

**AMENDMENT NO. 1 TO  
DEVELOPER'S PUBLIC REPORT  
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME:	LOKELANI
PROJECT ADDRESS:	1611A PAULA DRIVE HONOLULU, HI 96816
REGISTRATION NUMBER:	6694 (Conversion)
EFFECTIVE DATE OF REPORT:	<b>July 7, 2011</b>
THIS AMENDMENT:	<input checked="" type="checkbox"/> Must be read together with <input checked="" type="checkbox"/> Developer's Public Report dated <u>October 15, 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):	KELLY LEE MCARTHUR

**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.

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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):

- A. Changes made as follows:
1. As of the date of this Amendment, the Developer is the record owner of all Units within the Project. Pursuant to the rights reserved to the Developer, the Developer amended the Declaration by instrument recorded March 30, 2011 as Document No. 4060821, and amended the Condominium Map by instrument recorded March 30, 2011 as Document No. 4060820, to (i) change the square footages of Unit A, Unit B, and the Common Element driveway; (ii) amend the Common Interest such that each Unit shall have appurtenant thereto an undivided fifty percent (50%) interest in all common elements of the Project; (iii) amend the Common Profits and Expenses such that each Unit shall divide common profits and expenses 50%/50%; (iv) delete reference to the Developer's reserved right to provide for group living facilities without the consent or joinder of any other Unit owner, the Association, any mortgagee or any other party; (v) delete the requirement that common elements shall be insured by the Association as a common expense; (vi) delete the requirement that any redesign, improvement, renovation, addition or replacement to Unit B shall be made only in accordance with plans and specifications first approved in writing by the owner of Unit A; and (vii) add as to any removal, redesign, improvement, renovation addition to or replacement of either Unit, each Unit owner appoints the other as his or her attorney-in-fact.
  2. The real estate broker changed.
- B. This resulted in changes to the following pages and exhibits to the Developer's Public Report:
1. Page 5 has been revised to reflect the date and issuer of the updated title report.
  2. Page 9 has been revised to reflect the new real estate broker.
  3. Page 10 has been revised to reflect the recordation of the amendment to the Declaration referenced above and the amendment to the Condominium Map.
  4. Page 18 has been revised to reflect the revised common expense allocation.
  5. Exhibit A has been revised to reflect the revised land square footages of each Unit.
  6. Exhibit D (Section 1.12 – Encumbrances Against Title) has been revised to conform to the updated title report.

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Changes continued:

None
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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.

KELLY LEE MCARTHUR

Printed Name of Developer

  
Duly Authorized Signatory\*

6/10/2011  
Date

KELLY LEE MCARTHUR, Owner

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City & County of Honolulu  
Planning Department, City & 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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**1.9 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 \_\_\_\_.

Described as follows:

- (a) The Land in fee simple.
- (b) All pipes, wires, conduits, and other utility and service lines which are utilized for or serve both Units.
- (c) That certain Common Element driveway and undivided interest in the "Roadway" as shown on the Condominium Map.
- (d) Any and all other apparatus and installations of common use, and all other parts of the Project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

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 C.

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: Residential purposes only, unless other uses are permitted by law
<input type="checkbox"/>	There are no special use restrictions.

**1.12 Encumbrances Against Title**

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

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

Date of the title report: June 10, 2011

Company that issued the title report: First American Title Company, Inc.

## 2. PERSONS CONNECTED WITH THE PROJECT

<p><b>2.1 Developer(s)</b></p>	<p>Name: Kelly Lee McArthur</p> <p>Business Address: 1611-A Paula Dr., Honolulu, HI 96816</p> <p>Business Phone Number: 808-780-2243 E-mail Address: kellylee2007@yahoo.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>	<p>N/A</p>
<p><b>2.2 Real Estate Broker</b></p>	<p>Name: Nancee Jenko Crispin, Re/Max Honolulu Business Address: 1357 Kapiolani Blvd., Suite 870 Honolulu, HI 96813 Business Phone Number: 808-951-3200</p>
<p><b>2.3 Escrow Depository</b></p>	<p>Name: Guardian Escrow Services, Inc. Business Address: 2347 S. Beretania Street, 2d Floor Honolulu, HI 96826 Business Phone Number: 808-951-6991</p>
<p><b>2.4 General Contractor</b></p>	<p>Name: N/A Business Address:  Business Phone Number:</p>
<p><b>2.5 Condominium Managing Agent</b></p>	<p>Name: None. Self-managed by the Association Business Address:  Business Phone Number:</p>
<p><b>2.6 Attorney for Developer</b></p>	<p>Name: Nancy J. Youngren Business Address: 737 Bishop St., Ste. 2600, Honolulu, HI 96813  Business Phone Number: 808-547-5400</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	July 29, 2008	3775274

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	August 21, 2008	3782544
Land Court	March 29, 2011	4060821

#### 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	July 29, 2008	3775275

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	1959	
Bureau of Conveyances Map Number		
Dates of Recordation of Amendments to the Condominium Map: March 30, 2011		

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

**HAZARDOUS MATERIALS:** The developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The developer has made no independent investigation as to asbestos or other hazardous substances in the units or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Purchaser acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the units, or in, under or around the Project. Because of the possible presence of such substances, Purchaser should have the unit inspected to determine the extent (if any) of such contamination and any necessary remedial action. The developer will not correct any defects in the apartments or in the Project or anything installed or contained therein and Purchaser expressly releases the developer from any liability to Purchaser if any hazardous materials are discovered.

**DISCLOSURE OF UNKNOWN OBJECTS.** Disclosure is made that vials containing an unknown liquid and an unknown object shaped like a basketball were found on the property in March 2005 and November 2006, respectively. Reports were filed with the State of Hawaii, Department of Health, Hazardous Waste Department and site visits were conducted. The unknown objects were removed from the property and no further action was recommended. Copies of the State of Hawaii Release Notifications are attached as Exhibit K to this 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."

**PARKING:** Unit A has two all-weather off-street parking spaces as shown on the Condominium Map. Unit B is currently a shed and does not have assigned parking. Parking is however permitted anywhere within the land area of Unit B.

**COMMON EXPENSES.** Pursuant to the terms of the Declaration, as amended, common expenses of the Association shall be divided between the Units as follows: the owner(s) of Unit A shall be responsible for fifty percent (50%) and the owner(s) of Unit B shall be responsible for fifty percent (50%).

## EXHIBIT A

### BOUNDARIES OF THE UNITS

Section A.1 of the Declaration states that two (2) separate and distinct freehold estates, deemed to include the entire structure and all improvements located therein, are bounded by and including the decorated or finished surfaces of the exterior of the perimeter walls, including all exterior doors and windows, by the exterior surfaces of the respective roofs thereof, and inclusive of the floor and ceiling of each of the buildings in the Project, together with any entries, porches, steps, stairs, lanais, decks, laundry areas, carports, or other improvements physically attached to the building.

(a) Unit A contains approximately 4,916 square feet of land and contains a one-story structure in which there is a Living/Dining area, a Kitchen, One (1) Bedroom, One (1) Bath, a Den, and an Entry, as shown on said Condominium Map. Unit A contains a net living area of approximately 954 square feet and the Entry contains approximately 33 square feet. Unit A also consists of an attached Carport with Storage, consisting of approximately 340 square feet, as shown on the Condominium Map.

(b) Unit B contains approximately 16,588 square feet of land and contains a one-story shed consisting of approximately 9 square feet, as shown on said Condominium Map.

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

The Developer or any owner of a Unit has the reserved right to renovate or remove his or her Unit or a portion thereof, and to rebuild, renovate and/or add to said Unit as provided for in Section Q, of the Declaration.

## EXHIBIT D

### ENCUMBRANCES AGAINST TITLE.

1. For Real Property Taxes due and owing, reference is made to the Budget and Fiscal Services, Real Property Assessment Division, City and County of Honolulu.
2. Designation of Easement S, for storm drain purposes, as shown on Map 3 filed with Land Court Consolidation No. 24, as set forth by Land Court Order No. 7125, filed December 17, 1946.
3. Designation of Easement for sanitary sewer purposes, as shown on Map 81 filed with Land Court Consolidation No. 24, as set forth by Land Court Order No. 11205, filed April 25, 1952.
4. Grant in favor of the City and County of Honolulu, dated July 24, 1952, filed as Land Court Document No. 141358, granting an easement for sanitary sewer purposes.
5. Grant in favor of the City and County of Honolulu, dated November 8, 1979, filed as Land Court Document No. 991818, granting an easement for utility purposes.
6. Rights of ingress and egress in favor of others who own undivided interest( s) in the land.  
(As to the undivided interest(s) in the roadway lot(s))
7. ENCROACHMENT AGREEMENT AND LICENSE, dated November 10, 2006, filed as Land Court Document No. 3517178.
8. Any matters as set forth in the Surveyor's Report and Survey Map dated September 11, 2006, prepared by Jaime F. Alimboyoguen, a Licensed Professional Surveyor, Hawaii License Number LS-8216.
9. MORTGAGE  
Mortgagor: KELLY LEE MCARTHUR, unmarried  
Mortgagee: MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., a Delaware corporation, as nominee for MORTGAGEIT INC., a New York corporation  
Date: December 28, 2006  
Filed: Document No. 3536404
10. MORTGAGE  
Mortgagor: KELLY LEE MCARTHUR, unmarried  
Mortgagee: MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., a Delaware corporation, as nominee for MORTGAGEIT INC., a New York corporation  
Date: December 28, 2006  
Filed: Document No. 3536405
11. ENCROACHMENT AGREEMENT AND LICENSE, dated December 12, 2006, filed as Document No. 3551170. Affects Tax Map Keys: (1) 3-3-20-45 and (1) 3-3-20-44.

12. Condominium Map No. 1959

The above Condominium Map is amended by instrument recorded March 30, 2011 as Land Court Document No. 4060820

13. DECLARATION OF CONDOMINIUM PROPERTY REGIME OF LOKELANI

Dated : July 29, 2008  
Recorded : Document No. 3775274

The above Declaration is amended by instrument recorded August 22, 2008 as Document No. 3782544, and by instrument recorded March 30, 2011 as Document No. 4060821

14. BY-LAWS OF THE-ASSOCIATION OF APARTMENT OWNERS OF LOKELANI

Dated : July 29, 2008  
Recorded : Document No. 3775275

15. AS TO UNIT B:

A mortgage to secure an original principal indebtedness of \$152,000.00 and any other amounts of obligations secured thereby.

Dated : April 1, 2010  
Mortgagor : Kelly Lee McArthur, Individually  
Mortgagee : First Hawaiian Bank, as Trustee of the Ernest "Tommy" Hayden and Harriett "Rusty" Jean Thomas Fund of the Hawaii Community Foundation  
Recorded : Document No. 3960082

End of EXHIBIT D