</u>	<u>Shed</u>
<u>Unit 2 (shed)</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>9.6</u>	<u>Shed</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Apartments: 2

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

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

Boundaries of Each Apartment:

See Exhibit "B"

Permitted Alterations to Apartments:

See Exhibit "C"

Apartments Designated for Owner-Occupants Only: N/A

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 not elected to provide the information in a published announcement or advertisement.

The project consists of only two units.

7. Parking Stalls:

Total Parking Stalls: 4\*

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

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

\* No specific parking stalls have been assigned for the units, however, each unit is allowed to park within the limited common element area appurtenant to that unit. There is sufficient area for the parking of at least two vehicles on the limited common element area appurtenant to each unit.

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: Common Element driveway containing an area of 1,503 square feet

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)

See Exhibit "K" - Letters from Department of Planning and Permitting

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):

N/A

11. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.\*

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

Zoning Variance No. 2004/VAR-51 was approved by the Department of Planning and Permitting, City and County of Honolulu, on April 11, 2005, allowing two single-family dwellings to be built on a lot that lacks twice the minimum lot area. See Exhibit "L".

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 does not now conform to present zoning requirements.

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

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

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

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 "E".

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 "F" \*.

as follows:

\* Note: Land areas referenced herein are not 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:

Each Unit has an undivided fifty percent (50%) interest in the common elements.

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 "G" describes the encumbrances against the title contained in the title report dated June 10, 2005 and issued by Integrity Escrow & Title Company, 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.

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>
---------------------	--

F. Construction Warranties:

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

1. Building and Other Improvements:  
None. Units sold in "as is" condition.

2. Appliances:  
None. Units sold in "as is" condition.

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

Unit 1 is a shed and was constructed in 2005. Unit 2 is a shed constructed in 2004.

H. **Project Phases:**

The developer [ X ] has [ ] 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):

See Exhibit "A" for further information.

**IV. CONDOMINIUM MANAGEMENT**

A. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

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

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

- not affiliated with the Developer.
- self-managed by the Association of Apartment Owners
- the Developer or the Developer's affiliate.
- Other: \_\_\_\_\_

B. **Estimate of Initial Maintenance Fees:**

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

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

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

C. **Utility Charges for Apartments:**

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

- None\*       Electricity ( \_\_\_ Common Elements only    \_\_\_ Common Elements & Apartments)
- Gas            ( \_\_\_ Common Elements only            \_\_\_ Common Elements & Apartments)
- Water         Sewer             Television Cable
- Other        \_\_\_\_\_

\* The Unit are sheds. Both Units are not currently serviced by utilities. When utility services are installed for the Units, the owner of that Unit will be required to install, at such owner's sole cost and expense, utility services with individual meters separate from the other Unit.

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 “ I ” contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated March 1, 2005  
Exhibit “ J ” 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 sale 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 or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov)

Website to access unofficial copy of laws: [www.hawaii.gov/dcca/hrs](http://www.hawaii.gov/dcca/hrs)

Website to access rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

This Public Report is a part of Registration No. 5740 filed with the Real Estate Commission on June 17, 2005.

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**

**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.

**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."

**Disclosures Regarding Access to the Property from Park Street.**

Driveway access to the property and the Common Element driveway from Park Street is over a portion of Lot H, as shown on the Condominium Map. To the best of Developer's knowledge, access over this portion of Lot H has always been granted. No agreement exists with the owner of Lot H for access over Lot H to the subject property. Foreclosure proceedings have been initiated by the City and County of Honolulu for failure to pay real property taxes for Lot H and an auction was held on May 11, 2005 to sell Lot H. The Developer and the owner of the adjacent property located at 2817 Park Street were the successful bidders of Lot H from the City and County of Honolulu. Upon acquisition, Lot H will be subdivided between the Developer and the owner of 2817 Park Street. Pursuant to Section T in the Declaration, the Developer has reserved the right, but not the obligation, to purchase that portion of Lot H between the property and Park Street and to merge it with the common elements of the project.



## **DEVELOPER'S RESERVED RIGHTS**

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

Developer may amend the Declaration, the By-Laws, and/or the Condominium Map to effect any changes or amendments required by law, any title insurance company, or any institutional mortgagee, or as may be required by any governmental agency, provided, however, that no amendment made by the Developer as provided for in Section O of the Declaration, that would change the common interest of a Unit, or materially change the design or size of a Unit, or the limited common elements appurtenant thereto, shall be made by the Developer without the consent of all persons having an interest in such Unit.

At anytime prior to the first recording in the Bureau of Conveyances, State of Hawaii, of a conveyance or transfer of a Unit in the Project to any person other than the Developer, the Developer may amend the Declaration, and any of the Exhibits hereto, the By-Laws, and/or the Condominium Map in any manner, without the consent of any purchaser or any other party.

The owner of a Unit in the Project, including the Developer if an owner of a Unit, shall have the right, with the consent of any mortgagee affecting said Unit, to remove, redesign, improve, renovate, make additions to, enlarge, replace with a new Unit, or restore his or her Unit on the limited common elements appurtenant to such Unit at such Unit owner's sole option at any time and from time to time, without the consent of the Association, the other Unit owners, any lien holder thereof, or anyone with an interest in the Project, and pursuant to plans and conditions set forth in Section S of the Declaration.

The Developer has reserved the right at any time prior to the closing of the last sale of a unit in the Project owned by the Developer to: (i) to grant easements over, across, and under the common elements, including, without limitation, easements for utilities, sanitary and storm sewers, cable television, walkways, roadways and rights-of-way, and (ii) to relocate or realign any existing easements and rights-of-way over, across, and under the common elements, including, without limitation, any existing utilities, sanitary and sewer lines, and cable television lines, and connect the same, over, across, and under the common elements, provided that such easements, relocations, and connections of lines shall not materially impair or interfere with the use of any Unit, as set forth in Section T of the Declaration.

Section T of the Declaration, further provides that at any time prior to December 31, 2024, the Developer reserves the right, but not the obligation, to acquire the interest in that certain portion of the parcel of land designated as Lot H, being a portion of Tax Map Key (1) 2-2-035,044, located between the property upon which the Project is located and Park Street, and as shown on the Condominium Map, and to consolidate or merge Lot H, or any portion thereof, with the common elements of the Project.

**Exhibit "A"**

## **BOUNDARIES OF APARTMENTS**

Two (2) separate and distinct freehold estates bounded by and including the decorated or finished surfaces of the exterior of the perimeter walls, by the exterior surfaces of the respective roofs thereof, and inclusive of the floor and ceiling of each of the dwellings in the Project.

(a) Unit 1 contains one (1) story, without a basement, and is a shed containing a net living area of approximately 49 square feet. Unit 1 is constructed primarily of wood.

(b) Unit 2 contains one (1) story, without a basement, and is a shed containing a net living area of approximately 9.6 square feet. Unit 2 is constructed primarily of wood.

Each Unit shall also include all pipes, wires, conduits, and other utility and service lines contained wholly within such Unit and which are utilized exclusively by and serve only such Unit.

## PERMITTED ALTERATIONS TO APARTMENTS

No work shall be done to the Units, the limited common elements appurtenant thereto, or any other part of the Project, by any owner of a Unit or any other person, which could jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement or hereditament, detract from the appearance of the Project, interfere with or deprive any nonconsenting owner of the use or enjoyment of any part of the Project, or directly affect any nonconsenting owner in any unreasonable manner, all as determined by the Board, without in every such case first obtaining the consent of the owners of the other Unit, which consent shall not be unreasonably withheld. Except as otherwise provided by law, all other additions to or alterations of any Unit or its appurtenant limited common elements by the owner of such Unit shall be permitted without restriction, provided that the owner or other person making such additions or alterations shall comply strictly with all applicable laws, ordinances, and regulations of any governmental entity, and shall also obtain all necessary permits, at such owner or person's sole expense.

In addition to the foregoing limitations, no owner shall also be allowed, without the express written consent of the other owners, to construct any addition or alteration which would cause his or her Unit to exceed the proportionate share of the maximum allowable floor area for the lot. Said proportionate share shall be equal to the maximum floor area for the lot multiplied by the percentage of common interest in the Project appurtenant to such Unit.

The owner of a Unit in the Project, including the Developer if an owner of a Unit, shall have the right, with the consent of any mortgagee affecting said Unit, to remove, redesign, improve, renovate, make additions to, enlarge, replace with a new Unit, or restore his or her Unit on the limited common elements appurtenant to such Unit at such Unit owner's sole option at any time and from time to time, without the consent of the Association, the other Unit owners, any lien holder thereof, or anyone with an interest in the Project, and pursuant to plans and conditions set forth in Section S of the Declaration, which include that such work shall be made in accordance with plans and specifications prepared by a duly licensed architect, shall be at the sole cost and expense of the apartment owner, shall be completed expeditiously and shall, upon completion, be described in an amendment to the Declaration which shall set forth at least the following: (a) a description of the new, redesigned or renovated Unit, stating the number of stories and basements, and the principal materials of construction of the new or altered Unit, (b) a statement of the approximate area, number of rooms, immediate common elements to which the Unit has access, designated parking stall(s), if considered a limited common element, and any other information necessary for its proper identification, (c) a set of floor plans and elevations of the new, redesigned or renovated Unit, showing the layout, location, and dimensions of the new, redesigned or renovated Unit, and bearing a statement of a registered architect or professional engineer certifying that the plans are as approved by the county officer having jurisdiction over the issuance of permits for the construction of buildings and "as built", and (d) any such other matters as may be necessary or as may be required by law to effectuate the construction of the new, redesigned or renovated Unit and/or the operation of the property as a condominium project.

September 9, 2004

TO: Real Estate Commission  
State of Hawaii

RE: 2825 Park Street, Honolulu, HI 96817  
TMK (1) 2-2-035-035

I have inspected the structure at the 2825 Park Street Condominium Project. Without making any invasive examination of covered components, my observations during this inspection are:

1. The building appears to be in good structural, mechanical, and electrical condition commensurate with their age.

Very truly,



Ed Resh

Registered Professional Architect No. 3239

EXHIBIT "D"

## COMMON ELEMENTS

The common elements shall consist of all portions of the Project except the Units and shall specifically include, but not be limited to:

- (a) The Land in fee simple.
- (b) That certain Common Element driveway consisting of approximately 1,540 square feet, more or less, as shown on said Condominium Map, providing access to the Units from Park Street.
- (c) All pipes, wires, conduits, and other utility and service lines which are utilized for or serve both Units.
- (d) Any and all other apparatus and installations of common use, and all other parts of the Project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

## LIMITED COMMON ELEMENTS

Certain parts of the common elements are hereby set aside and reserved for the exclusive use of the Units and shall constitute limited common elements appurtenant thereto. Each Unit shall have an exclusive easement for the use of the limited common elements appurtenant thereto, except as otherwise provided in the Declaration. The cost of maintenance, repair, upkeep, and replacement of each limited common element shall be assessed to the owner of the Unit to which such limited common element is appurtenant. The limited common elements shall be appurtenant to each of the Units as follows:

(a) That certain 8,330 square feet, more or less, of the real property of the Project which includes the real property upon which Unit 1 is situated, as shown on said Condominium Map, shall constitute a limited common element appurtenant to and for the exclusive use of Unit 1.

(b) That certain 9,614 square feet, more or less, of real property of the Project which includes the real property upon which Unit 2 is situated, as shown on said Condominium Map, shall constitute a limited common element appurtenant to and for the exclusive use of Unit 2.

(c) Each Unit will have appurtenant thereto one (1) mailbox for the exclusive use of such Unit.

(d) All pipes, wires, conduits, and other utility and service lines not contained within a Unit but used by and servicing only one Unit shall be a limited common element appurtenant to and for the exclusive use of the Unit using and serviced exclusively by such pipes, wires, conduits, and other utility and service lines.

## ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes City and County of Honolulu
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Encroachment(s) as shown on the survey map prepared by James R. Thompson, Registered Professional Land Surveyor, with Walter P. Thompson, Inc. Surveying and Mapping, dated July 11, 1996.
4. Condominium Map No. 3948, recorded in the Bureau of Conveyances, State of Hawaii.
5. Terms and provisions, including the failure to comply with conditions, covenants, restrictions or reservations, set forth in that certain Declaration of Condominium Property Regime of 2825 PARK STREET, dated January 12, 2005, and recorded as Document No. 2005-033473.

The said Declaration was amended by First Amendment dated March 8, 2005, recorded as Document No. 2005-049351.

The said Declaration was amended by Second Amendment dated June 9, 2005, recorded as Document No. 2005-116189.

6. BY-LAWS dated January 12, 2005, recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 2005-033474.

EXHIBIT "G"

**EXHIBIT H**

**ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
	0.00 *

\* NOTE: No maintenance fees are currently proposed for repair and/or replacement of the common element Driveway.

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

**Estimate of Maintenance Fee Disbursements:**

Monthly Fee x 12 months = Yearly Total

Utilities and Services

- Air Conditioning
- Electricity
  - common elements only
  - common elements and apartments
- Elevator
- Gas
  - common elements only
  - common elements and apartments
- Refuse Collection
- Telephone
- Water and Sewer

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance

Reserves(\*)

Taxes and Government Assessments

Audit Fees

Other

**TOTAL**

**\$ 0.00**

I, ISAAC LUM, as Trustee and Successor Trustee, as Developer, for the "2825 Park Street" condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Isaac Lum  
Signature

3/7/05  
Date

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

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

**EXHIBIT "H", CONTINUED**

**DEVELOPER'S EXPLANATION FOR "RESERVES"**

The Developer has not conducted a reserve study in accordance with Section 514A-83.6, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 5, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

**End of Exhibit "H"**

## SUMMARY OF SALES CONTRACT

The specimen Sales Contract (Deposit, Receipt, Offer and Acceptance and Addendum) contains, among other things, the following provisions:

1. Risk of Loss and Insurance. Risk of loss passes to Buyer upon closing or possession, whichever occurs sooner.
2. Time is of the Essence/Default. Time is of the essence of the obligations of Buyer under this Agreement. In the event Buyer fails to perform Buyer's obligations under the Sales Contract, Seller may (a) bring an action for damages for breach of contract, or (b) retain the initial deposit and all additional deposits provided by Buyer as liquidated damages, and the Buyer shall be responsible for any costs incurred in accordance with the Sales Contract.
3. Conversion of Existing Building; No Warranties. Buyer is aware, agrees and affirms that the Project consists of a conversion of existing dwellings. Unit 1 and Unit 2 are sheds constructed in 2005 and 2004, respectively, and, at the time of their construction, are exempt from the requirements of a building permit, pursuant to Section 18.3-1(b) of the Revised Ordinances of the City and County of Honolulu. It is expressly understood and agreed by and between Seller and Buyer that SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE UNIT(S), OR CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED IN THE UNIT OR IN THE PROJECT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE UNIT FOR A PARTICULAR PURPOSE.
4. Existing "As Is" Condition. Buyer agrees the Unit is being purchased in its "AS IS" condition, without any warranties or representations, expressed or implied. Buyer acknowledges that Buyer will be given an opportunity to inspect the Unit and by closing on the sale of the Unit, Buyer accepts the Unit in its "AS IS" condition as provided for herein.
5. Mediation And Arbitration. If any dispute or claim in law or equity arises out of this Agreement, and Buyer and Seller are unable to resolve the dispute themselves, Buyer and Seller agree in good faith to attempt to settle such dispute or claim by mediation under the Commercial Mediation rules of the American Arbitration Association. If such mediation is not successful in resolving such dispute or claim, then such dispute or claim shall be decided by a neutral binding arbitration before a single arbitrator in accordance with the Commercial Arbitration rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator may award reasonable attorney's fees and costs to the prevailing party.
6. Installation of Separate Utilities. Buyer is aware that the Unit does not currently have utility services. The owner of the Unit will be required to install separate utility services, including individual meters, at his or her own expense.

## SUMMARY OF ESCROW AGREEMENT

An escrow agreement (hereinafter called the "Escrow Agreement") detailing the manner in which purchasers' funds are to be handled, has been executed and a copy thereof has been filed with the Commission. The Escrow Agent is INTEGRITY ESCROW & TITLE COMPANY, INC. (hereinafter referred to as "Escrow"). The escrow agreement, among other things, contains the following provisions:

1. Delivery of Sales Contracts. As and when Seller shall enter into a contract for the sale of an Apartment (each "Sales Contract"), Seller shall deliver a fully-executed copy of such Sales Contract to Escrow. Each Sales Contract shall contain the correct names and addresses of the Purchaser(s) of such Apartment, shall require that all payments to be made thereunder shall be made to Escrow, and shall be accompanied by the initial deposit required thereunder.
  
2. Return of Purchaser's Funds and Documents. Unless otherwise provided in the agreement, a purchaser shall be entitled to a return of such purchaser's funds and Escrow shall pay such funds to such purchaser, together with any interest which may have accrued to the credit of such purchaser, if any one of the following has occurred:
  - i. Seller and purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held by Escrow; or
  - ii. Seller shall have notified Escrow of Seller'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 Seller; or
  - iii. The purchaser shall have notified Escrow of purchaser's exercise of purchaser's right to cancel the sales contract pursuant to Section 514A-62, HRS; or
  - iv. The purchaser shall have notified Escrow of purchaser's exercise of purchaser's right to rescind the sales contract pursuant to Section 514A-63, HRS.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (i) or (ii), above or upon receipt of written request for a refund from the purchaser upon the occurrence of an event described in (iii) or (iv), above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to purchaser (less a cancellation fee commensurate with the work done by Escrow prior to such cancellation, up to a maximum of \$250.00); provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Seller of written notice from Escrow of Escrow's intent to make such refund.

3. Purchaser's Default. If such Purchaser fails to make such payment to Escrow on or before the due date thereof or if such Purchaser fails to perform in any manner that is being handled by Escrow, Escrow shall promptly notify Seller of any such failure on the part of such purchaser. If Seller subsequently certifies in writing to Escrow that Seller has terminated the sales contract in accordance with the terms thereof and provides to Escrow copies of all such notices of termination sent to such purchaser, Escrow shall thereafter treat all funds of such purchaser paid on account of such purchaser's sales contract as funds of Seller, and not as funds of such purchaser. Thereafter, such funds shall be free of the escrow established by this Agreement

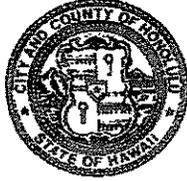
and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such sums to Seller, less any escrow cancellation fee. Escrow shall thereupon be released from any further duties or liability hereunder to Seller with respect to such funds and such Purchaser.

4. Interest on Escrow Funds. Unless otherwise provided in the Agreement, any interest earned on funds deposited to escrow under this Agreement shall accrue as specified in the sales contract. If the sales contract does not specify to whom interest is to accrue, any interest earned on funds deposited in escrow under this Agreement shall accrue as set forth in the Agreement. Escrow shall not be liable to either Seller or any purchaser for loss or diminution in funds invested in accordance with instructions given to Escrow. If the sales contract is entered into pursuant to a Final Public Report, any interest earned on funds deposited in escrow under the Agreement shall accrue to the credit of Seller; except that, if Escrow is requested to establish a separate account for a purchaser, Escrow shall do so, the purchaser shall furnish Escrow purchaser's social security or federal tax identification number, the purchaser shall pay Escrow a fee of Twenty-Five Dollars (\$25.00) for each such separate account and any interest earned on funds deposited in such account shall accrue to the credit of such purchaser.

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

650 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
PHONE: (808) 525-4414 • FAX: (808) 527-6743  
DEPT. WEB SITE: [www.honolulu.gov/dpp](http://www.honolulu.gov/dpp) • CITY WEB SITE: [www.honolulu.gov](http://www.honolulu.gov)

JEREMY HARRIS  
MAYOR



ERIC G. CRISPIN, AIA  
DIRECTOR

BARBARA KIM STANTON  
DEPUTY DIRECTOR

2004/ELOG-1806(RLK)

December 21, 2004

Mr. Adam Lee  
Abc Lee Realty  
4014 Palua Place  
Honolulu, Hawaii 96816

Dear Mr. Lee:

Subject: Condominium Conversion Project  
2825 Park Street  
Tax Map Key: 2-2-35:35

This is in response to your letter dated August 3, 2004 requesting verification that the structure on the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that a single-family detached dwelling and a four-car carport met all applicable code requirements when they were constructed in approximately 1900 and 1967, respectively, on this 19,484-square foot R-10 Residential District zoned lot.

Investigation also revealed on January 17, 2003 a demolition permit was obtained to demolish the dwelling unit. When the dwelling unit was removed, the carport became a violation because an accessory carport is not permitted without a principal dwelling use on this zoning lot.

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

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

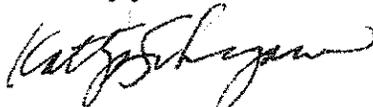
EXHIBIT "K"

Mr. Adam Lee  
Abe Lee Realty  
December 21, 2004  
Page 2

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 separate lots of record for subdivision and zoning purposes.

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,

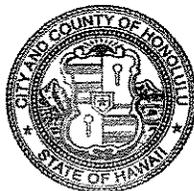


ERIC G. CRISPIN, AIA  
Director of Planning and Permitting

EGC:ft  
Dec 342873

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

650 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
TELEPHONE: (808) 523-4432 • FAX: (808) 527-6743  
DEPT. INTERNET: www.honoluludpp.org • INTERNET: www.honolulu.gov



MUFI HANNEMANN  
MAYOR

HENRY ENG, FAICP  
DIRECTOR

DAVID K. TANOUE  
DEPUTY DIRECTOR

(RLK)

May 18, 2005

Mr. Chris Barretto  
Project Coordinator  
Abe Lee Realty  
2835 Park Street  
Honolulu, Hawaii 96817

Dear Mr. Barretto:

Subject: Condominium Conversion Project  
2825 Park Street  
Tax Map Key: 2-2-35: 35

This is in reference to the deficiency mentioned in our letter #2004/ELOG-1806(RLK), dated December 21, 2004.

Building permit #578661 was issued on April 8, 2005 to demolish the accessory carport. An inspection on May 13, 2005 revealed that the deficiency has been corrected by the removal of the accessory carport.

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,

A handwritten signature in black ink, appearing to read "Henry Eng", is written over a horizontal line.

HENRY ENG, FAICP  
Director of Planning and Permitting

HE:ft

Doc 371188

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

320 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813  
PHONE: (808) 523-4432 • FAX: (808) 527-5743  
DEPT. WEB SITE: [www.honolulu.gov](http://www.honolulu.gov) • CITY WEB SITE: [www.honolulu.gov](http://www.honolulu.gov)

MUFI HANNEMANN  
MAYOR



HENRY ENG, FAICP  
DIRECTOR

DAVID K. TANQUE  
DEPUTY DIRECTOR

(JM)

April 11, 2005

Mr. Abe Lee  
Abe Lee Realty  
1585 Kapiolani Boulevard, Suite 814  
Honolulu, Hawaii 96814

Dear Mr. Lee:

Request : Zoning Variance No. 2004/VAR-51  
Applicant : Isaac Lum  
Owner : Isaac Lum Trust and Nancy N. H. Lum Trust  
Agent : Abe Lec Realty  
Location : 2825 Park Street - Nuuanu  
Tax Map Key: 2-2-35: 35

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

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

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

EXHIBIT "L"

Mr. Abe Lee  
Page 2  
April 11, 2005

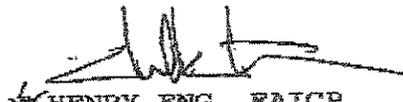
Any party (to the case) wishing to appeal the Director's action must submit a written petition to the Zoning Board of Appeals (ZBA) within 30 calendar days from the date of mailing or personal service of the Director's written decision. (Zoning Board of Appeals Rules Relating to Procedure for Appeals, Rule 22-2, Mandatory Appeal Filing Deadline). Essentially, the Zoning Board of Appeals rules require that a petitioner show that the Director based his action on an erroneous finding of a material fact, and/or that the Director acted in an arbitrary or capricious manner, or manifestly abused his discretion. Generally, the ZBA can only consider the evidence previously presented to the Director of Planning and Permitting. The filing fee for appeals to the ZBA is \$200 (payable to the City and County of Honolulu).

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

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

If you have any questions or need additional information concerning this variance, please contact James Morisato of our staff at 523-4861.

Sincerely yours,



HENRY ENG, FAICP  
Director of Planning and  
Permitting

HE:nt

Encl.

cc: Isaac Lum

Doc. No. 359170

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

STATE OF HAWAII

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

Blanca Sumita  
11 APRIL 2005  
DATE

IN THE MATTER OF THE APPLICATION )  
 )  
OF )  
 )  
ISAAC LUM )  
 )  
FOR A VARIANCE )  
 )

CASE NO 2004/VAR-51

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

I. APPLICATION

A. Basic Information:

Applicant : Isaac Lum  
Landowner : Isaac Lum Trust and Nancy N. H. Lum Trust  
Agent : Abe Lee Realty  
Location : 2825 Park Street - Nuuanu  
Tax Map Key: 2-2-35: 35  
Lot Area : 19,484 Square Feet  
Zoning : R-10 Residential District

The Department of Planning and Permitting (DPP) held a public hearing on February 17, 2005, to consider the application. The applicants and all other interested persons present were given an opportunity to be heard. The record of the hearings is on file with the Department.

B. Applicant's Proposal: To allow two (2) single-family dwellings on a lot that lacks twice the minimum lot area.

The lot equals 19,484 square feet. The minimum lot size requirement for 2 single-family dwellings in a R-10 Residential District is 20,000 square feet. However, each dwelling requires 10,000 square feet. Thus, the lot lacks 516 square feet, or 5 percent, of the additional 10,000 square feet required for the second single-family dwelling. See Exhibit A-1.

Mailed APR 12 2005  
Date

- C. Variance Required: Land Use Ordinance (LUO) Sections 21-3.70-1(b) [Table 21-3.2] and 21-3.30(a), relating to lot area regulations.
- D. Applicant's Justification: The applicant provided justification statements which are part of the file.

## II. FINDINGS OF FACT

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

- A. Description of Site: The 19,484-square foot, irregular-shaped lot, has an uneven topography. It slopes gradually downhill from north (mauka) to south (makai), increasing in steepness toward the rear of the lot. The parcel abuts the south side of Park Street, a substandard street (i.e., lacks curbs, gutters and sidewalks). At its widest point, the lot is approximately 115 feet in width. However, because a portion of a remnant lot (Tax Map Key 2-2-35: Parcel 44), at the northeast corner of the subject lot, separates it from Park Street, the actual street frontage is a little more than 44 feet. (See Exhibit A.)
- B. Land Use: Except for a 23 x 36-foot (828-square foot) carport structure, the site is undeveloped. The surrounding neighborhood is developed with single-family dwellings.
- C. Background: The DPP records show the site was originally developed with a large, two-story single-family dwelling and a detached carport. On January 17, 2003, the owner obtained a demolition permit (No. 544148) for the single-family dwelling.
- D. Public Hearing Testimony: The agent spoke in support of the request. He stated that the lot was only about 500 square feet short of the required minimum lot area. He said that the deficiency was relatively minor, compared to the 20,000 square feet required for 2 single-family detached dwellings.

In response to questioning by the DPP staff, the agent stated that the applicant is trying to acquire a portion of the remnant lot (Tax Map Key 2-2-35: Parcel 44) at the northeast corner of the site. If successful, the addition

would add about 500 square feet to the area of the site, thereby reducing or eliminating the lot area deficiency.

No other testimony was presented.

- E. The Director may grant a variance upon the ground of unnecessary hardship if the record shows that (1) the applicant would be deprived of the reasonable use of such land or building if the provisions of the zoning code were strictly applicable. The applicant would be denied reasonable use if not allowed a second dwelling unit on a lot that is slightly below twice the minimum lot area. The lot area deficiency is only 516 square feet, or 2.5 percent, of the 20,000-square foot total area required for two single-family dwellings. Of the 76 parcels in the vicinity of the site, only 6 parcels (including a State park, a meeting facility, an eleemosynary organization, and a residential cluster development) exceed 20,000 square feet in area. The remaining parcels are significantly smaller than the site and, as such, it is unlikely that other similar requests would be forthcoming.
- F. The Director may grant a variance upon the ground of unnecessary hardship if the record shows that (2) the request of the applicant is due to unique circumstances and not the general conditions of the neighborhood, so that the reasonableness of the neighborhood zoning is drawn into question. The lot is irregular in shape, but there are no adverse topographic features that would prevent conforming development. However, there are unique circumstances that support the request. As indicated above, the lot area deficiency is only 516 square feet short of the minimum of 20,000 square feet required for two single-family dwellings. That deficiency is minimal, so there should be little or no impact on privacy and open space of adjacent lots. Moreover, if the applicant successfully acquires a portion of the abutting remnant lot (Parcel 44), the additional lot area would reduce or may even eliminate the deficiency. The request does not conflict with the purpose and intent of the zoning code. The dwellings should meet all residential development standards, since the applicant implies that the site is suitable for two dwellings in all other respects.

- G. The Director may grant a variance upon the ground of unnecessary hardship if the record shows that (3) the request, if approved, will not alter the essential character of the neighborhood nor be contrary to the intent and purpose of the zoning ordinance. The proposal will not alter the essential character of the neighborhood. Single-family dwellings are a permitted principal use in the R-10 Residential District. Thus, the proposal will not introduce a new or incompatible use. The proposed "density" (i.e., 2 dwellings on a 19,484-square foot lot) approaches the R-10 District standard, and is similar to the majority of lots in the vicinity. In fact, there are at least 20 substandard lots on this tax plat alone. They range from 2,366 square feet to 9,945 square feet. The lot area deficiencies range from as much as 76 percent to as little as less than 1 percent. The proposed lot area deficiency is well within that range, and it should not prevent compliance with residential district development standards. The request is consistent with the established density of the neighborhood. Nevertheless, both dwellings should be required to meet the ordinary R-10 requirements to ensure that light, air, and open space of adjoining lots are not reduced.

### III. CONCLUSIONS OF LAW

- A. There is evidence that the applicant would be deprived of reasonable use of the land or building if required to comply fully with the provisions of the zoning code.
- B. The request of the applicant is due in part to unique circumstances and does not in all respects question the reasonableness of the neighborhood zoning.
- C. The request will not alter the essential character of the neighborhood, nor be contrary to the intent and purpose of the zoning ordinance.

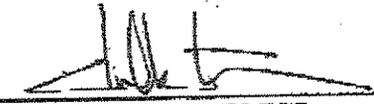
### IV. DECISION AND ORDER

Pursuant to the foregoing Findings of Fact and Conclusions of Law, the Director of Planning and Permitting hereby **APPROVES** the application for a variance to allow two single-family dwellings on an R-10 Residential District lot that lacks twice the minimum lot area, subject to the following conditions:

- A. Both single-family dwellings, and any accessory structures, shall meet all other zoning code regulations, including permitted maximum height, required yard and height setbacks, off-street parking, and building area.
- B. This variance may be revoked by the Director of Planning and Permitting when, due to a material change in circumstances, one or more of the three Charter-required conditions of hardship can no longer be made; or when there is a breach of the condition above stated; provided that, for good cause, the Director may amend the above condition.

Dated at Honolulu, Hawaii, this 11th day of April, 2005.

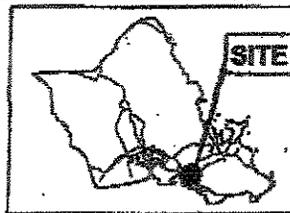
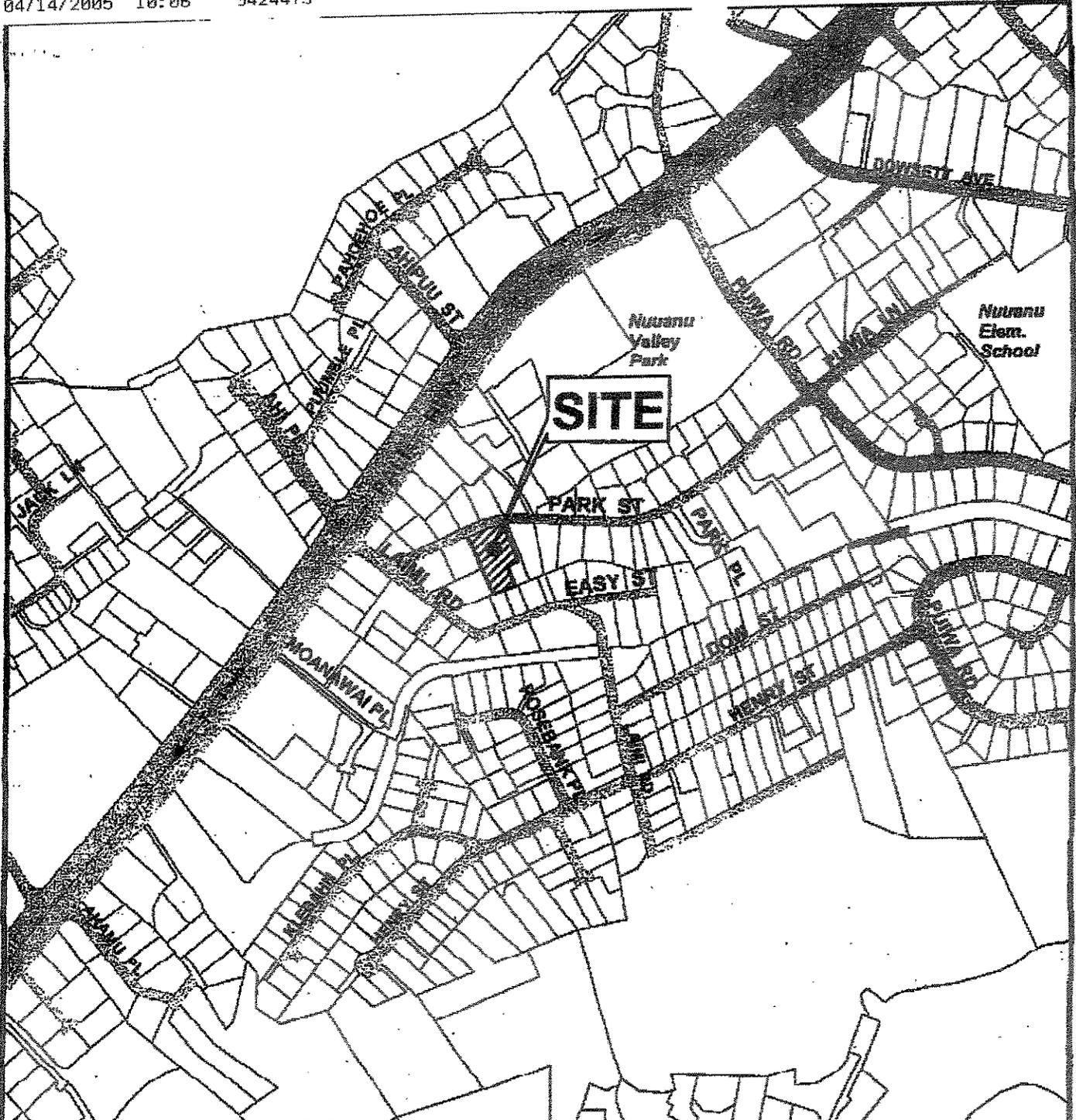
DEPARTMENT OF PLANNING  
AND PERMITTING  
CITY AND COUNTY OF HONOLULU  
STATE OF HAWAII

By   
✓ HENRY ENG, FAICP  
Director

HE:nt

Encl.

Doc. No. 352863

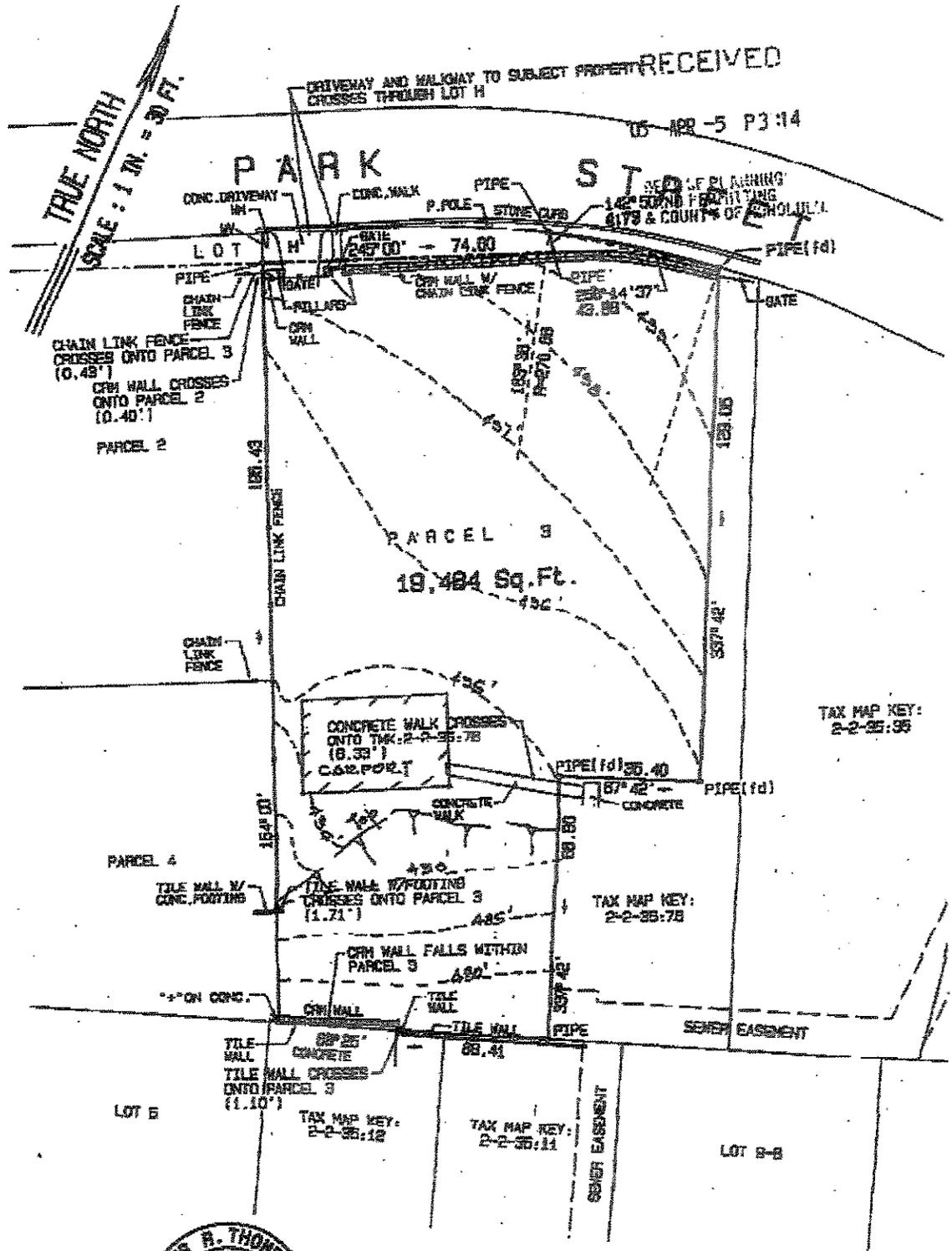


**LOCATION MAP**  
Nuuanu  
**EXHIBIT A**

TAX MAP KEY(S): 2-2-035: 035

FOLDER NO.: 2004/VAR-51





**MAP SHOWING  
PERIMETER IMPROVEMENTS AFFECTING  
PORTION PARCEL 3**

**NUUANU VALLEY PARK TRACT  
AT NUUANU, HONOLULU, OAHU, HAWAII**

SCALE: 1 IN. = 30 FT.

JULY 11, 1998 WALTER P. THOMPSON, INC.

THIS WORK WAS PREPARED BY  
ME OR UNDER MY SUPERVISION

*James B. Thompson*  
TAX MAP KEY: 2-2-35:35  
ERR20100.stp/1248.41/1mhc/1u111

**EXHIBIT A-1**