

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Urban Loft Development, LLC
 Business Address 1146 Fort Street Mall, Suite 202, Honolulu, Hawaii 96813

Project Name (*): LOFT @ WAIKIKI
 Address: 427 Launiu Street, Honolulu, Hawaii 96815

Registration No. 5597 Effective date: May 25, 2007
 Expiration date: June 25, 2008

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:

- | | |
|---|--|
| <p>_____ PRELIMINARY:
(yellow)</p> | <p>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.</p> |
| <p>_____ CONTINGENT FINAL:
(green)</p> | <p>The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date. Contingent Final public reports may not be extended or renewed.</p> <p>[] No prior reports have been issued.
 [] This report supersedes all prior public reports.</p> |
| <p>_____ FINAL:
(white)</p> | <p>The developer has legally created a condominium and has filed complete information with the Commission.</p> <p>[] No prior reports have been issued.
 [] This report supersedes all prior public reports.
 [] This report must be read together with _____</p> |
| <p><u> X </u> SUPPLEMENTARY:
(pink)</p> | <p>This report updates information contained in the:</p> <p>[] Preliminary Public Report dated: _____
 [X] Final Public Report dated: <u>December 13, 2005</u>
 [] Supplementary Public Report dated: _____</p> |
| <p>And</p> | <p>[] Supersedes all prior public reports.
 [X] Must be read together with <u>Final Public Report.</u>
 [X] This report reactivates the <u>Final</u>
 public report(s) which expired on <u>January 13, 2007.</u></p> |

*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 1297 / 0298 / 0800 / 0203 / 0104

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

1. Page 5 has been updated to reflect that Hawaii First Inc. was appointed as the managing agent of the Project (effective March 18, 2007).
2. Page 6 has been updated to note the First Amendment of Declaration of Condominium Property Regime of Loft @ Waikiki and Condominium Map Nos. 3751 and 1620 ("First Amendment"). The First Amendment was noted in Exhibit G and the changes were described on the Final Public Report dated December 13, 2005, but reference to the First Amendment was omitted on Page 6.
3. Page 14 has been updated to reference the updated title report dated April 17, 2007.
4. Page 15 and Exhibit G have been updated to reflect the Developer's new financing of the Project.
5. Page 16 has been revised to show the estimated construction completion date to be December, 2007.

Note: The Final Public Report bearing the effective date of December 13, 2005 has since lapsed. This Supplementary Report reactivates this registration and updates information contained in said Final Public Report.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Urban Loft Development, LLC Phone: (808) 526-4020
Name* (Business)
1146 Fort Street Mall, Suite 202
Honolulu, Hawaii 96813
Business Address

Name 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):

Urban Loft Investors, LLC, a Delaware limited liability company, is the managing member of Urban Loft Development, LLC. HRE Waikiki, LLC, a Delaware limited liability company, is the managing member of Urban Loft Investors, LLC. Thomas M. Smith is the managing member of HRE Waikiki, LLC.

Real Estate Broker*: Prudential Locations, LLC Phone: (808) 735-4200
Name (Business)
3465 Waiialae Avenue, 4th Floor
Honolulu, Hawaii 96816
Business Address

Escrow Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)
235 Queen Street
Honolulu, Hawaii 96813
Business Address

General Contractor*: KEKO Investments, LLC Phone: (808) 478-8645
Name (Business)
906 Kahena Street
Honolulu, Hawaii 96825
Business Address

Condominium Managing Agent*: Hawaii First Inc. Phone: (808) 531-5566
Name (Business)
800 Bethel Street, Suite 501
Honolulu, Hawaii 96813
Business Address

Attorney for Developer: Galen C. K. Leong, Esq. Phone: (808) 539-0400
Name (Business)
Ashford & Wriston, a limited liability law partnership, LLP
1099 Alakea Street, 14th Floor
Honolulu, Hawaii 96813
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:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2004-077808
Book _____ Page _____
 Filed - Land Court: Document No. 3098018

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

First Amendment of Declaration of Condominium Property Regime of Loft @ Waikiki and Condominium Map Nos. 3751 and 1620, dated February 9, 2005, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-027968 and also recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3229614.

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 3751
 Filed - Land Court Condo Map No. 1620

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

First Amendment of Declaration of Condominium Property Regime of Loft @ Waikiki and Condominium Map Nos. 3751 and 1620, dated February 9, 2005, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-027968 and also recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3229614.

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2004-077809
Book _____ Page _____
 Filed - Land Court: Document No. 3098019

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

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.
- There are no limited common elements in this project.
- The limited common elements and the apartments which use them, as described in the Declaration, are:
- described in Exhibit F.
- as follows:
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 F.
- as follows:
- E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit G describes the encumbrances against the title contained in the title report dated April 17, 2007 and issued by Title Guaranty of Hawaii, Incorporated.

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>
1. <i>Mortgage, Security Agreement and Financing Statement; and Fixture Filing dated January 30, 2006, in favor of Finance Factors, Limited, a Hawaii corporation, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3397862, and also recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2006-039100.</i>	<i>In the event of foreclosure, a purchaser will receive a full refund of all deposits (less a cancellation fee not to exceed \$250.00).</i>
2. <i>Assignment of Sales Contracts and Deposits dated January 30, 2006, in favor of Finance Factors, Limited, a Hawaii corporation, recorded in said Bureau as Document No. 2006-039101.</i>	<i>In the event of foreclosure, a purchaser will receive a full refund of all deposits (less a cancellation fee not to exceed \$250.00).</i>
3. <i>Financing Statement in favor of Finance Factors, Limited, a Hawaii corporation, recorded in said Bureau on February 28, 2006, as Document No. 2006-039102.</i>	<i>In the event of foreclosure, a purchaser will receive a full refund of all deposits (less a cancellation fee not to exceed \$250.00).</i>

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:

See Exhibit H.

2. Appliances:

See Exhibit H.

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

The date of completion is estimated to occur in December, 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):

n/a

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 51 4A, 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. 5597 filed with the Real Estate Commission on February 11, 2005.

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

YELLOW paper stock WHITE paper stock PINK paper stock GREEN paper stock

- 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.

Urban Loft Development, LLC

Printed Name of Developer

By *Urban Loft Investors, LLC, Its Managing Member*

By *HRE Waikiki, LLC, Its Managing Member*

By: *Thomas M. Smith*
Duly Authorized Signatory*

May 11, 2007
Date

Thomas M. Smith, Its Managing 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; 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 G

Encumbrances Against Title

PARCEL FIRST:

All of those certain parcels of land situate at the east corner of Kalakaua Avenue and Kalaimoku Street at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

- Lot 25, area 5,103 square feet, more or less,
- Lot 26, area 5,060 square feet, more or less,
- Lot 27, area 5,125 square feet, more or less,
- Lot 28, area 5,125 square feet, more or less,
- Lot 29, area 4,793 square feet, more or less, and
- Lot 30, area 3,836 square feet, more or less,

as shown on Map 1, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1293 of Magoon Estate, Limited;

PARCEL SECOND:

All of those certain parcels of land situate at the east corner of Kalakaua Avenue and Kalaimoku Street at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

- Lot 156-A, area 65 square feet, more or less and
- Lot 156-B, area 22 square feet, more or less,

as shown on Map 20, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited;

PARCEL THIRD:

Parcels R-4-A and R-4-B of FRONTAGE IMPROVEMENT 67, LAUNIU STREET, from Ala Wai Boulevard to Kuhio Avenue, being a portion of the land described in and covered by Royal Patent Number 2275, Land Commission Award Number 867, Apana 2, to Nihopuu, situate, lying and being at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, and thus bounded and described:

Beginning at the north corner of this parcel of land, on the southeast side of Launiu Street, the coordinates of said point of beginning referred to City and County Survey Street monument at the intersection of the Monument line on Launiu Street with the center line of Ala Wai Boulevard being 136.77 feet south and 85.48 feet west, and the coordinates of said point Monument referred to Government Survey Triangulation Station "WAIKIKI" being 179.96 feet south and 232.00 feet east, and running by azimuths measured clockwise from true South:

1. 312° 30' 11.66 feet;

- | | | | |
|----|----------|-------|---|
| 2. | 45° 18' | 75.97 | feet along Lots 30 and 29 of Land Court Application 1293; |
| 3. | 100° 37' | 9.79 | feet along Lot 29 of Land Court Application 1293; |
| 4. | 222° 45' | 81.06 | feet along the southeast side of Launiu Street to the point of beginning and containing an area of 778 square feet, more or less. |

The above Parcels are subject to the following encumbrances:

1. As to Parcel First only:

(a) Designation of Easement "A" (10 feet wide), for public utilities purposes, as shown on Map 1, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1293.

(b) Grant to City and County of Honolulu dated August 10, 1966, filed in said Office as Land Court Document No. 433587, granting an easement for sanitary sewer over said Easement "A".

(c) The terms and provisions contained in Agreement dated March 13, 1940, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 1568, at Page 377, and between John H. Magoon, Alfred K. Magoon and Eaton H. Magoon, Trustees, et al., as Grantors, and The Hawaiian Electric Company, Limited, now known as Hawaiian Electric Company, Inc., as Grantee, regarding stipulation dated August 7, 1940, as follows:

"It is hereby stipulated and agreed by the applicants herein and by The Hawaiian Electric Company, Limited, by their respective attorneys, that any registration of title by the applicants in the above entitled matter shall be made subject to the perpetual right and easement of The Hawaiian Electric Company, Limited, its successors and assigns, in common with other utilities, to build, construct, rebuild, reconstruct, repair, maintain and operate pole and wire lines and underground conduit lines, over, upon, under and across those portions (being strips five or ten feet in width) of Lots 3 – 6 inclusive, 8 – 11 inclusive, 13 – 39 inclusive, 42 – 53 inclusive, 56 and 57, as are indicated by short dashed lines upon the map accompanying said application and subject also to the perpetual right and easement of said The Hawaiian Electric Company, Limited its successors and assigns, in common with other utilities, to use such poles, wires, cable, conduits, cross arms, guys and other appliances and equipment as may be necessary for the transmission and distribution of electricity to be used for light and power and/or telephone, including the right to entry upon the premises for the construction, maintenance, repair and operation of said lines in efficient use and condition; and subject further to all of the covenants contained and set forth in that certain Agreement by and between the parties hereto dated March 13, 1940 and recorded in the Bureau of Conveyances of said Territory in Book 1568, Page 377,"

2. As to said Lots 25, 26, 27, 28, 156-A and 156-B: The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Agreement for Issuance of Special Use Permit Under Section 21-2.71, Revised Ordinances of Honolulu, 1978, as amended, dated May 24, 1985, filed in said Office as Land Court Document No. 1327048.

3. As to all Parcels:

(a) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration of Condominium Property Regime for "LOFT @ Waikiki" Condominium Project, acknowledged April 12, 2004, filed in said Office as Land Court Document No. 3098018 and in the Bureau of Conveyances of the State of Hawaii as Document No. 2004-077808, as the same has been amended by instrument dated February 9, 2005 filed in said Office as Land Court Document No. 3229614 and recorded in said Bureau as Document No. 2005-027968.

(b) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the By-Laws of The Association of Apartment Owners acknowledged April 12, 2004, filed in said Office as Land Court Document No. 3098019 and in said Bureau as Document No. 2004-077809, as the same may be amended.

(c) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Loft @ Waikiki Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) dated July 6, 2004, filed in said Office as Land Court Document No. 3136016 and in said Bureau as Document No. 2004-142557.

(d) Mortgage, Security Agreement and Financing Statement; and Fixture Filing dated January 30, 2006, in favor of Finance Factors, Limited, a Hawaii corporation, filed in said Office as Land Court Document No. 3397862 and in said Bureau as Document No. 2006-039100.

(e) Financing Statement in favor of Finance Factors, Limited, a Hawaii corporation, filed in said Bureau as Document No. 2006-039102 on February 28, 2006.

(f) Assignment of Sales Contracts and Deposits, dated January 30, 2006, in favor of Finance Factors, Limited, a Hawaii corporation, filed in said Bureau as Document No. 2006-039101.

(g) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration of Restrictive Covenants (Private Park) dated February 9, 2005, filed in said Office as Land Court Document No. 3265090 and recorded in said Bureau as Document No. 2005-091423.

(h) Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

(i) Real property taxes as may be due and owing. Check with the County Tax Assessor.

END OF EXHIBIT G