

**AMENDMENT 1 TO
DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME:	KALAMA MAKAI
PROJECT ADDRESS:	354 B and 354 B-1 Kalama Street Kailua, HI 96734
REGISTRATION NUMBER:	6604 (Conversion)
EFFECTIVE DATE OF REPORT:	October 21, 2010
THIS AMENDMENT:	<input checked="" type="checkbox"/> Must be read together with <input checked="" type="checkbox"/> Developer's Public Report dated <u>May 12, 2008</u> <input type="checkbox"/> Amended Report dated _____ <input type="checkbox"/> Supersedes all prior amendments: Includes all prior amendment(s) and <u>must</u> be read together with <input type="checkbox"/> Developer's Public Report dated _____ <input type="checkbox"/> Amended Report dated _____
DEVELOPER(S):	STEVEN D. MARCOTTE, Trustee of The Steven D. Marcotte Living Trust dated March 8, 2007

Preparation of this Amendment

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desires to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS means any change that directly, substantially, and adversely affects the use or value of (1) A purchaser's unit or appurtenant limited common elements; or (2) Those amenities of the project available for the purchaser's use.

The law defines "pertinent change" to mean, as determined by the commission, a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) The size, construction materials, location, or permitted use of a unit or its appurtenant limited common element; (2) The size, use, location, or construction materials of the common elements of the project; or (3) The common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developer's Public Report or an amended Developer's Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.

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

The law defines "material facts" to mean any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale.

This amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

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Summary of Changes from Earlier Developer's Public Report:

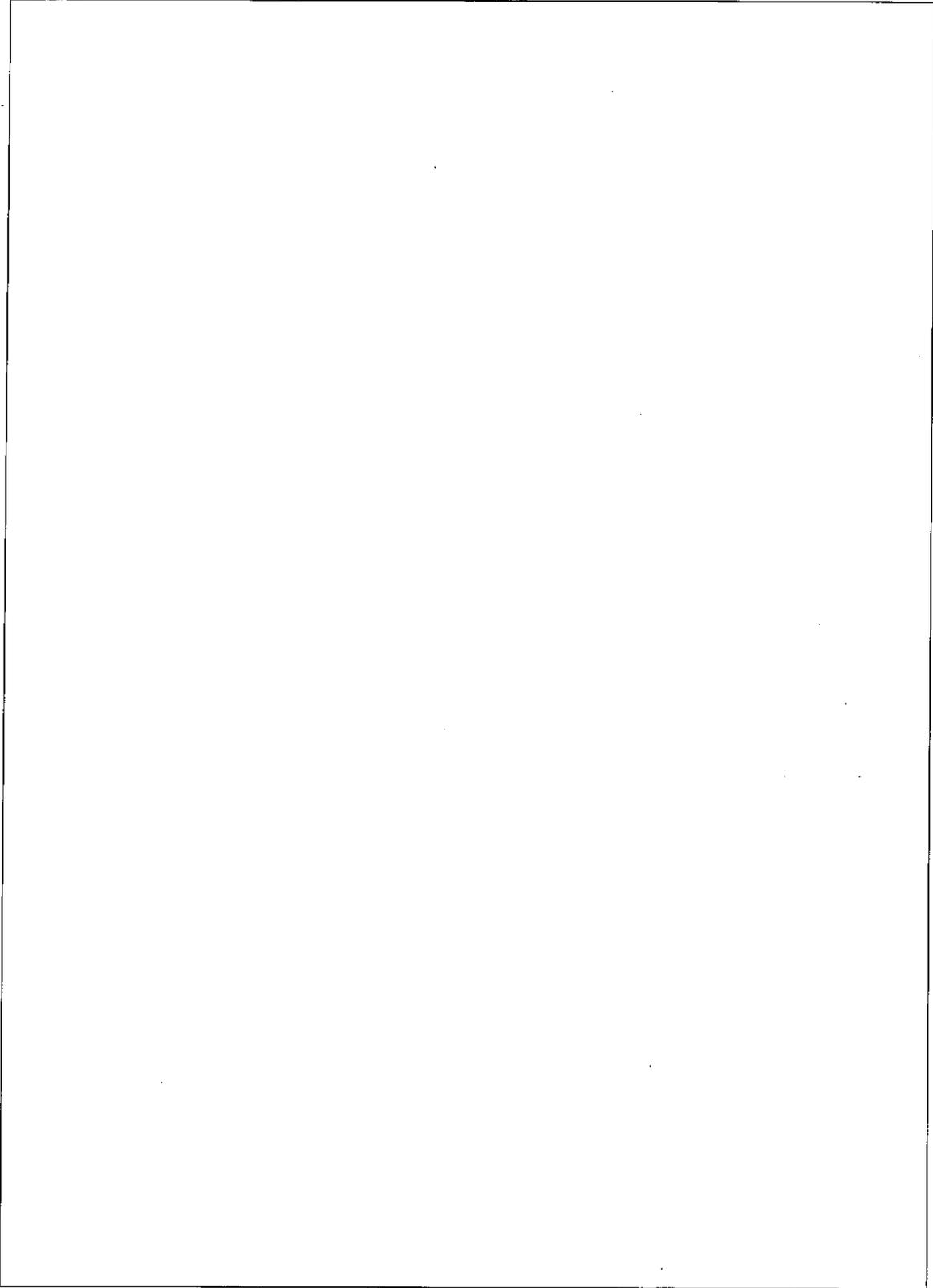
This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

1. The Project's Declaration and Condominium Map were amended to (a) correct certain inaccurate statements concerning the description of the Units in the Project and the existence of a shared common driveway located on the Land; (b) clarify the location of the parking spaces on the Land; and (c) add restrictions relating to parking of vehicles and construction or placement of structures and landscaping within the Project. See revised pages 3, 5, 10, Exhibit A, Exhibit F, and Exhibit G.
2. Prudential Locations LLC has been designated as the Real Estate Broker for Unit 345 B only. See revised pages 9 and 18.

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Changes continued:



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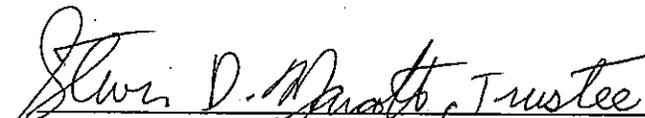
The Developer declares subject to the penalties set forth in Section 514B-69, HRS that this project continues to conform to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project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

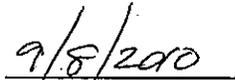
For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report as amended, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation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

The Developer hereby certifies that all the information contained in this report as amended and the exhibits attached to this report (if any) as amended and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report as amended to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report as amended at least 30 days prior to the anniversary date of the effective date of this report.

STEVEN D. MARCOTTE, Trustee of The Steven D. Marcotte
Living Trust dated March 8, 2007

Printed Name of Developer


Duly Authorized Signatory*


Date

STEVEN D. MARCOTTE, Trustee

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

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1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	345 B and 345 B-1 Kalama Street Kailua, HI 96744
Address of Project is expected to change because	No change
Tax Map Key (TMK)	(1) 4-3-040-026
Tax Map Key is expected to change because	Each unit will be assigned a new Tax Key Number
Land Area	7,650 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	2
Floors Per Building	Unit 345 B: 1; Unit 345 B-1: 2
Number of New Building(s)	0
Number of Converted Building(s)	2
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood, concrete, glass and other allied materials

1.3 Unit Types and Sizes of Units

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

Total Number of Units

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

1.9 Common Elements

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

Described in Exhibit D .

Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

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

Described in Exhibit E .

Described as follows:

1.11 Special Use Restrictions

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

<input type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See Exhibit F
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

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

Date of the title report: September 21, 2010 and September 22, 2010

Company that issued the title report: Old Republic Title & Escrow of Hawaii

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	<p>Name: STEVEN D. MARCOTTE, Trustee of The Steven D. Marcotte Living Trust dated March 8, 2007</p> <p>Business Address: 345 B Kalama Street Kailua, HI 96744</p> <p>Business Phone Number : (808) 965-1224</p> <p>E-mail Address: steve@apoparadise.com</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	
2.2 Real Estate Broker (for Unit 345 B)	<p>Name: Prudential Locations LLC</p> <p>Business Address: 151 Hekili Street, Suite 120 Kailua, HI 96734</p> <p>Business Phone Number: (808) 382-9928</p> <p>E-mail Address:</p>
2.3 Escrow Depository	<p>Name: Old Republic Title & Escrow of Hawaii</p> <p>Business Address: 733 Bishop Street, Suite 2700 Honolulu, HI 96813</p> <p>Business Phone Number: (808) 566-0100</p>
2.4 General Contractor	<p>Name:</p> <p>Business Address:</p> <p>Business Phone Number:</p>
2.5 Condominium Managing Agent	<p>Name: Self-managed by the association</p> <p>Business Address:</p> <p>Business Phone Number:</p>
2.6 Attorney for Developer	<p>Name: Jeffrey S. Grad</p> <p>Business Address: 841 Bishop Street, Suite 1800 Honolulu, HI 96813</p> <p>Business Phone Number: (808) 521-4757</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	March 31, 2008	3735120

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	September 8, 2010	4001157

3.2 Bylaws of the Association of Unit Owners

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	March 31, 2008	3735121

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

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

Land Court Map Number	1949
Bureau of Conveyances Map Number	

Dates of Recordation of Amendments to the Condominium Map:
September 21, 2010

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. DISCLOSURE RE: NON SELECTION OF REAL ESTATE BROKER. As of the effective date of this Developer's Public Report, the Developer has not executed a listing agreement for the sale of Unit 345 B-1 with any duly licensed Hawaii real estate broker. Thus, the developer cannot offer to sell Unit 345 B-1 until:

- 1) the developer executes a listing agreement for the sale of Unit 345 B-1,
- 2) amends this developer's public report to reflect the new information, and
- 3) delivers this public report and amendment to the prospective purchaser.

The conditions for binding sales contract are listed on pages 16-17 paragraph 5.8.1.

EXHIBIT A
Unit Types and Sizes of Units

Section 3.7 of the Declaration states:

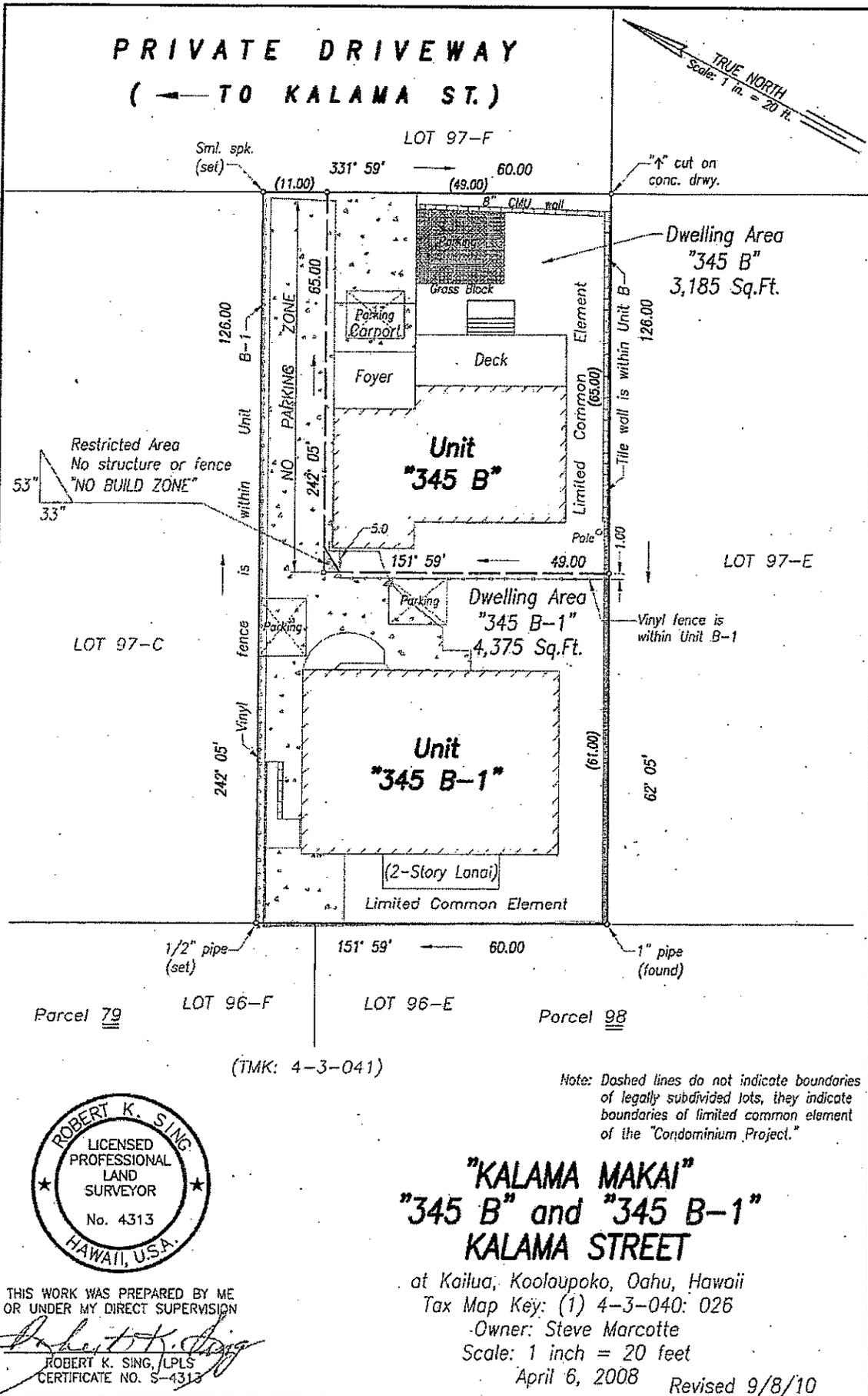
“3.7 Description of Units:

(a) Unit 345 B was originally constructed in 1952, but has been remodeled from time to time. The Unit contains a total of three bedrooms and one bathroom, living room, kitchen, dining room, deck and carport. The total net living area of the Unit is approximately 1,055 square feet. The approximate areas of the other portions of the Unit include a carport of 108 square feet, entry area of 41 square feet, deck area of 250 square feet, and storage area of 30 square feet.

(b) Unit 345 B-1 was originally constructed in 1987, but has been remodeled from time to time. The Unit contains a total of three bedrooms and two bathrooms, living room, kitchen/dining area, laundry room, lanai and balcony. The total net living area of the Unit is approximately 2,004 square feet. The approximate areas of the other portions of the Unit include a covered entry area of 40 square feet, lanai area of 103 square feet, and balcony area of 103 square feet.”

Refer to Exhibit A-1 and A-2, attached, the Site Map portion and Sheet 5 of the Amended CPR Map.

END OF EXHIBIT A



THIS WORK WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION

Robert K. Sing
ROBERT K. SING, LPLS
CERTIFICATE NO. S-4313

"KALAMA MAKAI"
"345 B" and "345 B-1"
KALAMA STREET

at Kailua, Koolaupoko, Oahu, Hawaii

Tax Map Key: (1) 4-3-040: 026

Owner: Steve Marcotte

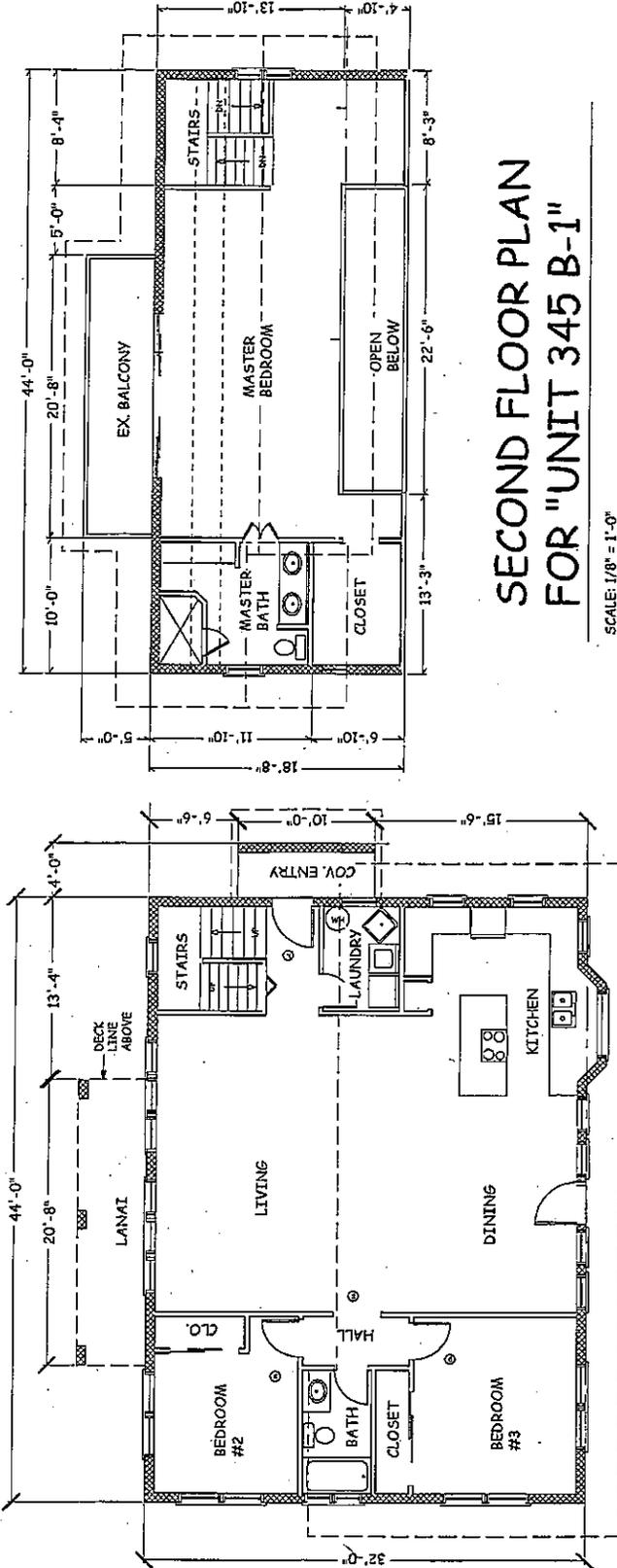
Scale: 1 inch = 20 feet

April 6, 2008

Revised 9/8/10

CONDOMINIUM PROPERTY REGIME FOR:
 "KALAMA MAKAI"
 T.M.K.#: 4-3-040:026

JOB #
 08-117
 SHEET #
 5



SECOND FLOOR PLAN
 FOR "UNIT 345 B-1"

SCALE: 1/8" = 1'-0"

FIRST FLOOR PLAN
 FOR "UNIT 345 B-1"

SCALE: 1/8" = 1'-0"

BUILDING CALCULATIONS

LIVING AREA :	2004 SQ. FT.
COV. ENTRY AREA :	40 SQ. FT.
LANAI AREA :	103 SQ. FT.
BALCONY AREA :	103 SQ. FT.

EXHIBIT F
Special Use Restrictions

Article 9 of the Declaration states:

“9.1 Permitted Uses. Each Unit 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.

9.2 Rental Use. The Owner of a Unit shall have the absolute right to lease his Unit, provided that any such lease shall be expressly made subject to the covenants and restrictions contained in this Declaration and the Bylaws.

9.3 Care and Disturbance. No Owner will suffer anything to be done or kept in a Unit or elsewhere in the Project which would jeopardize the soundness of the Project, or which will interfere with or unreasonably disturb the rights of other Unit Owners, or which will increase the rate of hazard insurance on the Project or the Units.

9.4 Use of Common Elements. The common elements shall be used only for the purposes for which they are designed and intended.

9.5 Maintenance and Painting. Every Unit Owner and occupant shall at all times keep his Unit and the limited common elements appurtenant thereto in a strictly clean and sanitary fashion. Such shall include repainting the exterior of each building constituting his Unit, as such becomes reasonably necessary. To the extent practicable, the paint colors of each of the units shall be as the apartment owners shall agree and if they fail to agree, then the paint colors of each Unit shall be substantially similar to the colors of the Unit at the time of the purchase of his Unit by the then Unit Owner.

9.6 No Parking Zone. No parking of vehicles or storage of personal property, except on an emergency basis, shall be permitted on that portion of Dwelling Area 345B-1 that is shown as “No Parking Zone” on the site map portion of the Amended CPR Map.

9.7 No Build Zone. No structures or landscaping shall be constructed or placed on that portion of Dwelling Area 345B-1 that is shown on the site map portion of the Amended CPR Map as “NO BUILD ZONE”.

With reference to paragraphs 9.6 and 9.7, refer to Exhibit A-1, the Site Map portion of the amended CPR Map.

END OF EXHIBIT F

EXHIBIT G
Encumbrances Against Title

1. EASEMENT granted to CITY AND COUNTY OF HONOLULU for sewer purposes, dated December 14, 1972, recorded March 2, 1973 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 620891
2. ENCROACHMENT AGREEMENT AND LICENSE dated August 30, 2007, recorded September 14, 2007 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3655752.
3. Any rights, interests or claims which may exist or arise by reason of the facts shown on a survey plat prepared by Robert K. Sing, Licensed Professional Land Surveyor, Certificate Number 4313, dated August 11 and 15, 2007, designated Job No. ---, as follows:
 - A) Portion of 4" tile wall with chain-link fence on top is into Lot 96-E from Lot 97-D by 0.0 feet to 0.5 feet.
4. Mortgage in favor of MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., as a nominee for GMAC MORTGAGE USA, a Corporation organized and existing under the laws of Delaware, as their interest may appear, dated September 4, 2007, recorded September 14, 2007 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3655753
5. Mortgage in favor of MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., as a nominee for GMAC MORTGAGE USA, a Corporation organized and existing under the laws of Delaware, as their interest may appear, dated November 8, 2007, recorded December 19, 2007 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3693817.
6. Condominium Map No. 1949, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, and as amended by document filed on September 21, 2010.
7. Matters in an instrument that, among other things, contain or provide for easements, assessments, liens and their subordination; provisions relating to partition, restrictions on severability of component interest, covenants, conditions and restrictions, provision that no violation thereof and no enforcement of any lien provided for therein shall defeat or render invalid the lien of a mortgage or deed of trust made in good faith and for value, but omitting and covenants or restrictions if any, based upon race color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, entitled Declaration of Condominium Property Regime, recorded April 15, 2008 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3735120.

Said Declaration was amended by instrument recorded September 21, 2010 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 4001157.

Liens and charges for upkeep and maintenance as provided in the above mentioned Covenants, Conditions and Restrictions, if any, where no notice thereof appears on record.

For information regarding the current status of said liens and/ or assessments contact The Association of Unit Owners of "KALAMA MAKAI"

8. By-Laws of the Association of Unit Owners of "KALAMA MAKAI", recorded April 15, 2008 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3735121.

9. Rights of others in and to that certain roadway, being LOT 97-F, area 1,552.0 square feet, more or less, to be used in common with others thereto entitled, for road purposes of the "KAILUA COCONUT GROVE TRACT", as shown on Map 21, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 495.

10. Real property taxes as may be due and owing. Refer to the tax office for further information.

END OF EXHIBIT G