

**DEVELOPER'S PUBLIC REPORT  
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	MANOA LANE
Project Address	3585 Pinao Street, Honolulu, Hawaii 96822
Registration Number	7183 (Conversion)
Effective Date of Report	<b>December 23, 2011</b>
Developer(s)	3585 Pinao LLC

**Preparation of this Report**

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

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*This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.*

## SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

The Developer has disclosed the following:

1. This is a CONDOMINIUM PROJECT, not a subdivision. It does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated as a LIMITED COMMON ELEMENT and 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.

2. 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.

3. No warranties are given to the purchaser as to the construction, materials or workmanship of the Project or the Units. The Project is being sold in "as is, where is" condition, with all faults.

4. A prospective purchaser of a unit in the Project who wishes to improve or modify his or her residence or change its use, should be aware that he or she will be required to comply with the building codes, land use laws (LUO), other county laws and ordinances, and the Project Declaration. 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 the entire Project land area. The Project is subject to an Existing Use Permit (File No. 2008/EU-3) which allows the 11 single-family dwellings, with conditions. Before buying a unit in the Project, a prospective purchaser, together with an architect or professional builder is urged to review the Existing Use Permit (File No. 2008/EU-3), the Declaration of Restrictive Covenants dated March 19, 2010, the Project Declaration, the LUO and all other applicable County ordinances which may affect the Purchaser's use of his or her unit and to review their intended plans with the appropriate County officials. The Developer disclaims all warranties with respect to Purchaser's being able to use the unit for his or her intended purposes.

5. This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have 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. EACH BUYER IS ALSO ADVISED TO CONTACT THE APPROPRIATE GOVERNMENT AGENCIES TO DETERMINE WHERE THERE ARE SPECIFIC REQUIREMENTS FOR THIS PROPERTY. BUYERS ARE ALSO ADVISED TO CONSULT WITH THEIR OWN ATTORNEY AND OTHER APPROPRIATE PROFESSIONALS REGARDING THE PROJECT.

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## **General Information On Condominiums**

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. 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 and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

If you are a typical condominium unit owner, you will have two kinds of ownership: (1) ownership in your individual unit; and (2) a percentage interest in the common elements.

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

## **Operation of the Condominium Project**

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit 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 a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first 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 purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

**1. THE CONDOMINIUM PROJECT**

**1.1 The Underlying Land**

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	3585 Pinao Street, Honolulu, Hawaii 96822
Address of Project is expected to change because	Individual house addresses will be replaced with Project Address and units will be referred to by unit number.
Tax Map Key (TMK)	(1) 2-9-69-89 and (1) 2-9-69-111
Tax Map Key is expected to change because	A single TMK number may be issued for the project and individual CPR numbers will be issued for each unit.
Land Area	89,105 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

**1.2 Buildings and Other Improvements**

Number of Buildings	11
Floors Per Building	One
Number of New Building(s)	None
Number of Converted Building(s)	11
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood, shingle, glass.

**1.3 Unit Types and Sizes of Units**

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
See Exhibit <u>    A    </u>						

11	<b>Total Number of Units</b>
----	------------------------------

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

**1.4 Parking Stalls**

Total Parking Stall in the Project:	28
Number of Guest Stalls in the Project:	6
Number of Parking Stalls Assigned to Each Unit:	2 *See page 18a for further details.
Attach Exhibit _____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

**1.5 Boundaries of the Units**

Boundaries of the unit: Exhibit B
--------------------------------------

**1.6 Permitted Alterations to the Units**

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project): Exhibit C
--

**1.7 Common Interest**

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit'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 unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit D _____.
As follows:

**1.8 Recreational and Other Common Facilities (Check if applicable):**

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): Park

**1.9 Common Elements**

**Common Elements:** Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit E \_\_\_\_\_.

Described as follows:

Common Element	Number
Elevators	
Stairways	
Trash Chutes	

**1.10 Limited Common Elements**

**Limited Common Elements:** A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit F \_\_\_\_\_.

Described as follows:

**1.11 Special Use Restrictions**

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input checked="" type="checkbox"/>	Pets: See page 18.
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: Residential purposes and other uses as permitted by law
<input type="checkbox"/>	There are no special use restrictions.

**1.12 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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit G \_\_\_\_\_ describes the encumbrances against title contained in the title report described below.

Date of the title report: November 18, 2011

Company that issued the title report: Fidelity National Title and Escrow of Hawaii, Inc.

**1.13 Uses Permitted by Zoning and Zoning Compliance Matters**

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input checked="" type="checkbox"/>	Residential	11	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	R-7.5
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<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 type="checkbox"/>	Other (Specify):		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Describe any variances that have been granted to zoning code			Existing Use Permit 2008/EU-3, Minor Modification (See Exhibit N) & 2008/CUP-6.	

**1.14 Other Zoning Compliance Matters**

**Conforming/Non-Conforming Uses, Structures and Lots**

In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.

A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.

	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lot	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:

Existing Use Permit (2008/EU-3) has been received for the property and allows the units to be rebuilt in the event of destruction; provided, however that all work shall be made in accordance with, and shall conform with, the terms & conditions set forth in Existing Use Permit (2008/EU-3), as modified. A copy of Existing Use Permit (2008/EU-3) is attached hereto as Exhibit N and made a part hereof.

**1.15 Conversions**

<p><b>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</b></p>	<p><input checked="" type="checkbox"/> <b>Applicable</b></p> <p><input type="checkbox"/> <b>Not Applicable</b></p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units: The report dated July 1, 2011, prepared by Patrick Seguirant, Architect, a copy of which is attached as Exhibit H, describes the condition of the structural components and mechanical and electrical installations. The units were constructed prior to 1967 and have been subject to normal wear and tear.</p>	
<p>Developer's statement of the expected useful life of each item reported above: No representation is made as to the expected useful life of the structural components and/or the mechanical and electrical installations.</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations: None</p>	
<p>Estimated cost of curing any violations described above: n/a</p>	

<p><b>Verified Statement from a County Official</b></p>	
<p>Regarding any converted structures in the project, attached as Exhibit I ___ is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> <li>(i) Any variances or other permits that have been granted to achieve compliance;</li> <li>(ii) Whether the project contains any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and</li> <li>(iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance;</li> </ul> <p style="text-align: center;">or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>	
<p>Other disclosures and information:</p>	

**1.16 Project In Agricultural District**

<p><b>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii?</b>  <b>If answer is "Yes", provide information below.</b></p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation.</p>	
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.</p>	
<p>Other disclosures and information:</p>	

**1.17 Project with Assisted Living Facility**

<p><b>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS?</b>  <b>If answer is "Yes", complete information below.</b></p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.</p>	
<p>The nature and the scope of services to be provided.</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p>	
<p>The duration of the provision of the services.</p>	
<p>Other possible impacts on the project resulting from the provision of the services.</p>	
<p>Other disclosures and information.</p>	

## 2. PERSONS CONNECTED WITH THE PROJECT

<p><b>2.1 Developer(s)</b></p>	<p>Name: 3585 PINAO LLC, a Hawaii limited liability company</p> <p>Business Address: 1585 Kapiolani Blvd., #1533 Honolulu, HI 96814</p> <p>Business Phone Number : 664-8123</p> <p>E-mail Address:</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>Abraham Won Hwan Lee, Member</p>
<p><b>2.2 Real Estate Broker</b></p>	<p>Name: I Properties LLC, dba iProperties Hawaii</p> <p>Business Address: 1585 Kapiolani Blvd., #1533 Honolulu, HI 96814</p> <p>Business Phone Number: 791-1020</p> <p>E-mail Address:</p>
<p><b>2.3 Escrow Depository</b></p>	<p>Name: Fidelity National Title &amp; Escrow of Hawaii, Inc.</p> <p>Business Address: Attn: Yvonne Ahsing 201 Merchant St., #2100 Hon, HI 96813</p> <p>Business Phone Number: 536-0404</p>
<p><b>2.4 General Contractor</b></p>	<p>Name: Rons Construction Corp.</p> <p>Business Address: 2045 Kam IV Road Honolulu, HI</p> <p>Business Phone Number: 841-6151</p>
<p><b>2.5 Condominium Managing Agent</b></p>	<p>Name: CenPac Properties, Inc.</p> <p>Business Address: 1150 S. King St., #1101 Honolulu, HI 96813</p> <p>Business Phone Number: 593-2902</p>
<p><b>2.6 Attorney for Developer</b></p>	<p>Name: Jennifer A. Aquino AAL ALC</p> <p>Business Address: 1188 Bishop St., #3009 Honolulu, HI 95813</p> <p>Business Phone Number: 526-9400</p>

### 3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

#### 3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	November 29, 2011	A-43670825

#### Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	December 19, 2011	A-43710798

#### 3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	November 29, 2011	A-43670826

#### Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

#### 3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	
Bureau of Conveyances Map Number	5047
Dates of Recordation of Amendments to the Condominium Map: December 19, 2011	

**3.4 House Rules**

The Board of Directors may adopt rules and regulations (commonly called "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. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input checked="" type="checkbox"/>	November 14, 2011
Developer does not plan to adopt House Rules	<input type="checkbox"/>	

**3.5 Changes to the Condominium Documents**

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

**3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents**

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House Rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:  See Exhibit J.

## 4. CONDOMINIUM MANAGEMENT

### 4.1 Management of the Common Elements

<b>Management of the Common Elements:</b> The Association of Unit 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.	
The initial Condominium Managing Agent for this project is (check one):	
<input checked="" type="checkbox"/>	Not affiliated with the Developer
<input type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

### 4.2 Estimate of the Initial Maintenance Fees

<b>Estimate of the Initial Maintenance Fees:</b> The Association will make assessments against your unit 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 unit and the unit 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 K contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

### 4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV Cable
<input checked="" type="checkbox"/>	Other (specify) See Exhibit K for further information.

### 4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:	
<input checked="" type="checkbox"/>	Electricity for the Unit only
<input checked="" type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV Cable
<input checked="" type="checkbox"/>	Other (specify) Gas for Units 4 thru 11 only.

## 5. SALES DOCUMENTS

### 5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>L</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: November 14, 2011 Name of Escrow Company: Fidelity National Title and Escrow of Hawaii, Inc. Exhibit <u>M</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other:

### 5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

<input checked="" type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ____.
<input checked="" type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

### 5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	<u>There are blanket liens</u> that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage (See Exhibit G)	Purchaser's interest may be terminated and Purchaser may be entitled to a refund, less any escrow cancellation fees.

### 5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:

<p>Building and Other Improvements:</p> <p>None. The Units will be sold in "as is" condition. Warranties for the site improvements, if any, may be transferred from the developer.</p>
<p>Appliances:</p> <p>None. The Units will be sold in "as is" condition. No appliances are included in the unit. If any appliances are present in the unit, they will be sold "as is, where is".</p>

**5.5 Status of Construction, Date of Completion or Estimated Date of Completion**

<p>Status of Construction:                  Units were completed prior to 1967. Common element (driveway &amp; park) construction was completed on 10/28/11. Landscaping has been planted &amp; is pending establishment before grading permit can be closed.</p>
<p>Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract:                  n/a. Units are completed.</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:                  n/a. No repairs are being made to the units.</p>

**5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance**

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

**5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance**

<input type="checkbox"/>	<p>The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project.</p> <p><i>If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.</i></p>
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**5.6.2 Purchaser Deposits Will Be Disbursed Before Closing**

<p>Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):</p>	
<input type="checkbox"/>	<p>For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or</p>
<input type="checkbox"/>	<p>For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.</p>

In connection with the use of purchaser deposits (check Box A or Box B):

<p><b>Box A</b></p> <p><input type="checkbox"/></p>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><b><u>Important Notice Regarding Your Deposits:</u> Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</b></p>
<p><b>Box B</b></p> <p><input type="checkbox"/></p>	<p>The Developer has <u>not</u> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <b><u>Important Notice Regarding Your Deposits</u></b> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <b><u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u></b> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <b><u>Important Notice Regarding Your Deposits</u></b> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

**Material House Bond.** If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

## 5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1.	<b>Developer's Public Report</b>
2.	<b>Declaration of Condominium Property Regime (and any amendments)</b>
3.	<b>Bylaws of the Association of Unit Owners (and any amendments)</b>
4.	<b>Condominium Map (and any amendments)</b>
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: a) Existing Use Permit (File No. 2008/EU-3) & Minor Modification; b) Declaration of Restrictive Covenant dated March 19, 2010 (BOC Doc. No. 2010-058455); and c) Agreement for Issuance of Conditional Use Permit dated October 24, 2008 (BOC Doc No. 2008-178522).

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 514B, HRS) and the Administrative Rules (Chapter 107, HAR), 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 rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

## 5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

### 5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

- (1) The purchaser has signed the sales contract.
- (2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.
- (3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.
- (4) The purchaser does at least one of the following:
  - (a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

(b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or

(c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

#### **5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed**

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

#### **5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change**

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30<sup>th</sup> calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

## 6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

**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 units 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 units, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the unit inspected to determine the extent (if any) of such contamination and any necessary remedial action. The developer will not correct any defects in the units 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 BASED PAINT.** 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."

**DEVELOPER TO PAY ACTUAL COMMON EXPENSES.** Pursuant to Section 514B-41, HRS, disclosure is hereby made that the Developer shall initially assume the actual common expenses of the Project and that the unit owner shall not be obligated to pay his or her respective share of the common expenses until such time as the Developer sends the unit owners written notice that, after a specified date, the unit owners will be obligated to pay for the the portion of the common expenses that are allocated to their respective units. The Developer will mail the written notice to the owners, the Association and the Managing Agent at least thirty (30) days prior to the date the common expenses will be charged to the unit owners.

**PETS.** The Bylaws provide that dogs, cats, and other usual and customary animals may be kept in reasonable number per rules and regulations established by the Board. Article V of the House Rules restricts the number of pets to a total of two (2) pets per unit. Pets include dogs, cats or other usual and customary domestic or household pets or animals.

**DEVELOPER'S ADDITIONAL DISCLOSURES:** Disclosure is hereby made that Abraham W. H. Lee, the Member of the Developer (3585 Pinao LLC), holds an active real estate broker's license in the State of Hawaii and is the Principal Broker and manager of I Properties, LLC, d.b.a. iProperties Hawaii, the real estate company handling the project sales.

**BOUNDARY SURVEY.** The boundary survey completed on May 17 to May 19, 2010, revealed the existence of several encroachments affecting the property. A copy of the survey is on file with the Real Estate Commission and available for inspection with the Developer. Disclosure is made that no agreements have been entered into or will be entered into with the neighboring property owner(s) regarding the ownership of these encroachments or the responsibility for maintenance or repair.

**DEREGISTRATION FROM LAND COURT.** Voluntarily deregistration of the property from Land Court pursuant to Section 501-261(d), HRS, has been filed with the Bureau of Conveyances, State of Hawaii. Copies of the recorded Voluntary Request for Deregistration and Deregistration of Certificate of Title: 987,285 are on file with the Real Estate Commission and available for inspection with the Developer. Developer makes no disclosures or statements regarding the effect of deregistration of the property and potential buyers are advised to seek independent legal advice regarding the impact of deregistration on the property.

**COMMON ELEMENT PARK; PARK DEDICATION REQUIREMENTS.** A portion of the property is designated as a common element Park and includes that portion of the fence between Manoa Stream and the Park. Developer has been informed that the Department of Planning and Permitting, City and County of Honolulu, may require the payment of a park dedication fee for the reconstruction of an existing home. The owner of a unit seeking a permit to reconstruct or improve his or her unit may be required to pay a park dedication fee. Developer is exploring the probability of having the common element Park area improved to comply with the City's park dedication requirements. Developer reserves the right but not the obligation, at Developer's sole discretion, to improve the common element Park to comply with the City's park dedication requirements. Disclosure is made that if, for any reason, Developer does not satisfy the City's park dedication requirements, the Association and/or the unit owners, individually or jointly, will be required to comply with the park dedication requirements if so imposed by the City.

**MANOA STREAM AND FLOOD HAZARD ZONE.** A portion of Manoa Stream runs through the Project and has been designated as a common element area consisting of 15,837 square feet. As a common element, the Association will be responsible for the maintenance, repair, and upkeep of the Stream, as accessed through the Park. A portion of the property is also located within the boundaries of a special flood hazard area as officially designated on the Flood Insurance Administration maps promulgated by the appropriate Federal agencies for the purposes of determining eligibility for emergency flood insurance programs. The location of the property within the flood hazard zone may affect a potential buyer or unit owner's rights and use of the property, including but not limited to requiring additional insurance, building requirements and/or structure setbacks. Potential buyers and unit owners, especially those units located closest to Manoa Stream, are advised to carefully review the flood zone maps and to discuss their intended plans with their individual professional consultants (including but not limited to attorney, insurance agent, architect/engineer) and the appropriate governmental officials to determine the impact of this designation on the property. Developer disclaims all warranties with respect to the impact of the property within the flood hazard zone.

**UNIT PARKING.** Each unit is assigned at least two (2) parking spaces which are located within the limited common element land area assigned to each unit. Except for Unit #1 that has one (1) covered parking space located within an existing carport and one (1) uncovered parking space, all other units have at two (2) uncovered parking spaces. The uncovered parking spaces are designated on the Condominium Map as the shaded areas within the limited common element land areas.

**EASEMENT FOR WATER METER.** An easement for the water meter in favor of the Board of Water Supply is being reviewed by the Department of Planning and Permitting, City and County of Honolulu ("DPP"). The location of the water meter easement is shown on the Condominium Map and is located on the common element Driveway near the entrance from Pinao Street. Disclosure is made that once DPP approves the easement, it will be recorded in the Bureau of Conveyances and become an encumbrance against the property. When recorded, a copy will be provided to the Real Estate Commission and will be available for inspection from the Developer.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

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 purchasers 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. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

3585 PINAO LLC, a Hawaii limited liability company

\_\_\_\_\_  
Printed Name of Developer

By: Abraham Won Hwan Lee Nov 14, 2011  
Duly Authorized Signatory\* Date

Abraham Won Hwan Lee, Its Member

\_\_\_\_\_  
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; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

EXHIBIT A

UNIT TYPES AND SIZES OF UNITS

Unit No.	Quantity	BR/Bath	Net Living Area (sq.ft)	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area (sq.ft.)
1	1	3/1.5	909	228	Carport	1,137
2	1	3/1.5	909	228	Lanai	1,137
3	1	3/1.5	909	214	Lanai	1,123
4	1	3/1.5	850	0		850
5	1	3/1.5	850	0		850
6	1	3/1.5	850	0		850
7	1	3/1.5	836	0		836
8	1	3/1.5	831	0		831
9	1	3/1.5	836	0		836
10	1	3/1.5	850	0		850
11	1	3/1.5	836	0		836

## EXHIBIT B

### BOUNDARIES OF UNITS

The Project consists of eleven (11) separate and distinct freehold estates, deemed to include the entire structure and all improvements located therein. Each unit is bounded by and includes the decorated or finished surfaces of the exterior of the perimeter walls, including all exterior doors and windows, by the exterior surfaces of the respective roofs thereof, and inclusive of the floor and ceiling of each of the units in the Project, together with any entries, porches, steps, stairs, walkways, lanais, decks, laundry areas, carports, or other improvements physically attached to each structure.

## EXHIBIT C

### PERMITTED ALTERATIONS TO UNITS

Section L of the Declaration provides that 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, or impair any easement, as reasonably determined by the Board. Except as otherwise provided by law, and subject to the requirements set forth in Section Q of the Declaration, 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 alteration or addition shall not affect the common elements, the other Unit(s), or the limited common elements appurtenant to any other Unit(s), and the owner or other person making such additions or alterations shall comply strictly with all applicable laws, ordinances, rules and regulations of any governmental entity, including but not limited to the Existing Use Permit 2008/EU-3, as modified by Minor Modification dated April 11, 2008 (collectively, the "Existing Use Permit"), a copy of which is attached hereto as Exhibit "N" and to the Declaration as Exhibit "B" and by reference made a part hereof, and shall also obtain all necessary permits, if required, at such owner or person's sole expense.

Section Q of the Declaration provides that a Unit owner 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 owners of Units, any lien holder thereof, or anyone with an interest in the Project, and pursuant to plans and conditions more particularly described in Section Q of the Declaration. If any owner removes, redesigns, improves, renovates, adds to or replaces his or her Unit, different in any respect from the description of said Unit in the Declaration or as shown on the Condominium Map, then, upon completion of construction, the owner shall amend the Declaration to set forth the changes to said Unit, and the Condominium Map to include a complete set of floor plans and elevations, as may be necessary or as may be required by the Condominium Property Act to incorporate the changes made to the new, redesigned or renovated Unit. The amendment shall be signed only by the Unit owner(s) effectuating such changes, shall be recorded in the Bureau of Conveyances and a copy of the recorded amendment, together with a copy of the plans recorded therewith, shall be provided to the Association promptly upon request thereof. Prospective purchasers are cautioned to carefully review Section Q of the Declaration and to discuss the conditions and requirements for altering a unit with purchaser's professional consultants.

In addition to the foregoing limitations, and subject to the requirements set forth in the Existing Use Permit, 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 and/or buildable 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, provided however, that said proportionate share shall in no event be greater than the floor area allowed for each Unit by the Existing Use Permit 2008/EU-3, as modified.

EXHIBIT D  
COMMON INTEREST

<u>Unit Number</u>	<u>Percentage of Interest</u>
1	9.0909
2	9.0909
3	9.0909
4	9.0910
5	9.0909
6	9.0909
7	9.0909
8	9.0909
9	9.0909
10	9.0909
11	9.0909
	<hr/>
	100.0000

## EXHIBIT E

### COMMON ELEMENTS

Section A.2 of the Declaration defines the common elements of the Project as:

- (a) The Land in fee simple.
- (b) That certain Driveway consisting of approximately 10,669 square feet, as shown on the Condominium Map, and providing vehicular and pedestrian access to and from Pinao Street to the Project, inclusive of the Propane Gas Tank area as shown on the Condominium Map, and together with any light poles located along the Driveway and/or within the limited common element areas adjacent to the Driveway.
- (c) That certain Park area consisting of approximately 6,922 square feet, together with the six (6) guest parking stalls located adjacent to the Park and that portion of fence located along the boundary between the Park and Manoa Stream, as shown on the Condominium Map; together with all landscaping, trees, shrubs, vegetation, irrigation system, sidewalks, pipes, faucets, poles, and lighting, if any, located on or in said Park..
- (d) That certain Mail Box area including the surrounding Wall and the two (2) Trash Areas as designated on the Condominium Map.
- (e) That certain area designated on the Condominium Map as Manoa Stream and consisting of 15,837 square feet.
- (f) All pipes, wires, conduits, and other utility and service lines which are utilized for or serve all of the Units.
- (g) 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.

EXHIBIT F  
LIMITED COMMON ELEMENTS

Section A.3 of the Declaration provides that 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 herein. 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 3,726 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, inclusive of the airspace located above such area, and also inclusive of all walls, fences, sidewalks, paved areas, yard or landscaped areas, and driveways located within said area, shall constitute a limited common element appurtenant to and for the exclusive use of said Unit. Vehicular parking for Unit 1 shall be located within this limited common element area.

(b) That certain 4,163 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, inclusive of the airspace located above such area, and also inclusive of all walls, fences, sidewalks, paved areas, yard or landscaped areas, and driveways located within said area, shall constitute a limited common element appurtenant to and for the exclusive use of said Unit. Vehicular parking for Unit 2 shall be located within this limited common element area.

(c) That certain 6,343 square feet, more or less, of real property of the Project which includes the real property upon which Unit 3 is situated, as shown on said Condominium Map, inclusive of the airspace located above such area, and also inclusive of all walls, fences, sidewalks, paved areas, yard or landscaped areas, and driveways located within said area, shall constitute a limited common element appurtenant to and for the exclusive use of said Unit. Vehicular parking for Unit 3 shall be located within this limited common element area.

(d) That certain 6,799 square feet, more or less, of real property of the Project which includes the real property upon which Unit 4 is situated, as shown on said Condominium Map, inclusive of the airspace located above such area, and also inclusive of all walls, fences, sidewalks, paved areas, yard or landscaped areas, and driveways located within said area, shall constitute a limited common element appurtenant to and for the exclusive use of said Unit. Vehicular parking for Unit 4 shall be located within this limited common element area.

(e) That certain 4,888 square feet, more or less, of real property of the Project which includes the real property upon which Unit 5 is situated, as shown on said Condominium Map, inclusive of the airspace located above such area, and also inclusive of all walls, fences, sidewalks, paved areas, yard or landscaped areas, and driveways located within said area, shall constitute a limited common element appurtenant to and for the exclusive use of said Unit. Vehicular parking for Unit 5 shall be located within this limited common element area.

(f) That certain 5,191 square feet, more or less, of real property of the Project which includes the real property upon which Unit 6 is situated, as shown on said Condominium Map, inclusive of the airspace located above such area, and also inclusive of all walls, fences, sidewalks, paved areas, yard or landscaped areas, and driveways located within said area, shall

constitute a limited common element appurtenant to and for the exclusive use of said Unit. Vehicular parking for Unit 6 shall be located within this limited common element area.

(g) That certain 4,316 square feet, more or less, of real property of the Project which includes the real property upon which Unit 7 is situated, as shown on said Condominium Map, inclusive of the airspace located above such area, and also inclusive of all walls, fences, sidewalks, paved areas, yard or landscaped areas, and driveways located within said area, shall constitute a limited common element appurtenant to and for the exclusive use of said Unit. Vehicular parking for Unit 7 shall be located within this limited common element area.

(h) That certain 4,165 square feet, more or less, of real property of the Project which includes the real property upon which Unit 8 is situated, as shown on said Condominium Map, inclusive of the airspace located above such area, and also inclusive of all walls, fences, sidewalks, paved areas, yard or landscaped areas, and driveways located within said area, shall constitute a limited common element appurtenant to and for the exclusive use of said Unit. Vehicular parking for Unit 8 shall be located within this limited common element area.

(i) That certain 4,486 square feet, more or less, of real property of the Project which includes the real property upon which Unit 9 is situated, as shown on said Condominium Map, inclusive of the airspace located above such area, and also inclusive of all walls, fences, sidewalks, paved areas, yard or landscaped areas, and driveways located within said area, shall constitute a limited common element appurtenant to and for the exclusive use of said Unit. Vehicular parking for Unit 9 shall be located within this limited common element area.

(j) That certain 5,250 square feet, more or less, of real property of the Project which includes the real property upon which Unit 10 is situated, as shown on said Condominium Map, inclusive of the airspace located above such area, and also inclusive of all walls, fences, sidewalks, paved areas, yard or landscaped areas, and driveways located within said area, shall constitute a limited common element appurtenant to and for the exclusive use of said Unit. Vehicular parking for Unit 10 shall be located within this limited common element area.

(k) That certain 6,132 square feet, more or less, of real property of the Project which includes the real property upon which Unit 11 is situated, as shown on said Condominium Map, inclusive of the airspace located above such area, and also inclusive of all walls, fences, sidewalks, paved areas, yard or landscaped areas, and driveways located within said area, shall constitute a limited common element appurtenant to and for the exclusive use of said Unit. Vehicular parking for Unit 11 shall be located within this limited common element area.

(l) Each Unit shall have appurtenant thereto one mailbox for the exclusive use of the owners and occupants of said Unit.

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

## EXHIBIT G

### ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes, your attention is directed to the Director of Finance, City and County of Honolulu
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Rights of the State of Hawaii in the free flowage of stream and surface waters. (Item I)
4. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document;  
Dated: November 2, 1962  
In favor of: Hawaiian Electric Company, Limited, a Hawaii corporation, and Hawaiian Telephone company Incorporated, a Hawaii corporation  
Purpose: utility  
Recorded: in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as Document No. 299119.  
Affects: Item I
5. The rights of the United States of America, State of Hawaii, the municipality and the public, in and to that part of the premises in question falling in the bed of the Manoa Stream; also the rights of the riparian owners in and to the free and unobstructed flow of the water of said stream, if any. (Item II: Parcel Second and Third)
6. Easement(s) "G", for stream and incidental purposes purposes, as delineated on File Plan No. 877. (Item II: Parcel Second)
7. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document;  
In favor of: City and County of Honolulu, a municipal corporation of the State of Hawaii  
Purpose: stream purposes over said Easement "G"  
Recorded: in the Bureau of Conveyances of the State of Hawaii, in Book 5041 at Page 363.  
Affects: Item II: Parcel Second
7. Easement(s) "B", for stream purposes, as delineated on File Plan No. 921. (Item II: Parcel Third)
8. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document;  
Dated: May 8, 1965  
In favor of: City and County of Honolulu, a municipal corporation of the State of Hawaii  
Purpose: drainage ditch over said Easement "B"  
Recorded: in the Bureau of Conveyances of the State of Hawaii, in Book 5108 at Page 364.  
Affects: Item II: Parcel Third
9. Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of Land Use Ordinance (LUO)  
Dated: October 24, 2008  
Recorded: November 24, 2008 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as Document No. 3808436, and also recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2008-178522.
10. 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 the following:

Declaration of Restrictive Covenant

Dated: March 19, 2010

Recorded: April 29, 2010, in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, Document No. 3959585, and also recorded in the Bureau of Conveyances of the State of Hawaii, Document No. 2010-058455.

11. The following item(s), as shown on survey map prepared by Natalie K. Imata, Licensed Professional Land Surveyor, Certificate No. 5816, survey conducted May 17 to May 19, 2010:
  - (a) C.R.M wall crosses Northeasterly boundary into Lot F approximately 1.28 to 1.40 feet along its length.
  - (b) Overhead utility lines cross the Southerly boundaries and continue into the subject parcel. There is no recorded grant of easement for the overhead lines covering the land(s) described in Item II.
  - (c) Concrete sidewalk from Pinao Street crosses the Southwesterly boundary and continues into Lot A-1.
  
12. Mortgage, Security Agreement, Assignment of Leases and Rents, Fixture Filing and Financing Statement

Mortgagor: 3585 Pinao LLC, a Hawaii limited liability company  
Mortgagee: K.&T. Kamemoto Family Limited Partnership, a Hawaii limited partnership  
Dated: July 1, 2010  
Recorded: July 1, 2010, in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, Document No. 3975582, and also recorded in the Bureau of Conveyances of the State of Hawaii, Document No. 2010-092565.
  
13. Financing Statement (UCC-1)

Debtor: 3585 Pinao LLC, a Hawaii limited liability company  
Secured Party: K.&T. Kamemoto Family Limited Partnership  
Recorded: July 1, 2010, in the Bureau of Conveyances of the State of Hawaii, Document No. 2010-092566.
  
14. Mortgage, Security Agreement, Assignment of Leases and Rents, Fixture Filing and Financing Statement

Mortgagor: 3585 Pinao LLC, a Hawaii limited liability company  
Mortgagee: Sanford Murata, Inc., a Hawaii corporation  
Dated: July 1, 2010  
Recorded: July 1, 2010, in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, Document No. 3975583, and also recorded in the Bureau of Conveyances of the State of Hawaii, Document No. 2010-092567.
  
15. Financing Statement (UCC-1)

Debtor: 3585 Pinao LLC, a Hawaii limited liability company  
Secured Party: Sanford Murata, Inc.  
Recorded: July 1, 2010, in the Bureau of Conveyances of the State of Hawaii, Document No. 2010-092568.
  
16. Subordination and Intercreditor Agreement

By and Between: K.&T. Kamemoto Family Limited Partnership, a Hawaii limited partnership ("Senior Lender"); Sanford Murata, Inc., a Hawaii corporation, ("Subordinate Lender"); and 3585 Pinao LLC, a Hawaii limited liability company, ("Borrower")  
Dated: July 1, 2010  
Recorded: July 1, 2010, in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, Document No. 3975584, and also recorded in the Bureau of Conveyances of the State of Hawaii, Document No. 2010-092569.

IN ADDITION, THE DEVELOPER ADVISES THAT THE FOLLOWING DOCUMENTS WERE SUBSEQUENTLY RECORDED:

17. Declaration of Condominium Property Regime of Manoa Lane dated November 30, 2011, and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. A-43670825.

The plans thereof filed in said Bureau as Condominium Map No. 5047.

Amendment to the Declaration of Condominium Property Regime and Condominium Map No. 5047 dated December 19, 2011, recorded in the Bureau as Document No. A-43710798.

18. By-Laws of the Association of Unit Owners of Manoa Lane, recorded in the Bureau as aforesaid as Document No. A-43670826.

91-1030 Kaihi Street  
Ewa Beach, HI 96706  
Phone (808) 683-4477  
Fax (808) 689-3663  
[sequirant@hawaiiantel.net](mailto:sequirant@hawaiiantel.net)

July 1, 2011

Mr. Abraham W.H. Lee  
3585 Pinao, LLC.  
1585 Kapiolani Boulevard, #1533  
Honolulu, HI 96814

Project: Manoa Lane Condominium  
3585 and 3576 Pinao Street – Manoa, Oahu  
Tax Map Key 2-9-069:089 and 111

Dear Mr. Lee:

On Monday, June 27, 2011 and Wednesday, June 29, 2011, I made a limited visual observation of the structures and plumbing and electrical systems of the eleven (11) dwellings whose addresses are 3576, 3576A, 3576B, 3585, 3585A, 3585B, 3585C, 3585D, 3585E, 3585F, and 3585G Pinao Street (the "Project"). I was able to walk around and enter the structures. Dwellings 3576, 3576A, and 3576B contain free standing carports. The rest of the dwellings do not have carports.

Based on building permit research performed during the Existing Use application process the buildings in the Project appear to have been built between 1962 and 1966. The dwellings are of single-wall post and pier construction. In general, the dwellings and carports are subject to wear and tear commensurate with its age, its use as a rental property, and location in a wet environment. My observations of the dwellings and carports are as follows:

1. Some of the buildings and related structural components appear to be in poor structural condition. Some wood members in a majority of the dwellings have experienced some sort of termite or water damage. This damage has occurred in posts and beams, flooring, trims and doors, slats, water stops, lattice, siding, doors and windows. Damage to some of the posts at the existing carports is significant causing structural instability. There is no recent record of termite inspections being performed on the dwellings. More detailed inspections, treatment, and/or repairs to mitigate the presence of termites and termite damage are recommended.
2. The exterior painted surfaces on some of the dwellings are in poor condition as there is evidence of cracking, peeling and spalling paint throughout many of the homes in the Project.

EXHIBIT #

3. Interior portions of many of the dwellings contained fixtures and cabinetry that appeared to be part of the dwellings original construction. Some of the wood flooring, interior walls, and cabinetry in some of the dwellings show evidence of termite and water damage. Caulking at many of the tub surrounds is in poor condition. This can contribute to hidden water damage. Some dwellings contained interior and exterior doors and windows that were broken or in disrepair.
4. The roofing for all dwellings appeared to be intact in that there was no visible evidence of leaks.
5. With the exception of Dwelling 3585C, the electrical systems of the dwellings appear original. The electrical system for Dwelling 3585C was recently upgraded. Some electrical fixtures were not in working condition. More detailed inspections to determine whether proper circuit grounding is installed and the adequacy of electrical wiring and circuit breakers are recommended.
6. Dwellings 3585, 3585A, 3585B, 3585C, 3585D, 3585E, 3585F, and 3585G are served by a common gas tank and have gas water heaters and ranges. The gas within the majority of the dwellings was functional. One of the dwellings did not have an operating gas water heater or range. In addition, one of the dwellings was missing a gas burner. A detailed inspection of dwelling gas lines and appliances is recommended.
7. With the exception of Dwelling 3585C, the plumbing systems of the dwellings appear original. The plumbing system for Dwelling 3585C was recently upgraded. Galvanized steel piping was prevalent in the majority of dwellings. Some fixtures were not in working condition, and the water pressure was low at some of the plumbing fixtures. Frozen fixtures valves, clogged and/or inoperable toilets and lavatories, and leaky pipes were observed. Discolored water was observed in many of the units. This is sometimes an indication of corrosion or rusting of the interior surfaces of the pipes. While there may be other reasons for discoloration of the domestic water, it is evidence the water quality of some of the units has been compromised and more detailed inspections and/or repairs to the water system at many of the dwellings are recommended.
8. Many of the dwellings did not have washers or dryers. Some of the units also lacked a refrigerator and/or range. Some washer, dryers, and refrigerators that were present, were not in working condition. Some Kitchen sink disposal units were also not in working condition.

My inspection was limited and did not include by way of example the condition of the soils or roofing or invasive observation of termite or other pests on the Project.

I have been informed that the Owner will be disclaiming any warranties relating to the construction, materials, design or workmanship of the dwellings, soil or the common elements of the Project, except that the Owner will be transferring the appliances and the gas, electrical, and plumbing systems in an "as-is" condition. Accordingly, I am not

Mr. Abraham Lee  
July 1, 2011  
Page 3 of 3

making any statement or representation as to the remaining useful life of the items referenced above. Further, my visual inspection should not be a substitute for a more complete inspection by a prospective buyer of a unit in the Project. A prospective buyer is urged to understand the importance of making his own investigation or having an investigation made by trained professionals of the unit and the Project.

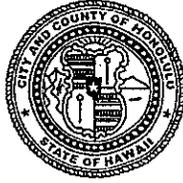
Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Seguirant". The signature is stylized with a large, sweeping initial "P" and a long, horizontal flourish extending to the right.

Patrick Seguirant, Architect

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

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813  
TELEPHONE: (808) 768-8000 • FAX: (808) 768-6041  
DEPT. WEB SITE: www.honoluluapp.org • CITY WEB SITE: www.honolulu.gov



PETER B. CARLISLE  
MAYOR

DAVID K. TANQUE  
DIRECTOR

JIRO A. SUMADA  
DEPUTY DIRECTOR

2010/ELOG-1188(AC)

July 25, 2011

Mr. Abe Lee  
Abe Lee Realty  
1585 Kapiolani Boulevard, Suite 1533  
Honolulu, Hawaii 96814

Dear Mr. Lee:

Subject: Condominium Conversion Project  
3576 and 3585 Pinao Street  
Tax Map Keys: 2-9-069: 089 and 111

This is in response to your letter dated June 3, 2010, requesting verification that the structures on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the eight one-story single-family detached dwellings on Tax Map Key: 2-9-069: 089 and the three one-story single-family detached dwellings on Tax Map Key: 2-9-069: 111 met all applicable code requirements when they were constructed prior to 1967. Both parcels are R-7.5 Residential-zoned lots.

Investigation also revealed the following:

1. On February 29, 2008, a conditional use permit (File No. 2008/CUP-6) was approved with conditions for a joint development of the 60,653-square-foot Lot 89 and the 28,252-square-foot Lot 111 and is considered to be one zoning lot of 89,105 square feet and identified as Tax Map Key: 2-9-069: 089.
2. On February 29, 2008, an existing use permit (File No. 2008/EU-3) was approved with conditions for the 11 existing single-family dwellings.
3. On February 1, 2011, Building Permit No. 667093 was issued for addition/alteration to the existing dwelling at 3585 Pinao Street, Unit #8. This permit is still active.
4. On June 14, 2011, Building Permit No. 672917 was issued for a new vinyl fence, driveway, sidewalk, parking area, water meters, fire hydrant system, sewer lines grubbing, grading, and landscaping. This permit is still active.

EXHIBIT I

Mr. Abe Lee  
July 25, 2011  
Page 2

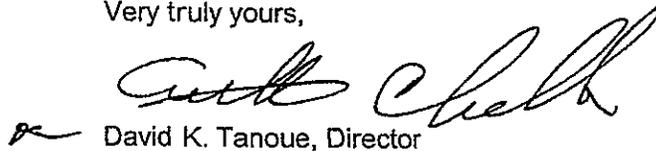
For your information, the Department of Planning and Permitting cannot determine all legal nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

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

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

If you have any questions regarding this matter, please contact Alex Sugai of our Commercial and Multi-Family Code Enforcement Branch at 768-8152.

Very truly yours,

  
David K. Tanoue, Director  
Department of Planning and Permitting

DKT:ft  
[864592]

## EXHIBIT J

### DEVELOPER'S RESERVED RIGHTS TO CHANGE PROJECT DOCUMENTS

Pursuant to Section O of the Declaration, the Developer has reserved the following rights to change the Project documents:

Notwithstanding the sale and conveyance of any Unit in the Project, while the Developer retains any interest in the Project, the Developer may, without the consent or joinder of any Unit owner, lienholder thereof, or other person or entity, 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 or quasi-governmental agency. Each and every party acquiring an interest in the Project, shall, by virtue of such acquisition, consent to such amendments by the Developer, and, if requested, agrees to execute and deliver such documents and instruments and do all such things necessary and/or convenient to effect the same, and hereby appoints the Developer and its assigns as his or her attorney-in-fact, with full power of substitution to execute, deliver and record 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 term of such reserved rights and shall not be affected by any disability of the party or parties.

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. No amendment to the Declaration and/or the By-Laws which adversely impacts or negates, or attempts to negate any of the rights reserved by the Developer in the Declaration and/or in the By-Laws shall be valid without the expressed written consent of the Developer, Developer's permitted successors and assigns, and contained in said amendment.

EXHIBIT K

ESTIMATE OF INITIAL MAINTENANCE FEES

**Manoa Lane**

<b>Apt</b>	<b>Type</b>	<b>Sq Ft</b>	<b>% Int</b>	<b>Maint Fee</b>
1	3 bdrm	3688	0.090909	143.09
2	3 bdrm	4302	0.090909	143.09
3	3 bdrm	5204	0.090909	143.09
4	3 bdrm	7300	0.090910	143.09
5	3 bdrm	5066	0.090909	143.09
6	3 bdrm	5525	0.090909	143.09
7	3 bdrm	4180	0.090909	143.09
8	3 bdrm	4522	0.090909	143.09
9	3 bdrm	5117	0.090909	143.09
10	3 bdrm	5245	0.090909	143.09
11	3 bdrm	5913	0.090909	143.09
		<b>56062</b>	<b>1.000000</b>	<b>1573.99</b>

NOTE: The Developer has not conducted a reserve study in accordance with Section 514B-148, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 5, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Utilities for the Units are separately metered or submetered. Propane gas is connected to Units 4 through 11 and is separately metered.

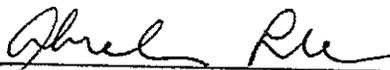
See page 18 of the Developer's Public Report for a statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

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

EXHIBIT K - Continued

I, ABRAHAM LEE, Member of 3585 PINAO LLC, a Hawaii limited liability company, the Developer for the "MANOA LANE" project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared by CenPac Properties, Inc., the Project's initial Managing Agent, in accordance with generally accepted accounting principles.

3583 PINAO LLC



\_\_\_\_\_  
Signature

Nov 14 2011

\_\_\_\_\_  
Date

## EXHIBIT L

### SUMMARY OF SPECIMEN SALES CONTRACT

Prospective purchasers are advised to carefully review the specimen Condominium Purchase Agreement (the "Agreement") prior to signing. The Agreement contains, among other things, the following provisions:

1. Inspection. Buyer shall inspect the Unit within seven (7) calendar days of acceptance of the Agreement by Seller. Buyer shall have seven (7) calendar days from the inspection to cancel the Agreement by providing Seller and Escrow with written notice to that effect. If Buyer does not provide Seller and Escrow with written notice of cancellation, Buyer shall be deemed to have accepted the Unit and will proceed with closing.
2. Risk of Loss. Risk of loss to the Unit shall be borne by Seller until the Date of Closing; thereafter, such risk of loss shall be borne by Buyer.
3. Time is of the Essence; Default. Section 10 of the Agreement provides that time is of the essence of the obligations of Buyer under this Agreement. Buyer shall be in default under this Agreement if Buyer fails to make a payment when due or if Buyer fails to perform any other required obligation and such failure continues for fifteen calendar (15) days after Seller gives written notice to Buyer of such failure. Any such notice shall be sent by certified or registered mail and shall be deemed given upon deposit in the United States mail, even if Buyer does not sign a return receipt for the mail. In the event of any such default, Seller may, at Seller's option, terminate this Agreement by written notice to Buyer. In the event of such termination, the parties understand and agree that in view of Seller's financial commitments with respect to the Project; the connection between the sale, cancellation or default with respect to one unit and the sale, cancellation or default with respect to other units in the Project; and the nature of the real estate market in Hawaii, that Seller's injury will be uncertain as to the nature and amount, and may be difficult to ascertain. As a reasonable estimate of Seller's damages resulting from such termination, the parties agree that all sums previously paid by Buyer under this Agreement shall belong to Seller as liquidated damages. If Seller does not terminate this Agreement on account of such default, then all costs, including reasonable attorneys' fees, incurred by reason of the default by Buyer shall be borne by Buyer, and Seller may pursue any and all other remedies on account of such default (other than termination of this Agreement) permitted by law or equity, including but not limited to specific performance. If Seller shall default in selling the Unit to Buyer, the parties agree that Buyer's sole remedy, if Buyer is not in default hereunder, shall be to rescind this Agreement and receive a refund of all sums paid by Buyer.
4. Estimated Monthly Maintenance Charges; Collection of "Start-up" Fee. Buyer has examined and approved the estimate of monthly maintenance charges and assessments for the Unit as shown in the Public Report. Buyer is aware that such amounts are only estimates, and BUYER AGREES THAT SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY SELLER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES. In addition to the Purchase Price, Buyer shall pay an additional sum at closing as Buyer's pro rata share of the Association of Unit Owners' common expense reserve fund. This non-refundable, non-transferable "start-up" fee will become the property of the Association of Unit Owners, and shall be in an amount which will be determined by Seller prior to closing. That amount will in no event be less than TWO (2) months estimated common expense assessments for the Unit, and not less than TWO (2) months estimated reserves, if any. Note, "start-up" fees are collected in addition to the monthly maintenance charges that Buyer will become obligated to pay after closing.
5. Conversion Of Existing Building; Nonconformities; No Warranties. Buyer is aware, agrees and affirms that the Project consists of the conversion of eleven (11) existing single-family detached dwellings constructed prior to 1967 and Seller did not construct the dwellings. Pursuant to the letter issued July 25, 2011 (the "DPP Letter"), by the Department of Planning and Permitting, City and County of Honolulu, the total of eleven (11) single-family detached dwellings met all code requirements at the time of construction. A copy of the DPP Letter is included as an exhibit in the Developer's Public Report. The following variances/special permits have been issued for this property: a) On February 29, 2008, a conditional use permit (File No. 2008/CUP-6) was issued to allow the joint development of the 60,653 square foot Lot 89 and the 28,252 square foot Lot 111 to be considered one zoning lot

of 89,105 square feet; b) On February 29, 2008, an existing use permit (File No. 2008/EU-3) was approved with conditions for the existing eleven (11) single-family dwellings; and c) on April 11, 2008, a request for Minor Modifications to the existing use permit (File No. 2008/EU-3) was approved. Copies of these variances/special permits are included with the Developer's Public Report. Seller is not aware of any other variances or other special permits granted to allow deviations from the applicable building and zoning codes. It is expressly understood and agreed by and between Seller and Buyer that SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THE BUILDINGS/DWELLINGS, THE UNIT, OR CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED IN THE UNIT OR IN THE PROJECT, INCLUDING BUT NOT LIMITED TO: A) ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE; B) THE WORKMANLIKE CONSTRUCTION, STRUCTURAL SOUNDNESS, CONDITION OR STATE OF REPAIR, OPERATING ORDER, SAFETY, LIVABILITY OF ANY IMPROVEMENT IN OR WITHIN THE UNITS AND/OR THE PROJECT; C) THE EXISTENCE, PRESENCE OR ABSENCE OF ANY ARCHAEOLOGICAL SITES, ARTIFACTS AND/OR REMAINS THAT MAY BE LOCATED ON, AT, UNDER, UPON OR ADJACENT TO THE LAND UPON WHICH THE PROJECT IS LOCATED; AND D) WHETHER THE PROJECT, THE UNITS, OR ANY OF THE IMPROVEMENTS MEET THE REQUIREMENTS OF ANY BUILDING, ZONING, LAND USE, SET BACK, HEALTH OR OTHER LAW, ORDINANCE, OR RULE OR REGULATION WHICH MAY BE APPLICABLE TO THE PROJECT BY ANY GOVERNMENTAL AUTHORITY.

Buyer agrees the Unit is being purchased in its "AS IS, WHERE IS" condition, with all faults, and without any warranties or representations, expressed or implied, oral or written. This means that all land, improvements (including but not limited to the roof, walls, foundations, structural components, soils, plumbing, electrical and mechanical systems, etc.) and real property and personal property (if any) are being purchased in their "AS IS, WHERE IS" CONDITION, WITH ALL FAULTS, AND WITHOUT WARRANTY OR REPRESENTATIONS, EXPRESSED OR IMPLIED, notwithstanding the existence of any defects known or unknown, latent, or otherwise. 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 with all faults as provided for herein. Buyer acknowledges that there may be material facts about the Unit and/or the Project or any of the improvements located within the Project, and the real property and personal property, if any, of which Seller is not aware, which qualified experts may be able to discover, or there may be hidden defects which time may reveal. Buyer understands that Buyer shall give up, waive and relinquish any and all rights to asset any claim, demand, proceeding or lawsuit of any kind against Seller, Seller's employees, representatives, members, officers, or consultants, or Seller's Broker or Agents with respect to the condition of the Unit or the Project, except for claims which are based upon Seller's or Seller's Broker or Agent's concealment of material facts and defects which those parties are required by law to disclose. This provision shall survive closing or the termination of this Agreement.

6. Developer's Public Report; Buyer's Right to Cancel or Rescind This Agreement. The Developer's Public Report for the Project has been issued by the Real Estate Commission. Buyer shall receive a copy of that document along with a Receipt For Developer's Public Report (the "Receipt") and a Notice Of Right To Cancel Sales Contract (the "Notice"). Buyer has the right to cancel the Sales Contract under the following conditions:

At any time within thirty (30) days following the date the Developer's Public Report is delivered to Buyer. If Buyer so cancels this Agreement, within the thirty (30) day period, Buyer will be entitled to receive a refund of any deposits, less any escrow cancellation fees and other costs up to \$250.00. If Buyer waives Buyer's right to cancel by checking the waiver box on the Notice, and executes and returns the Receipt and Notice within thirty (30) days after delivery to Buyer, this Agreement shall become a binding obligation on both parties immediately upon the return thereof. If Buyer does not return the Receipt and Notice within said thirty (30) day period, or if the Unit is conveyed to Buyer prior to expiration of that thirty (30) day period, then Buyer shall be deemed to have receipted for the Developer's Public Report and to have waived Buyer's right to cancel, thereby causing this Agreement to become a binding obligation on both parties; and

i) Buyer shall have a thirty (30) day right to rescind this Agreement if there is a material change to the Project which directly, substantially and adversely affects the use or value of Buyer's Unit, the limited common elements appurtenant to the Unit, or the amenities in the Project available for Buyer's use. Seller shall deliver to Buyer a description of the material change and Buyer may waive Buyer's rescission right by either (a) checking the waiver box on the option to rescind, signing it and returning it to Seller; (b) letting the thirty (30) day rescission period expire without taking any action to rescind this Agreement; or (c) closing on the purchase of the Unit before the thirty (30) day rescission period expires. In order to be valid, the rescission form provided for herein must be signed by all Buyers and postmarked to Seller no later than midnight on the thirtieth (30th) calendar day after the date Buyer received the rescission form from Seller. If Buyer's rescission is valid, Buyer shall be entitled to a prompt and full refund of any deposits made by Buyer.

7. Assignment of this Agreement. Notwithstanding anything to the contrary contained in the Sales Contract, Buyer may not assign its rights or obligations under this Agreement or any portion thereof without the prior written consent of Seller, which consent may be withheld and/or conditioned at Seller's sole discretion. Any assignment without Seller's prior written consent shall be null and void.

8. Mediation and Arbitration. Section 18 of the Agreement provides that if any dispute or claim in law or equity arises out of this Agreement, or is in any way connected with this transaction, the sale, financing, marketing, or any matter or activity relating to the Project or the Property, between Buyer and Seller, and Buyer and Seller are unable to resolve the dispute themselves, the parties agree in good faith to attempt to settle such dispute or claim by mediation under the Commercial Mediation rules of Dispute Prevention and Resolution, Inc., or such other mediation service as mutually agreed to by Buyer and Seller. 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 Dispute Prevention and Resolution, Inc., or such other arbitration service as mutually agreed to by Buyer and Seller. 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. Seller, at Seller's sole option, may include any of Seller's agents, employees, representatives, members, officers, consultants, the Project Broker, or any other third party as a party to any mediation or arbitration proceeding. This provision shall survive closing or termination of this Agreement.

NOTE: This summary is a brief description of some of the terms contained in the sales contract. Buyer is advised to carefully review the entire sales contract and become familiar with the terms and conditions contained therein.

Page 3 and End of EXHIBIT "L"

## EXHIBIT M

### 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 FIDELITY NATIONAL TITLE & ESCROW OF HAWAII, INC. (hereinafter referred to as "Escrow"). The escrow agreement, among other things, contains the following provisions:

1. Sales Contracts Deposited in Escrow. As and when Seller shall enter into a sales contract for the sale of a unit, Seller shall deliver an executed copy of such sales contract and any amendments thereto to Escrow. Each sales contract shall contain the correct names and addresses of the purchasers, shall identify the unit number to be conveyed, 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. Conditions to Be Met Prior to Disbursement of Funds in Escrow. No disbursements of funds held in escrow shall be made unless and until the following conditions have been fulfilled:

(a) Effective Public Report and Amendments. Seller shall have delivered to the purchaser a true copy of the Public Report including all amendments, with effective date(s) issued by the Real Estate Commission. Seller shall provide to Escrow a true copy of each Public Report and amendment issued for the Project, and each pending amendment with the date that the pending amendment was filed with the Real Estate Commission.

(b) Waiver of Cancellation Rights. (i) Notice of Cancellation. Seller shall have delivered to the purchaser notice of the purchaser's thirty-day right of cancellation on a form prescribed by the Real Estate Commission. (ii) Waiver of Cancellation Rights. The purchaser shall have waived the right to cancel or shall be deemed to have waived the right to cancel in accordance with HRS §514B-86(c). (iii) Receipts Related to Cancellation Rights. Seller shall have provided to Escrow evidence that the purchaser has received a true copy of the Public Report and all amendments thereto and the notice of the thirty-day right of cancellation, which evidence may be a receipt for the Public Report signed by the purchaser, a receipt of the notice of the thirty-day right of cancellation signed by the purchaser, return receipts for copies of the Public Report or notice sent by certified or registered mail or such other evidence satisfactory to Escrow.

(c) Waiver of Rescission Rights. (i) No Material Change. Seller shall affirm to Escrow that there has been no material change in the Project after the sales contract became binding. ("Material change" as used herein shall have the meaning contained in HRS §514B-3.) Otherwise, the rescission provisions set forth below shall apply. (ii) Rescission Waived. In the event of a material change in the Project after the sales contract becomes binding, Seller shall affirm that Seller has delivered to the purchaser a description of the material change on a form prescribed by the Real Estate Commission. (iii) Notice of Right of Rescission Because of Material Change. Seller shall have delivered to the purchaser notice of the purchaser's thirty-day rescission right on a form prescribed by the Real Estate Commission. (iv) Waiver of Rescission Rights. The purchaser shall have waived the right to rescind or shall be deemed to have waived the right to rescind in accordance with HRS §514B-87(b). (The purchaser may waive the purchaser's rescission right by (A) checking the waiver box on the rescission notice, signing it and delivering it to the Seller; (B) letting the thirty-day rescission period expire without taking any action to rescind; or (C) closing the purchase of the unit before the rescission period expires.) (v) Receipts Related to Rescission Rights. Seller shall have provided to Escrow evidence that the purchaser has received the thirty-day notice of right of rescission, which evidence may be a receipt for the notice of the thirty-day right of rescission signed by the purchaser, return receipts for copies of the notice mailed certified or registered mail or such other evidence satisfactory to Escrow. (vi) Disbursement of Funds for Payment of Project Costs (Prior to Closing or Prior to Completion of Project). If purchaser deposits are to be released prior to Closing or if units are conveyed or leased prior to completion of construction, Seller shall certify to Escrow in writing and to Escrow's satisfaction that Seller has complied with all of the requirements of HRS §514B-92 or §514B-93, as applicable. Subject to the provisions of the preceding sentence, disbursements of purchaser deposits held in escrow shall be made not more than once each month on one check by Escrow, without charge, if requested in writing by Seller, to Seller, to

Seller's general contractor or to Seller's lender for the following: (vii) Construction Costs. To pay for construction costs of the buildings and other improvements and fixtures (or in the case of a conversion, for repairs necessary to cure violations of county zoning and building ordinances and codes) in such amounts and at such times and in proportion to the valuation of the work completed by the contractor in accordance with the terms of the construction contract, as certified by a licensed architect or engineer and as approved by Seller's lender or a qualified, financially disinterested person who shall be designated in writing by Seller and Seller's lender, if any, and who shall certify to Escrow in writing that such person is financially disinterested (and Escrow shall have the right to rely on said certification). (viii) Fees and Other Expenses. To persons for architectural, engineering, finance and legal fees and other incidental expenses of the Project (but not selling expenses or brokerage fees relating to sales of any unit) to the extent approved by Seller's lender or said financially disinterested person. (ix) The balance of monies remaining in escrow shall be disbursed in accordance with the directions of Seller and Seller's lender or said financially disinterested person only upon completion of the buildings of the Project (or in the case of a conversion, upon completion of the necessary repairs) and when Escrow has received satisfactory evidence that all mechanics' and materialmen's liens have been cleared or sufficient funds have been set aside to cover claims if liens have been filed; otherwise forty-six (46) days after the filing of the affidavit of publication of notice of completion in the office of the clerk of the circuit court where the Project is located, a copy of which shall have been delivered to Escrow; provided, further that if any notice of mechanics' or materialmen's liens shall have been filed, the funds shall be disbursed only when such liens have been cleared or sufficient funds have been set aside to cover such claims.

(d) Receipt of Opinion by Escrow. Seller or Seller's attorney shall have done the following: (i) Legal Opinion. Deliver a written legal opinion to Escrow stating that all purchasers' sales contract have become effective and that: (A) the requirements of HRS §§514B-82 to 514B-93, have been satisfied; (B) all conditions contained in this Agreement that must be met prior to the disbursement of purchasers' funds have been satisfied; (C) all sales contracts delivered to Escrow are binding upon the purchasers; and (D) if the Project is a conversion project, that requirements of HRS §521-38, have been satisfied. (ii) FFHAA Certificate. Deliver a certificate from Seller's architect stating that the Project is in compliance with the Federal Fair Housing Amendments Act of 1988, if applicable. (iii) Notification. Agree to inform Escrow immediately in writing of the development of any event or occurrence which renders the opinion delivered by Seller or Seller's attorney pursuant to Section 5(d)(i) above or any of the warranties and representations in Section 12 below untrue.

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

3. Return of Purchaser's Funds and Documents. (a) Cancellation or Rescission of a Sales Contract. Unless otherwise provided in this 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 hereunder 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 HRS §514B-86 (thirty-day right to cancel), or, if applicable, HRS §514B-89 (failure to complete construction before specified completion deadline); or (iv) The purchaser shall have notified Escrow of purchaser's exercise of purchaser's right to rescind the sales contract pursuant to HRS §514B-87, by a valid rescission signed by all purchasers of the affected unit and postmarked no later than midnight of the thirtieth calendar day after the date that the purchasers received the notice of rescission from Seller, in which case the purchasers shall be entitled to a prompt and full refund of any moneys paid. In any of the foregoing events, Escrow shall, upon the occurrence of the event described in sections 6(a)(i) or 6(a)(ii) above or upon receipt of a written request for a refund from the purchaser upon the occurrence of an event described in sections 6(a)(iii) or 6(a)(iv) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to the 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 the purchaser's request prior to receipt by Seller of written notice from Escrow of Escrow's intent to make such refund and the purchaser shall not be required to pay a

cancellation fee to Escrow for any rescission pursuant to HRS §514B-87. Seller understands and acknowledges that in the event of a rescission by the purchaser under HRS §514B-87: (A) if interest was accruing to the credit of Seller, interest will be reported to the IRS as being earned by Seller; (B) if Seller required the purchaser to secure a financing commitment, the purchaser shall be entitled to reimbursement from Seller (and not from Escrow) of any fees incurred by the purchaser in securing that financing commitment required by Seller; and (C) Seller shall pay to Escrow a fee commensurate with the work done by Escrow prior to such cancellation, up to a maximum of \$250.00.

(b) Refund Upon Failure to Obtain Financing by Owner-Occupant. If a prospective Owner-Occupant has not obtained adequate financing, or a commitment for adequate financing, by a date specified in the sales contract, the sales contract may be canceled by either Seller or the purchaser. Upon a written request from either Seller or purchaser, Escrow shall return purchaser's funds, without interest, and less an escrow cancellation fee commensurate with the work done by Escrow prior to such rescission, up to a maximum of \$250.00.

4. Partial Closings. It is understood that partial closings, i.e., closings for some but not all of the units, may be desired by Seller. If Seller desires to close any or all sales at different times, Escrow agrees to cooperate with Seller and shall vary its performance of the directions contained herein in such manner as will facilitate its performance of such partial closings.

NOTE: This Exhibit contains a brief description of some of the terms and conditions contained in the Escrow Agreement. Buyer is cautioned to carefully review and become familiar with the complete escrow agreement as it contains other provisions than those mentioned above and establishes charges and fees which the buyer may be responsible for. If there are any conflicts between the terms contained in this summary and the escrow agreement, the escrow agreement will control.

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

650 SOUTH KING STREET, 7TH FLOOR - HONOLULU, HAWAII 96813  
 TELEPHONE: (808) 768-8000 • FAX: (808) 527-6743  
 INTERNET: www.honolulu.gov • DEPT. WEB SITE: www.honolulu.gov

MUFF HANNEMANN  
 MAYOR



2008/EU-3(js)

MINOR PERMIT:	EXISTING USE (EU)
File Number:	2008/EU-3
Project:	Kamemoto Manoa Property Existing Use
Applicant:	Allen Kamemoto
Agent:	Patrick Seguirant
Location:	3585 and 3576 Pinao Street - Manoa
Tax Map Key:	2-9-69: 89 and 111
Zoning:	R-7.5 Residential District
Date Accepted:	January 24, 2008

**APPROVAL** is granted to the existing use, 11 existing single-family dwellings, in accordance with the application documents (plans date-stamped January 9, 2008 and February 1, 2008), subject to the following conditions:

1. All work shall be in accordance with approved application documents, the conditions enumerated below and the Land Use Ordinance (LUO) unless otherwise stated by this permit.
2. The Existing Use permit (EU) is only for the continued use, repair, alteration, expansion, relocation, or reconstruction of the existing dwellings. This Existing Use approval does not certify that the existing structures and improvements comply with the current zoning code or other regulations.
3. In accordance with Section 2.100(a) of the LUO, in the event of destruction, uses may be continued and structures may be rebuilt under the approved existing use plan, provided that such restoration is permitted by the Building Code and Flood Hazard Regulations and is started within two (2) years.
4. Only **minor modifications** to the EU plans shall be allowed. Any major modification which may have an adverse impact on surrounding land uses, increases the number of dwelling units, and/or involves the reconstruction and/or expansion of a dwelling(s) which is part of a larger development, shall require the processing of a Cluster Housing Permit.

EXHIBIT N

5. The applicant or owner(s) shall incorporate this EU into the restrictive covenants which run with the land, to serve as notice to all owners and tenants. The draft covenant shall be submitted for review and approval by the DPP. Upon approval of the covenant, a certified recorded copy shall be filed with the DPP, prior to the change in any ownership or the issuance of any permits.
6. If the project will be condominiumized, the applicant or owner(s) shall submit a draft copy of the Condominium Property Regime (CPR) map and documents to the DPP for our review. Future work subsequent to the creation of a CPR may require approval from the homeowners association prior to the start of work. If the EU is incorporated into the CPR documents, a separate declaration of restrictive covenants is not required.
7. All work shall comply with the applicable LUO standard for the underlying zoning district, unless otherwise stated herein:
  - (1) A minimum 10-foot setback, for structures shall be required from the common access drive;
  - (2) Within the project, the minimum distances between buildings shall be as follows:
    - (i) 10 feet between two (2) one-story dwellings;
    - (ii) 15 feet between a one-story and a two-story dwelling or portion thereof; and
    - (iii) 20 feet between two-story dwellings.

If the property is condominiumized, then, buildings shall comply with required yards and height setbacks of the underlying zoning district as measured from limited common element (CPR) lines;

  - (3) Maximum building area shall not exceed 30 percent of the original lot area of square feet. If the property is condominiumized, then, within each limited common element, the maximum building area shall not exceed 50 percent of the area for each limited common element.
8. Prior to the issuance of any building permits:
  - a. All property pins, other than those located within the stream, shall be installed in accordance with the Topographic Map prepared by Imata and Associates, Inc. (survey conducted November 14 through 17, 2007);
  - b. All weather surfaces shall be provided at all driveway and parking areas, in accordance with the proposed "Site Plan and Condo Map" dated January 6, 2008.
9. All new work shall be compatible in design with the existing and surrounding structures. If a dwelling is reconstructed, it shall not exceed 2,500 square feet in floor area and shall

be in the same general location. The Director may require the redesign of floor plans, exterior entrances, stairways, bar areas, including plumbing and electrical systems, to ensure that the number of dwellings is not increased and/or the maximum allowed floor area is not exceeded.

10. A minimum of 22 parking spaces, two (2) stalls for each dwelling unit, shall be provided prior to the issuance of any building permits subsequent to this approval. Dwelling additions shall comply with the LUO parking regulations. Existing parking spaces within carports or garages shall not be converted into usable floor area (including garage or carport storage areas), unless the parking space(s) is provided elsewhere within the CPR lot.
11. A minimum 20-foot wide driveway (clear pavement width) shall be provided within the common access drive throughout the project.
12. The width of private driveways shall not exceed 18 feet.
13. Reconstructed dwellings shall have a minimum 16-foot driveway depth fronting the carport or garage.
14. An all weather surface shall be provided at all driveway or parking areas prior to the issuance of any building permits, subsequent to this approval.
15. A Fence Master Plan (FMP) shall be submitted to the DPP for review and approval prior to the issuance of any building permit for new fences or walls. Perimeter chain link fencing shall require a two-foot landscape strip with a minimum five-foot high hedge and maintained in a healthy condition at all times. No new fences or walls shall be allowed without an approved fence master plan.
16. All existing trees six (6) inches or greater in diameter shall be retained on-site, or replacement landscaping shall be required. All landscaping shall be maintained in a healthy visual condition at all times.
17. The addition, alteration or reconstruction of any dwelling unit shall comply with Fire Department requirements for access, water and/or Fire Department connections, and shall be submitted to the Fire Department for review and approval prior to issuance of building permits.
18. Any modification to the application documents and conditions stated herein shall be subject to approval by the DPP. For good cause, the Director may impose additional requirements and/or amend the above conditions.

In accordance with the LUO, any zoning lot within a residential district which has at least twice the required minimum lot size for underlying district may have a maximum of two (2) detached dwellings. If an owner wishes to erect additional dwelling units, the zoning lot shall be subdivided.

The purpose of this EU permit is to recognize the hardship imposed upon uses that were legally established, met applicable zoning requirements at the time the uses and structures were approved, but may not comply with current zoning standards. Residential EU permits apply to uses that are now subject to Cluster Housing. Without this EU approval, the dwellings are considered nonconforming and subject to Section 4.110(d) of the LUO related to nonconforming dwelling units.

The 11 single-family dwellings were legally established on two (2) separate legal lots (Parcels 89 and 111) which have been under single ownership since 1963. Only one (1) water meter serves the project and the 11 dwellings have essentially been managed as a singular project since the dwellings were constructed from 1962 to 1966.

Parcel 111 contains three (3) single-family dwellings. The net land area [gross land area (28,252 square feet) minus the area of the open stream easement (10,500 square feet)] of Parcel 111 is 17,752 square feet and does not meet the minimum land area of 22,500 square feet which is required for an EU within the R-7.5 Residential district. Parcel 89 is 60,853 square feet in land area and contains eight (8) single-family dwellings. If combined, the net land area [gross land area (89,105 square feet) minus the area of the open stream easement] of both lots is 78,605 square feet which exceeds the minimum land area (22,500 square feet) required for the EU. And, the 11 dwellings do not exceed the maximum allowed density of 11.2 dwellings [one (1) dwelling per 7,000 square feet of land area] permitted on the zoning lot.

For the two (2) lots to be considered and treated as one (1) zoning lot, a Conditional Use Permit for Joint Development (CUP) must be obtained. The applicant has applied for a CUP (File No. 2008/CUP-6), which shall be approved simultaneously with the EU.

Approval of this EU does not substantially limit, impair or preclude the use of surrounding properties for the principal uses permitted in the underlying district. This assessment includes impacts on traffic flow and control, off-street parking, sewerage, drainage and flooding, utilities, screening and buffering, yards and other open spaces, lot dimensions, height, bulk and location of structures.

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).

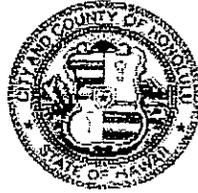
Failure to comply with ZBA Rules Chapter 22, Procedure for Appeals, may result in the dismissal of the appeal. Copies of the ZBA rules are available at the Department of Planning and Permitting. Appeals should be addressed to:



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

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813  
TELEPHONE: (808) 758-8000 • FAX: (808) 527-6743  
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MUFU HANNEMANN  
MAYOR



HENRY HUI  
DIRECTOR

DAVID N. TANGUL  
DEPUTY DIRECTOR

2008/EU-3(JS)  
2008/ELOG-756

April 11, 2008

Mr. Patrick Seguirant, Architect  
91-1030 Kaihi Street  
Ewa Beach, Hawaii 96706

Dear Mr. Seguirant:

Subject: Request for Minor Modifications to  
Existing Use Permit Application No. 2008/EU-3  
3585 and 3576 Pinao Street - Manoa  
Tax Map Key 2-9-69: 89 and 111

This is in response to your request for minor modification (letter date-stamped March 28, 2008) for the above Existing Use Permit (EU). More specifically, you request modification to Condition 13 which requires that all "reconstructed dwellings shall have a minimum 16-foot driveway depth fronting the carport or garage."

The EU site plan indicates that the lot sizes, dimensions and configurations of ten (10) of the 11 dwellings will allow reconstructed dwellings to comply with Condition 13. However, a 16-foot driveway depth for a reconstructed dwelling on Dwelling Lot No. 1, will significantly impact its buildable area. Dwelling Lot No. 1 is the smallest (3,688 square-feet) and narrowest (42.17-foot lot width) lot within the project.

Condition 7 of the EU requires that a minimum 10-foot setback for structures shall be provided from the common access drive. A 16-foot driveway depth would reduce the depth of the buildable area by six (6) feet, which significantly affects the buildable area of Dwelling Lot No. 1. Therefore, you propose to allow a reconstructed dwelling on Dwelling Lot No. 1 to be setback a minimum of ten (10) feet from the common driveway, in accordance with Condition 7.

The purpose of requiring a 16-foot driveway is to assure that each reconstructed dwelling can provide extra parking within the lot to accommodate a guest parking space and deter parking within the common driveway and/or public right-of-way. Since the project will provide six (6) guest parking spaces, it would be reasonable to allow one (1) dwelling to not provide a private guest parking space.

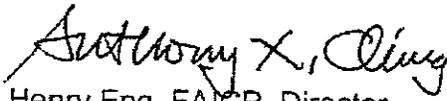
Mr. Patrick Seguirant, Architect  
April 11, 2008  
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Therefore, we are pleased to inform you that your request is APPROVED, and Condition 13 shall be revised as follows:

- "13. Reconstructed dwellings, except Dwelling Lot No. 1, shall have a minimum 16-foot driveway depth fronting the carport or garage."  
[Note: Revised text is underlined]

We have enclosed a receipt for the filing fee. If you have any questions, please contact Joyce Shoji at 768-8032 of the Urban Design Branch.

Very truly yours,

  
FOR Henry Eng, FAICP, Director  
Department of Planning and Permitting

HE:pl  
Encl.: Receipt No.70924

Doc. 606660