

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by:

Developer Dave A. Yester

Business Address 59-397 Ke Nui Road, Haleiwa, Hawaii 96712

Project Name (*): Paukai Stream Condominium

Address: 66-039 Waialua Beach Road, Haleiwa, Hawaii 96712

Registration No. 6306

(Partial Conversion)

Effective date: March 9, 2009

Expiration date: April 9, 2010

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

- ☐ **PRELIMINARY:**
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
- ☒ **FINAL:**
(white) The developer has legally created a condominium and has filed complete information with the Commission.
- ☐ No prior reports have been issued.
- ☐ This report supersedes all prior public reports.
- ☐ This report must be read together with _____
- ☐ **SUPPLEMENTARY:**
(pink) This report updates information contained in the:
- ☐ Preliminary Public Report dated: _____
- ☐ Final Public Report dated: _____
- ☐ Supplementary Public Report dated: _____
- And ☐ Supersedes all prior public reports.
- ☐ Must be read together with _____
- ☐ This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

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

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104/0107

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

☒ Required and attached to this report ☐ Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

☒ No prior reports have been issued by the developer.

☐ Changes made are as follows:

SPECIAL ATTENTION

The Developer has disclosed the following:

- (a) This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The dotted lines in the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.
- (b) No warranties are given to the purchaser as to the construction, materials or workmanship of the Project. The Project is being sold in "as is" condition (pages 12 and 15).
- (c) Only Unit A in this Project contains a dwelling. None of the other eight units may contain a lodging unit. See Exhibit J for further information.

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

THE PROSPECTIVE PURCHASERS ARE CAUTIONED TO CAREFULLY REVIEW ALL DOCUMENTS REGARDING THIS CONDOMINIUM PROJECT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

TABLE OF CONTENTS

Preparation of this Report	Page
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	1
Summary of Changes from Earlier Public Reports	2
Table of Contents	2
General Information on Condominiums Operation	3
of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer	
Attorney for Developer	
General Contractor	
Real Estate Broker	
Escrow Company	
Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A:	Developer's Reserved Rights
EXHIBIT B:	Permitted Alterations to Apartments
EXHIBIT C:	Common Elements
EXHIBIT D:	Limited Common Elements
EXHIBIT E:	Encumbrances against Title
EXHIBIT F:	Summary of the Pertinent Provisions of the Sales Contract
EXHIBIT G:	Summary of the Pertinent Provisions of the Escrow Agreement
EXHIBIT H:	Disclosure Abstract
EXHIBIT I:	Reservation of Rights
EXHIBIT J:	Letter from City & County of Honolulu, Dept. of Planning and Permitting

General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

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

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Dave A. Yester Phone: (808) 497-0798
Name (Business)
59-397 Ke Nui Road
Business Address
Haleiwa, Hawaii 96712

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

N/A

Real Estate Broker*: No broker selected. See Page 20 Phone: _____
Name (Business)

Business Address

Escrow: Fidelity National Title & Escrow of Hawaii, Inc. Phone: (808) 485-0505
Name (Business)

98-211 Pali Momi #312

Business Address

Aiea, HI 96701

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

Business Address

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

Business Address

Attorney for Developer: This Report was prepared by the Developer Pro Se Phone: _____
Name (Business)

Business Address

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

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. <u>2006-094092</u>	
			Book _____	Page _____
<input type="checkbox"/>	Filed -	Land Court:	Document No. _____	

The Declaration referred to above has been amended by the following instruments: First Amendment to Declaration of Condominium Property Regime, dated 11/14/08 and recorded in the Bureau of Conveyances as Document No. 2008-176428.

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

The Condominium Map for this condominium project is:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances Condo Map No. <u>4230</u>		
<input type="checkbox"/>	Filed -	Land Court Condo Map No. _____		

The Condominium Map has been amended by the following instruments: First Amendment to Declaration of Condominium Property Regime, dated 11/14/08 and recorded in the Bureau of Conveyances as Document No. 2008-176428 along with Amended Condominium Map, dated 6/26/08 and filed with the Bureau of Conveyances.

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

The Bylaws for this condominium are:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. <u>2006-094093</u>	
			Book _____	Page _____
<input type="checkbox"/>	Filed -	Land Court:	Document No. _____	

The Bylaws referred to above have been amended by the following instruments: First Amendment to Bylaws of the Association of Apartment Owners of Paukauila Stream Condominium, dated 11/14/08 and filed with the Bureau of Conveyances as Document No. 2008-176429.

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

The House Rules for this condominium are:

☐ Proposed ☐ Adopted ☒ Developer does not plan to adopt House Rules

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>100%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</u>

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. **Developer:**

☐ No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

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

See attached Exhibit "A"

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

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

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: ☐ Monthly ☐ Quarterly
 ☐ Semi-Annually ☐ Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: ☐ Month ☐ Year

For Sub-leaseholds:

- ☐ Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is: ☐ Canceled ☐ Foreclosed

- ☐ As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

- ☐ Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

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

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

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: ☐ Monthly ☐ Quarterly
 ☐ Semi-Annually ☐ Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: ☐ Month ☐ Year

☐ Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 66-039 Waialua Beach Road Tax Map Key (TMK): (1) 6-6-018: 011
Haleiwa, Hawaii 96712

☐ Address ☐ TMK is expected to change because _____

Land Area: 34,403 ☒ square feet ☐ acre(s) Zoning: Country

Fee Owner: Dave A. Yester
Name

Lessor: N/A
Name
Business Address

C. **Buildings and Other Improvements:**

1. ☐ New Building(s)
☐ Conversion of Existing Building(s)
☒ Both New Building(s) and Conversion
2. Number of Buildings: 9 Floors Per Building: 1
☐ Exhibit _____ contains further explanations.
3. **Principal Construction Material:**
☒ Concrete ☐ Hollow Tile ☒ Wood
☐ Other _____
4. **Uses Permitted by Zoning:**

	No. of <u>Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>1</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other- sheds or workshops	<u>8</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
☒ Yes ☐ No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

☒ Pets: Sec. 10.7 of Bylaws allows reasonable number of household pets but no breeding.

☐ Number of Occupants: _____

☒ Other: See Paragraph 4 of Exhibit "H" re restricted use of Units B - I.

☐ There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
Unit A	1	2/1	915	48	porch
Unit B	1	1 bath	--	430	wrkshp/porch
Unit C	1	0	--	16	shed
Unit D	1	0	--	16	shed
Unit E	1	0	--	16	shed
Unit F	1	0	--	16	shed
Unit G	1	0	--	16	shed
Unit H	1	0	--	16	shed
Unit I	1	0	--	16	shed

Total Number of Apartments: 9

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

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

Boundaries of Each Apartment:

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

Permitted Alterations to Apartments:

See Exhibit B

Apartments Designated for Owner-Occupants Only: Not Applicable

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has not elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 18

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>TOTAL</u>
Assigned (for Unit A)		18					18
Guest							
Unassigned							
Extra for Purchase							
Other: _____							
Total Covered & Open:	18						18

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

Note: There is sufficient limited common element land area to provide two open parking stalls for each unit.

☐ Commercial parking garage permitted in condominium project.

☐ Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities.

☒ There are no recreational or common facilities.

☐ Swimming pool

[] Storage Area

[1 Recreation Area

☐ Laundry Area

☐ Tennis Court

☐ Trash Chute/Enclosure(s)

[] Other: _____

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

☒ There are no violations.

☐ Violations will not be cured.

[] Violations and cost to cure are listed below:

[] Violations will be cured by _____
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

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

11. Conformance to Present Zoning Code

a. ☒ No variances to zoning code have been granted.

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

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

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

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

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

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

D. Common Elements. Limited Common Elements. Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

☒ described in Exhibit C.

☐ as follows:

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

☐ There are no limited common elements in this project.

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

☒ described in Exhibit D.

☐ as follows:

NOTE: Reference in said Exhibit D to "Dwelling Area" and "Exclusive Areas" does not mean legally subdivided lots.

3. **Common Interest:** Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

☐ described in Exhibit _____.

☒ as follows:

Unit A	- 49%
Unit B	- 16%
Unit C	- 5%
Unit D	- 5%
Unit E	- 5%
Unit F	- 5%
Unit G	- 5%
Unit H	- 5%
Unit I	- 5%

NOTE: Since common expenses and voting are based on the above percentages, purchasers might wish to give the common interests appurtenant to each unit careful consideration.

- E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit E describes the encumbrances against the title contained in the title report dated 1/14/09 and issued by Fidelity National Title Insurance Company

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgages	Buyer's interest may be terminated by mortgagee but Buyer shall be entitled to return of his deposit, less escrow cancellation fee.

F. Construction Warranties:

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

1. Building and Other Improvements:

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

2. Appliances:

N/A

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

Unit A completed as of July 16, 2003.
Unit B completed as of July 16, 2003.
Unit C completed as of February 22, 2007.
Unit D completed as of February 22, 2007.
Unit E completed as of February 22, 2007.
Unit F completed as of February 22, 2007.
Unit G completed as of February 22, 2007.
Unit H completed as of February 22, 2007.
Unit I completed as of February 22, 2007.

H. **Project Phases:**

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

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

See Exhibit I with respect to Developer's reserved rights.

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

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

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

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

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

- C. **Utility Charges for Apartments:**

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

☐ None ☒ Electricity (Common Elements only X Common Elements & Apartments)
☐ Gas (Common Elements only Common Elements & Apartments)
☒ Water ☒ Sewer ☐ Television Cable
☐ Other

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- ☐ Notice to Owner Occupants
- ☒ Specimen Sales Contract
Exhibit F contains a summary of the pertinent provisions of the sales contract.
- ☒ Escrow Agreement dated May 2, 2006
Exhibit G contains a summary of the pertinent provisions of the escrow agreement.
- ☐ Other

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 6306 filed with the Real Estate Commission on May 22, 2006.

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

☐ YELLOW paper stock

☒ WHITE paper stock

☐ PINK paper stock

C. **Additional Information Not Covered Above**

DISCLOSURE REGARDING SELECTION OF REAL ESTATE BROKER:

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

In the event the Developer selects a real estate broker for the sale of an apartment, prior to entering into a binding contract for such sale the Developer shall (1) submit to the Real Estate Commission a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, together with a duly executed disclosure abstract identifying the designated broker, and (2) provide a copy of the disclosure abstract to the purchaser together with a copy of this public report.

LEAD WARNING STATEMENT

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

UTILITIES

Units A and B are jointly serviced by one (1) water meter and one (1) electric meter. These are the sole water and electric meters currently existing on the Project. The water main is located within the utility easement off of Waialua Beach Road. There are no utility meters or hook-ups for Units C thru I. All costs associated with the installation of additional water and electric meters as well as water and electric hook-ups shall be borne by the respective Unit Owner. Each Unit shall have appurtenant thereto perpetual, nonexclusive easements over, under and across the common elements (including Limited Common Elements) designed for such purposes for ingress to, egress from, utility services for (including, but not limited to telephone, electricity, water, sewer, drainage and cable TV), as shown on Amended Condominium Map No. 6306, dated 6/26/08 and filed with the Bureau of Conveyances.

ACCESS

All Units in the Project have a non-exclusive easement for access purposes from Waialua Beach Road to the Project over, under and across that "Limited Common Access" also referred to as "Existing Roadway" as shown on the Condominium Map. All costs related to the maintenance of said non-exclusive easement shall be a common cost and/or expense shared by the Unit Owners.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

DAVE A. YESTER

Printed Name of Developer

By: _____

Dave A Yester
Duly Authorized Signatory*

1-26-04
Date

DAVE A. YESTER, DEVELOPER

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT "A"

DEVELOPER'S RESERVED RIGHTS

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

Paragraph 20 of the Declaration states:

Amendments Generally. Except as otherwise expressly provided herein or in the Act, this Declaration and the Condominium Map may be amended only by the affirmative vote or written consent of all of the Apartment Owners, evidenced by an instrument in writing, signed and acknowledged by each of them, which amendment shall be effective upon recordation in the Recording Office; provided, however, that notwithstanding the foregoing provision, at any time prior to the first recording of a conveyance or transfer (other than for security) of an Apartment and its appurtenances to a party not a signatory hereto, the Declarant may amend this Declaration (including all exhibits), the Condominium Map and the Bylaws in any manner, without the consent or joinder of any Apartment purchaser or any other party. Notwithstanding the lease, sale or conveyance of any of the Apartments, Declarant may amend this Declaration (and when applicable, any exhibits to this Declaration and the Condominium Map) to file the "as-built" verified statement required by Section 514A-12 of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans thereto filed fully and accurately depict the layout, location, Apartment numbers, and the dimensions of the Apartments as built, or (ii) so long as the plans filed therewith involve only minor changes to the layout, location, or dimensions of the Apartments as built or any change in the Apartment number.

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

Mortgagee Approval. Any other provision of this Declaration notwithstanding, the approval of eligible holders of first mortgages (as defined below) on Apartments to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such eligible holders are allocated shall be required to materially amend any provision herein, or to add any material provisions hereto, which establish, provide for, govern or regulate any of the following: (a) voting; (b) assessments, assessment liens or subordination of such liens; (c) reserves for maintenance, repair and replacement of the common elements; (d) insurance or fidelity bonds; (e) right to use of the common elements; (f) responsibility for maintenance and repair of the several portions of the Project; (g) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project; (h) boundaries of any Unit (except where the amendment merely reflects that a Unit has been constructed according to alternate plans shown on the Condominium Map); (i) the interests in the

common elements or limited common elements; (j) convertibility of Units into common elements or of common elements into Units; (k) leasing of Units; (l) imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his Unit; (m) establishment of self-management of the Project by the Association where professional management has been required by any agency or corporation which has an interest or prospective interest in the Project; and (n) any provision that expressly benefits holders, insurers, or guarantors of first mortgages on apartments in the Project. To qualify as an "eligible holder of a first mortgage", a holder, insurer or guarantor of a first mortgage on a Unit in the Project must have made a written request to the Association for timely written notice of proposed amendments to the condominium instruments. The request must state the name and address of the holder, insurer or guarantor and the number of the Unit covered by the mortgage. In the event that an eligible holder of a first mortgage fails to appear at a meeting of the Association at which amendments of a material nature to this Declaration are proposed and considered, or fails to file a written response with the Association within thirty (30) days after it receives proper notice of the proposed amendment, delivered-by certified or registered mail, with a "return receipt" requested, then and in any such event such amendments shall conclusively be deemed approved by such eligible holder of a first mortgage.

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

Notwithstanding the foregoing, an Owner shall have the right without the consent or joinder of any other person to amend this Declaration and the Condominium Map to reflect the changes made to his Unit in accordance with Paragraph 19.1 of this Declaration. Promptly upon completion of such changes, the Unit Owner shall duly record with the Recording Office an amendment to his Declaration and to the Condominium Map, together with a complete set of the floor plans of the Project as so altered, certified as build by a registered architect or professional engineer. All existing Unit Owners and all future Unit Owners and their mortgagees, by accepting an interest in a Unit, shall be deemed to have given each Unit Owner a Power of Attorney to execute an amendment to the Declaration solely for the purpose of describing the changes to his respective Unit on the Declaration so that each Unit Owner shall hereafter have a Power of Attorney from all the other Unit Owners to execute such amendment to the Declaration. This Power of Attorney shall be deemed coupled with each Owner's interest in his Unit (including its appurtenant common interest) and shall be irrevocable.

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

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS

Sub-paragraph 19.1 of the Declaration states:

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

- (a) All changes shall conform with the Land Use ordinance and other applicable City and County building, zoning laws and ordinances ("County Rules") and applicable State of Hawaii laws and regulations ("State Laws").
- (b) All changes to a Unit must be made within its appurtenant Exclusive Area or Dwelling Area, and provided further, that no structure (other than stairs or other nonmaterial structure) shall be constructed or placed within three feet of the boundary line separating an Exclusive Area or Dwelling Area from any other Exclusive Area or Dwelling Area.
- (c) No change to a Unit will be made if the effect of such change would be to exceed the Unit's proportionate share of the allowable floor area, building area coverage for the Land, or number of dwelling units allocable to the Land, as defined by the LUO in effect when the change is to be made. The "proportionate share" for each Unit shall be the fraction having as its numerator the land area of its appurtenant Dwelling Area or Exclusive Area and as its denominator the total land area of all of the Dwelling Areas and Exclusive Use Areas within the Project.
- (d) All such changes shall be at the expense of the owner making the change, shall be expeditiously made and completed in a manner that will not unreasonably interfere with or cause damage to any other Unit, its appurtenant Exclusive Area, or the use thereof by an Owner of any other Unit.
- (e) During the entire course of such construction, the Owner making such change will cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association shall be named as an additional insured and, upon the request of the Association, evidence of such insurance shall be deposited with the Association or its Managing Agent, if any;
- (f) The Owner of the changed Unit shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the Unit affected by such change for electricity, sewer and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any interruption in the service of such utilities to any other part of the Project or otherwise materially interfere with their use by any other Owner;
- (g) If the consent to the change or joinder of another owner is required by the Act, then each Owner hereby consents in advance to such change.
- (h) Each and every conveyance, lease and mortgage or other lien made or created on any Unit and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a Exclusive Area shall reserve to each Owner the rights set forth in this paragraph.

EXHIBIT "C"

COMMON ELEMENTS

Paragraph 4 of the Declaration designates certain portions of the Project as "common elements", including specifically but not limited to:

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

1. The Land in fee simple;
2. The limited common elements described in Paragraph 5 of the Declaration;
3. All pipes, wires, ducts, conduits or other utility or service lines, drainage ditches or appurtenant drainage structures and retaining walls (if any), which are located outside the Units and which are utilized for or serve more than one Unit;
4. All pipes, wires, ducts, conduits or other utility or service lines running through a Unit which are utilized by or serve more than one Unit;
5. The rights to use the perpetual nonexclusive easement for road ingress and egress and utility purposes over, across, and under Roadway A and Roadway B and Roadway C, twelve feet wide as well as the five foot utility easement, as shown on maps attached to those certain instruments dated February 13, 1991 and June 26, 1995, recorded in the Bureau of Conveyances of the State of Hawaii as Document Nos. 91-037344 and 95-085629, (which is shared with other users).

EXHIBIT "D"

LIMITED COMMON ELEMENTS.

Paragraph 5 of the Declaration of Condominium Property Regime and Paragraph 6 of the First Amendment to Declaration of Condominium Property Regime (amending Paragraph 5 of the Declaration) designates:

5.1 Certain parts of the common elements, herein called the "Limited Common Elements", are hereby designated and set aside for the exclusive use of certain of the Units, and each Unit shall have appurtenant thereto exclusive easements for the use of all such limited common elements set aside and reserved for such Unit's exclusive use, except as provided under Section 19.2. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne by the Unit to which it is appurtenant.

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

- (a) The site on which Unit A is located, consisting of the land area beneath and immediately adjacent to Unit A, as shown and delineated on the Condominium Map as "Dwelling Area A (5,026 Sq. Ft./Net 4,384 Sq. Ft.)" (including the airspace above such site) is for the exclusive benefit of Unit A, the net area being measured by subtracting the Limited Common Access and any easements from the Exclusive Area; and
- (b) Two (2) parking spaces located on Dwelling Area A as shown on the Condominium Map.

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

- (a) The site on which Unit B is located, consisting of the land beneath and immediately adjacent to Unit B, as shown and delineated on the Condominium Map as "Exclusive Area B (4,456 Sq. Ft./Net 3,954 Sq. Ft.)" (including the airspace above such site) is for the exclusive benefit of Unit B, the net area being measured from the interior surface of the Unit perimeter walls, the net area being measured by subtracting the Limited Common Access and any easements from the Exclusive Area; and

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

- (a) The site on which Unit C is located, consisting of the land beneath and immediately adjacent to Unit C, as shown and delineated on the Condominium Map as "Exclusive Area C (4,275 Sq. Ft.)" (including the airspace above such site) is for the exclusive benefit of Unit C.

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

- (a) The site on which Unit D is located, consisting of the land beneath and immediately adjacent to Unit D, as shown and delineated on the Condominium Map as "Exclusive Area D (4,419 Sq. Ft./3,880 Sq. Ft.)" (including the airspace above such site) is for the exclusive benefit of Unit D, the net area being measured from the interior surface of the Unit perimeter walls, the net area being measured by subtracting the Limited Common Access and any easements from the Exclusive Area.

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

(a) The site on which Unit E is located, consisting of the land beneath and immediately adjacent to Unit E, as shown and delineated on the Condominium Map as "Exclusive Area E (1,909 Sq. Ft./Net 1,596 Sq. Ft.)" (including the airspace above such site) is for the exclusive benefit of Unit E, the net area being measured by subtracting the Limited Common Access and any easements from the Exclusive Area.

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

(a) The site on which Unit F is located, consisting of the land beneath and immediately adjacent to Unit F, as shown and delineated on the Condominium Map as "Exclusive Area F (3,780 Sq. Ft./Net 2,743 Sq. Ft.)" (including the airspace above such site) is for the exclusive benefit of Unit E, the net area being measured by subtracting the Limited Common Access and any easements from the Exclusive Area.

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

(a) The site on which Unit G is located, consisting of the land beneath and immediately adjacent to Unit G, as shown and delineated on the Condominium Map as "Exclusive Area G (3,135 Sq. Ft./Net 2,800 Sq. Ft.)" (including the airspace above such site) is for the exclusive benefit of Unit G, the net area being measured by subtracting the Limited Common Access and any easements from the Exclusive Area.

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

(a) The site on which Unit H is located, consisting of the land beneath and immediately adjacent to Unit H, as shown and delineated on the Condominium Map as "Exclusive Area H (3,441 Sq. Ft./Net 3,108 Sq. Ft.)" (including the airspace above such site) is for the exclusive benefit of Unit H, the net area being measured by subtracting the Limited Common Access and any easements from the Exclusive Area.

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

(a) The site on which Unit I is located, consisting of the land beneath and immediately adjacent to Unit I, as shown and delineated on the Condominium Map as "Exclusive Area I (3,962 Sq. Ft.)" (including the airspace above such site) is for the exclusive benefit of Unit I.

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

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Property taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2008-2009, Tax Map Key (1) 6-6-018-011. Unit A

1st installment: \$564.40 paid
2nd installment: \$564.40 open

Property taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2008-2009, Tax Map Key (1) 6-6-018-011. Unit B

1st installment: \$300.54 paid
2nd installment: \$300.54 open

Property taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2008-2009, Tax Map Key (1) 6-6-018-011. Unit C

1st installment: \$50.00 paid
2nd installment: \$50.00 open

Property taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2008-2009, Tax Map Key (1) 6-6-018-011. Unit D

1st installment: \$50.00 paid
2nd installment: \$50.00 open

Order No. 09001345-FTHAI51
Your Reference No.: FNT

EXCEPTIONS
(Continued)

Property taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2008-2009, Tax Map Key (1) 6-6-018-011. Unit E

1st installment: \$50.00 paid
2nd installment: \$50.00 open

Property taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2008-2009, Tax Map Key (1) 6-6-018-011. Unit F

1st installment: \$50.00 paid
2nd installment: \$50.00 open

Property taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2008-2009, Tax Map Key (1) 6-6-018-011. Unit G

1st installment: \$50.00 paid
2nd installment: \$50.00 open

Property taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2008-2009, Tax Map Key (1) 6-6-018-011. Unit H

1st installment: \$50.00 paid
2nd installment: \$50.00 open

Property taxes, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2008-2009, Tax Map Key (1) 6-6-018-011. Unit I

1st installment: \$50.00 paid
2nd installment: \$50.00 open

7. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

8. Any adverse claim based upon the assertion that:

a. Said land or any part thereof is now or at any time has been below the highest of the high watermarks of the Paukauila Stream, in the event the boundary of said river has been artificially raised or is now or at any time has been below the high watermark, if said river is in its natural state.

b. Some portion of said land has been created by artificial means or has accreted to such portion so created.

c. Some portion of said land has been brought within the boundaries thereof by an avulsive movement of the Paukauila Stream, or has been formed by accretion to any such portion.

Order No. 09001345-FTHAI51
Your Reference No.: FNT

EXCEPTIONS
(Continued)

9. Terms, provisions, reservations, 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:

Perpetual Roadway Easement

Dated: February 13, 1991 and June 26, 1995

Recorded: in the Bureau of Conveyances of the State of Hawaii, Document No. 91 037344 & 95 085629.

10. Terms, provisions, reservations, 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 Covenants (Flood Hazard Variance)

Dated: November 10, 1997

Recorded: December 12, 1997, in the Bureau of Conveyances of the State of Hawaii, Document No. 97 174142.

11. Terms, provisions, reservations, 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 Covenants (Flood Hazard Variance)

Dated: November 6, 1997

Recorded: December 12, 1997, in the Bureau of Conveyances of the State of Hawaii, Document No. 97 174143.

12. Terms, provisions, reservations, 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 Covenants (Flood Hazard Variance)

Dated: November 10, 1997

Recorded: December 12, 1997, in the Bureau of Conveyances of the State of Hawaii, Document No. 97 174144.

Order No. 09001345-FTHAI51
Your Reference No.: FNT

EXCEPTIONS

(Continued)

13. Covenants and conditions as contained in the Affidavit with certain terms, covenants, conditions and provisions as set forth therein.

Dated: None Shown

Recorded: July 8, 1998, in the Bureau of Conveyances of the State of Hawaii, Document No. 98 098690.

14. Right of Entry and Cancellation of Agreement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document;

In favor of: Hawaiian Electric Company, Inc., a Hawaii corporation and Verizon Hawaii, Inc., a Hawaii corporation (now known as Hawaiian Telcom, Inc.)

Purpose: utility

Recorded: August 8, 2001, in the Bureau of Conveyances of the State of Hawaii, Document No. 2001 123465, dated June 1, 2001.

Affects: land herein described

15. Condominium Map No. 4230, recorded in the Bureau of Conveyances of the State of Hawaii.

16. 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 contained in the following:

Declaration of Condominium Property Regime of "PAUKAULA STREAM CONDOMINIUM"

Dated: May 5, 2006

Recorded: May 18, 2006, in the Bureau of Conveyances of the State of Hawaii, Document No. 2006 094092.

The foregoing Declaration was amended by the following:

Recorded: November 19, 2008 in the Bureau of Conveyances of the State of Hawaii, as Document No. 2008-176428.

17. By Laws of the Association of Apartment Owners of "PAUKAULA STREAM CONDOMINIUM", dated May 5, 2006, recorded May 18, 2006, in the Bureau of Conveyances of the State of Hawaii, Document No. 2006 094093.

The foregoing Bylaws was amended by the following:

Recorded: November 19, 2008 in the Bureau of Conveyances of the State of Hawaii, as Document No. 2008-176429.

Order No. 09001345-FTHA151
Your Reference No.: FNT

EXCEPTIONS
(Continued)

18. The following qualifying language applies to any and all covenants, conditions and restrictions (CC&R's) set forth in the numbered items above:

But omitting any covenants or restrictions, if any, based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

19. A mortgage to secure an indebtedness as shown below, and any other obligations secured thereby

Amount: \$402,500.00
Dated: February 14, 2007
Loan No.: 0160014321
Mortgagor: Dave A. Yester, husband of Tania Mara Yester, as Tenant in Severalty
Mortgagee: Mortgage Electronic Registration Systems, Inc., a separate corporation acting solely as nominee for US Financial Mortgage Corp., a Hawaii Corporation organized and existing under the laws of Hawaii
Recorded: February 21, 2007, in the Bureau of Conveyances of the State of Hawaii, Document No. 2007 031499.

Affects Unit A

20. A mortgage to secure an indebtedness as shown below, and any other obligations secured thereby

Amount: \$210,000.00
Dated: June 13, 2007
Loan No.: none shown
Mortgagor: David A. Yester, husband of Tania Mara Yester
Mortgagee: Mortgage Electronic Registration Systems, Inc., a separate corporation acting solely as nominee for Countrywide Home Loans, Inc., a Corporation organized and existing under the laws of New York
Recorded: June 20, 2007 in the Bureau of Conveyances of the State of Hawaii, as Document No. 2007-109864.

Affects Unit B

21. Upon conveyance of any Apartment Unit(s), said Apartment shall become subject to the following:

a) Terms, provisions and conditions as contained in the Original Apartment Deed and the effect of any failure to comply with such terms, provisions and conditions.

b) Any and all easements encumbering the apartment herein mentioned, and/or the common interest apartment thereto, as created by or mentioned in said Declaration, as said Declaration may be amended from time to time in accordance with the law and/or in the Apartment Deed, and/or as delineated on said Condominium Map.

Order No. 09001345-FTHA151

Your Reference No.: FNT

EXCEPTIONS
(Continued)

END OF ITEMS

Note

1. There are NO conveyances affecting said land, recorded within six (6) months of the date of this report.

EXHIBIT "F"

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

1. Description of the Property to be Conveyed: Fee simple title to the Apartment, together with the furnishings and appliances, if any, and an undivided interest in the common elements.
2. Purchase Price and Terms. The purchase price set forth on page 2 of the DROA is to be paid as follows:
 - a. An initial deposit;
 - b. An additional deposit, if any; and
 - c. The balance of the purchase price is to be paid to escrow by buyer before closing.
3. Financing of Purchase. Paragraph 16 of the Special Provisions provides if Buyer desires financing, a loan application must be made within ten (10) days and if Buyer's application is not approved within forty-five (45) days after the application, then either Seller or Buyer may cancel the Sales Contract. Upon such cancellation, Buyer's deposits will be refunded by escrow without interest.
4. Closing Costs. Pursuant to Paragraph 14 of the Special Provisions, the Buyer is required to pay at closing all escrow fees, Buyer's notary fees and all recording fees. Buyer's proportionate share of any liability insurance premium, real property taxes, maintenance fees and any other charges with respect to the Property shall be pro-rated between Seller and Buyer as of the date of final closing.
5. Closing. Seller has agreed to cause the Apartment to be sold to the Buyer within the time period set forth on page 3 of the DROA, which is expected to occur within 90 days of the date of the DROA.
6. Seller's Rights to Cancel Sales Contract. The Seller may cancel the Sales Contract with the Buyer if (a) Buyer fails to qualify for a permanent loan (paragraph 14 of the Special Provisions); (b) Buyer defaults under the Sales Contract (paragraph 5.2 of the Special Provisions); or (c) Buyer dies prior to Closing Date (paragraph 5.1 of the Special Provisions). Pursuant to Paragraph 5.2 of the Special Provisions, if Buyer fails to close as required, then after ten (10) days following Seller's notice of Buyer's default, if Buyer has not cured his default under the Sales Contract, the Seller may cancel the Sales Contract and all sums previously paid by Buyer will belong absolutely to the Seller as liquidated damages. Additionally, Seller may pursue any other remedy, and all costs, including reasonable attorney's fees, incurred by reason of default by the Buyer shall be borne by the Buyer. Time is the essence of the Sales Agreement.
7. No Present Transfer and Subordination to Construction Loan.
 - (a) The Sales Contract may be subject to existing loans, and any security interest now or hereafter obtained by Lender is or will be prior and senior to any rights arising under the Sales Contract. This obligation to subordinate the Buyer's right under the Sales Contract to loans now or hereafter made by the Seller is set forth in Paragraph 4 of the Special Provisions.

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

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

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

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

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

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

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

EXHIBIT "G"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Developer and Fidelity National Title & Escrow of Hawaii.

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

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

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

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

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

(d) A Buyer has exercised his or her right to rescind the Sales Contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

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

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

(a) the Real Estate Commission has issued a Final Public Report (the "Final Report") on the Project;

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

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

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

EXHIBIT "H"

DISCLOSURE ABSTRACT

1. (a) PROJECT PAUKAUILA STREAM CONDOMINIUM
66-039 Waialua Beach Road
Haleiwa, Hawaii 96712

- (b) DEVELOPER Dave A. Yester
59-397 Ke Nui Road
Haleiwa, Hawaii 96712
Telephone: (808) 638-8370

- (c) MANAGING AGENT: Self-Managed by the Association of Apartment Owners

2. Breakdown of annual maintenance fees and monthly estimated costs for each unit are more fully described on Exhibit "1" attached hereto (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).

Note: Developer discloses that no reserve study was done in accordance with Chapter 514A-83.6, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, HAR, as amended.

3. DESCRIPTION OF ALL WARRANTIES COVERING THE DWELLINGS AND COMMON ELEMENTS

The Developer is not giving any warranty on the materials and workmanship of the Units.

4. USE OF UNITS. The Paukauila Stream Condominium Project will consist of nine (9) units. Unit A shall be occupied and used only for residential purposes by the respective owners thereof, their tenants, families, domestic servants and social guests and for any other purpose permitted by the Land Use Ordinance for the City and County of Honolulu ("LUO") then in effect. As long as Unit A is serviced by the Private Septic System which restricts to three the number of permissible bedrooms, then Unit A shall be allocated two bedrooms. If additional bedrooms are permitted within Unit A, then the allocation of bedrooms shall be by agreement of the Owners, unless otherwise provided in Declaration. Unless residential use in excess of one dwelling unit (Unit A) is permitted, then Unit B through I shall not be used for residential purposes, but may otherwise be used for all other purposes permitted by the LUO; provided, however Unit B shall be allocated one bedroom for purposes of the use of the Private Septic System.

5. EXISTING STRUCTURES BEING CONVERTED. Based upon a report prepared by Jo Paul Rognstad, Registered Professional Architect, the Developer states:

(a) Subject to normal wear and tear commensurate with its age, each of the buildings appear to be in relatively good structural condition consistent with their age.

(b) Subject also to normal wear and tear, the electrical and plumbing systems are operable and in good working order consistent with their age.

(c) The developer makes no statement with respect to the expected useful life of each item set forth in paragraph (a); and

(d) There are no outstanding notices of uncured violations of building code or other municipal regulations.

EXHIBIT "1"
ESTIMATED OPERATING EXPENSES
For Period April 1, 2006 to March 31, 2007
As Prepared by Developer

Estimated Annual Expenses:

Water/Sewer	\$1,200
Electricity*	\$0
Fire/Liability Insurance**	\$0
Management Fee	\$0
Roadway	\$0
Miscellaneous	\$0

Total Annual Expenses: \$1,200

Estimated Monthly Expenses: \$100.00

Estimated Monthly Maintenance Fee for Each Apartment:

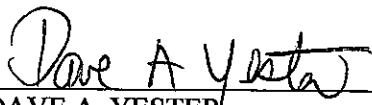
Unit A (49%)	\$49
Unit B (16%)	\$16
Unit C (5%)	\$5
Unit D (5%)	\$5
Unit E (5%)	\$5
Unit F (5%)	\$5
Unit G (5%)	\$5
Unit H (5%)	\$5
Unit I (5%)	\$5

Note:

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

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

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



DAVE A. YESTER

Developer

EXHIBIT "I"

RESERVATION OF RIGHTS

Pursuant to Paragraph 7.5 of the Declaration, the interest of an Owner of a Unit in the Project takes subject to the following understandings:

Declarant reserves the right to grant (including the right to convey, transfer, cancel, relocate and otherwise deal with a grant) to any public utility, governmental authority or other person rights-of-way and other easements, which are for the benefit of the Project or for the benefit any other land owned by Declarant; provided that such would not materially interfere with the use nor materially impair the value of any Unit. Such easements may be granted over, across, under and through the common elements (including Limited Common Elements) for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage and other public services and utilities, and shall include the rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof.

The rights reserved to Declarant above shall continue for so long as Declarant owns any interest in a Unit. Upon transfer of title to the last Unit in the Project to a party other than Declarant, the rights reserved to Declarant in this Paragraph shall terminate as to Declarant and shall automatically vest in the Association.

CITY AND COUNTY OF HONOLULU

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

MUFT HANDEHANN
MAYOR



HENRY ENGL, FAK
DIRECTOR

DANIEL K. TANOUJE
DEPUTY DIRECTOR

2006/ELOG-1091(RLK)

February 22, 2007

Mr. Dave A. Yester
59-401 Ke Nui Road
Haleiwa, Hawaii 96712

Dear Mr. Yester:

Subject: Condominium Conversion Project
66-039 Waialua Beach Road
Tax Map Key: 6-6-018: 011

This is in response to your letter dated April 24, 2006, requesting verification that the structures on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the one-story single-family detached dwelling, the accessory workshop and two (2) crush rock off-street parking spaces met all applicable code requirements when they were constructed in 1999 on this 34,403-square-foot Country District zoned lot.

Investigation also revealed the following:

1. The two (2) 4' x 4' storage sheds are permitted as an accessory use. A one-story storage shed with an aggregate floor area not exceeding 120 square-feet and meeting zoning code requirements does not require a building permit.
2. An affidavit was required with the issuance of Building Permit No. 435364 for a one-story workshop. It states that, "The accessory building shall not contain a kitchen nor be used as a lodging unit."

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.

EXHIBIT "J"

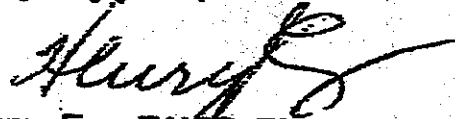
Mr. Dave A. Yester
February 22, 2007
Page 2

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 Mr. Ivan Matsumoto of our Commercial and Multi-Family Code Enforcement Branch at 527-6344.

Very truly yours,



Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:ft

doc517924