

DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	1338 ALANI
Project Address	1338 & 1342 Alani Street, Honolulu, Hawaii 96817
Registration Number	6841 (Conversion)
Effective Date of Report	July 24, 2009
Developer(s)	CUTHBERT G. CORNIEL, Trustee of the Cuthbert G. Corniel Revocable Trust dated 2-02-1993, as to an undivided 1/2 interest, and CHARLENE C. CORNIEL, Trustee of the Charlene C. Corniel Revocable Trust dated 2-02-1993, as to an undivided (1/2) interest

Preparation of this Report

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

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

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

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

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

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

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

SPECIAL ATTENTION

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

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOLLOWING:

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 is not a legally subdivided lot. The dashed lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

This Developer's 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.

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General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	N/A
Address of Project	1338 & 1342 Alani Street, Honolulu, Hawaii 96817
Address of Project is expected to change because	N/A
Tax Map Key (TMK)	(1) 1-6-015:050
Tax Map Key is expected to change because	N/A
Land Area	11,220 square feet, more or less
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A

1.2 Buildings and Other Improvements

Number of Buildings	2
Floors Per Building	UNIT A (1342 Alani) = 1 floor UNIT B (1338 Alani) = 2 floors
Number of New Building(s)	N/A
Number of Converted Building(s)	2
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood and concrete

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
UNIT A (1342 Alani)	1	2/1	1,038 sq ft	374 sq ft	Carport/laundry area	1,412 sf
UNIT B (1338 Alani)	1	3/3	1,842 sq ft	433 sq ft 412 sq ft 47 sq ft	Garage/laundry-storage area Covered lanai Balcony	2,734 sf
See Exhibit _____.						

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

1.4 Parking Stalls

Total Parking Stalls in the Project:	4
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	2
Attached Exhibit <u>"A"</u> specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. None	

1.5 Boundaries of the Units

Boundaries of the Unit: Each unit is a free-standing unit separate and apart from any other unit. Therefore the boundaries of each unit are the structural components of each unit's perimeter walls, roof and floor, as shown on the condominium map for this Project.
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1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project): Alterations of an Apartment may be made with the consent of all owners, or the units affected thereby, and all of the institutional holders of all liens affecting the apartment.
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1.7 Common Interest

<u>Common Interest:</u> Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:		
Described in Exhibit ____.		
As follows:	<u>Unit No.</u>	<u>Undivided Interest</u>
	A – 1342 Alani St	50%
	B – 1338 Alani St	50%
	TOTAL	100%

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

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): None

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) Land herein described in Exhibit "A" of the Declaration in fee simple.	
b) All yards, boundary walls, if any, grounds, landscaping, walkways, and sidewalks, if any. The roof of the garages of the 2 units.	
c) All electrical equipment, wiring and other appurtenant installations, including power and light, water, sewer and gas lines; all pipes, wires, conduits or other utility or service lines, including TV cable, if any, which are utilized by or serve more than one unit.	
Common Element	Number
Elevators	0
Stairways	2 (Unit B – 1338 Alani)
Trash Chutes	0

1.10 Limited Common Elements

Limited Common Elements: A limited common elements 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 "B" .
Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.	
<input checked="" type="checkbox"/>	Pets: None, except "guide dog" and such other animal as may be allowed by the Association.
<input checked="" type="checkbox"/>	Number of Occupants: No more than six (6) persons are allowed (See House Rules)
<input checked="" type="checkbox"/>	Other: See House Rules
<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 "C" describes the encumbrances against title contained in the title report described below.
Date of the title report: June 3, 2009
Company that issued the title report: First American Title Insurance Company

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning					
	Type of Use	No. of Units	Use Permitted by Zoning		Zoning
<input checked="" type="checkbox"/>	Residential	2	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	R-5
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Other (specify)		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Variances to zoning code have been granted.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Describe any variances that have been granted to zoning code.			See Attached EXHIBIT "D" (CUP – minor for joint development of 4 Lots – 2004)		

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>

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

<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p> <p>None</p>

1.15 Conversions

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p> <p>(1) There was no visible evidence of unstable structural components and any damages to structural materials appeared to have been required.</p> <p>(2) The mechanical installation consisted of water and sewer lines. All supply piping, valves, and waste piping observed, appeared to be in operating condition.</p> <p>(3) The electrical installation, including meter boxes, circuit breakers and installations within the individual units appeared to be in operating condition.</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p> <p>There are no representations made as to the expected useful life of each of the items mentioned in the foregoing paragraphs.</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p> <p>NONE</p>	
<p>Estimated cost of curing any violations described above:</p> <p>NONE</p>	

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

1.16 Project in Agricultural District

<p>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation. N/A</p>	
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input type="checkbox"/> Yes <input type="checkbox"/> No N/A</p> <p>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.</p>	
<p>Other disclosures and information:</p> <p>None</p>	

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer(s)</p>	<p>Name: CUTHBERT G. CORNIEL, Trustee of the Cuthbert G. Corniel Revocable Trust dated February 2, 1993 and CHARLENE C. CORNIEL, Trustee of the Charlene C. Corniel Revocable Trust dated February 2, 1993</p> <p>Business Address: 1338 Alani Street Honolulu, Hawaii 96817</p> <p>Business Phone Number: (808) 291-3032 E-mail address: N/A</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>2.2 Real Estate Broker</p>	<p>Name: Russell K. Nishimoto ® Business Address: Prudential Locations LLC 614 Kapahulu Avenue, Suite 200 Honolulu, Hawaii 96815</p> <p>Business Phone Number: (808) 732-5024 E-mail Address: Russell Nishimoto@PruHawaii.com</p>
<p>2.3 Escrow Depository</p>	<p>Name: Island Title Corporation Business Address: 1132 Bishop Street, Suite 400 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 531-0261</p>
<p>2.4 General Contractor</p>	<p>Name: None Business Address:</p> <p>Business Phone Number:</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Self-Managed by the Association Business Address: None</p> <p>Business Phone Number: None</p>
<p>2.6 Attorney for Developer</p>	<p>Name: VERNON T. TASHIMA, ESQ. Business Address: 220 South King Street, Suite 888 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 521-2951</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 System	April 13, 2009	3853826

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

32. 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 System	April 13, 2009	3853827

Amendments to Declaration of Condominium Property Regime

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	2000
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "House Rules") to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the Developer. Changes to House Rules do not need to be recorded to be effective.		
The House Rules for this project:		
Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input checked="" type="checkbox"/>	May 27, 2009
Developer does not plan to adopt House Rules	<input type="checkbox"/>	

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.		
Document	Minimum Set by Law	This Condominium
Declaration	67%	75%
Bylaws	67%	67%

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

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	<p>Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:</p> <p style="padding-left: 40px;">The Developer reserves the right to add to, or enlarge, the project, or to merge with another project, or, to modify the declaration, condominium map, or any related document with respect thereto.</p>

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

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

The Initial Condominium Managing Agent for this project is (check one):

<input type="checkbox"/>	Not affiliated with the Developer
<input checked="" type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit "F" contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:

<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV cable
<input checked="" type="checkbox"/>	Other (specify) None

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:

<input checked="" type="checkbox"/>	Electricity for the Unit only
<input type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV cable
<input type="checkbox"/>	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit "G" contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: June 08, 2009 Name of Escrow Company: ISLAND TITLE CORPORATION Exhibit "H" contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other

5.2 Sales to Owner-Occupants

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

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

5.3 Blanket Liens

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

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

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
1. Mtg in favor of MERS, solely as nominee for Countrywide Bank, FSB, recorded as Land Court Document No. 3718035.	Lender has priority over Buyer's rights under a sales contract, and has a right to terminate sales contracts upon foreclosure of its mortgage before an apartment sale is closed. Should Lender terminate Buyer's sales contract, Buyer shall be entitled to a refund of all deposits, less escrow cancellation fee. However, should Buyer's deposit be disbursed by Escrow and the lien is foreclosed prior to conveyance to Buyer, Buyer may not be able to recover the deposit moneys.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:
Building and Other Improvements: NONE
Appliances: <u>Unit A (1342 Alani)</u> : range; refrigerator; water heater; wall mounted A/C in bedroom; security & fire Alarm systems. <u>Unit B (1338 Alani)</u> : range; refrigerator/freezer; water heater; dishwasher; washer/dryer; split or A/C in bedrooms; central air in other rooms; ceiling fan in living room and all bedrooms; security & fire alarm systems.

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

<p>Status of Construction:</p> <p>Unit A (1342 Alani) was constructed in 2004. Unit B (1338 Alani) was constructed in 2004</p>
<p>Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract:</p> <p>NOT APPLICABLE</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract.</p> <p>NOT APPLICABLE</p>

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

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

5.6.2 Purchaser Deposits Will be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):

<input type="checkbox"/> N/A	<p>For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or</p>
<input type="checkbox"/> N/A	<p>For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.</p>

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

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

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

NOT APPLICABLE

5.7 Rights Under the Sales Contract

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

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: NONE

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

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

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

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

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

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

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

- (1) The purchaser has signed the sales contract.
- (2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.
- (3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.
- (4) The purchaser does not least one of the following:
 - (a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

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

5.8.2 Right to Cancel a Sales Contract if Completion Deadline is Missed

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

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract

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

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

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT.

NONE

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

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

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

CUTHBERT G. CORNIEL, Trustee of the Cuthbert G.
Corniel Revocable Trust dated 2-02-1993

Printed Name of Developer

By: 
Duly Authorized Signatory*

Date: JUN 25 2009

CHARLENE C. CORNIEL, Trustee of the Charlene C.
Corniel Revocable Trust dated 2-02-1993

Printed Name of Developer

By: 
CUTHBERT G. CORNIEL,
Her Attorney-in-Fact

Date: JUN 25 2009

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.

Section 1.4 Parking Stalls (continued from page 4)

EXHIBIT "A"

Parking Stalls:

Total Parking Stalls: 4

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		TOTAL
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned:							
Unit A – 1342 Alani	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Unit B – 1338 Alani	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Guest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u> </u>
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u> </u>
Extra for Purchase	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u> </u>
Other: _____	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u> </u>
Total Covered & Open	<u>4</u>	<u> </u>	<u>0</u>	<u> </u>	<u>0</u>	<u> </u>	<u>4</u>

Each apartment will have the exclusive use of at least 1 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

[] Commercial parking garage permitted in condominium project.

EXHIBIT "A"

Section 1.10 Limited Common Elements (cont'd from pg 5)

Limited Common Elements: A limited common elements 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.

EXHIBIT "B"

Description: Each building will occupy and use, an area of land, as shown on the Condominium Map, as a limited common element, and described as follows:

Yard Space Site.

As hereunder noted, each unit will have a certain area of land, designated on said Condominium Map as "Site", upon which each building is situated, and which is a limited common element for such unit.

Unit No. -----	Location -----	<u>SITE</u>	<u>SQ FT</u>
A	1342 Alani Street	1	5,016
B	1338 Alani Street	2	6,204

Each building owner shall maintain repair and keep in good order and condition, the limited common element appurtenant to such owner's unit.

NOTE: Land areas referenced herein are not legally subdivided lots.

1.12 Encumbrances Against Title (Continued from page 5)

EXHIBIT "C"

ENCUMBRANCES AGAINST TITLE

Date of Title Report June 03, 2009
Company that issued the Title Report First American Title Insurance Company

1. For Real Property Taxes that may be due and owing reference is made to the Department of Finance, City and County of Honolulu.
2. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. AS TO LOTS 9-A AND 9-B ONLY:
 - A. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the document entitled Deed, recorded as Land Court Document No. 1373 of Official Records.
 - B. The terms and provisions contained in the Joint Development Agreement for Issuance of Conditional Use Permit under Section 21-5.380 of the Land Use Ordinance (LUO) recorded as Land Court Document No. 3085768.
4. AS TO LOTS 8-B AND 9-B ONLY:

A Grant of Easement for underground drainage purposes, in favor of the City and County of Honolulu, recorded as Land Court Document No. 46217 of Official Records.
5. Mortgage in favor of MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., solely as nominee for Countrywide Bank, FSB, a Federal Savings Bank, dated February 27, 2008 and recorded as Land Court Document No. 3718035 of Official Records.

EXHIBIT "C"

6. Land Court Condominium Map No. 2000.
7. The terms and provisions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such terms and provisions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes as contained in or incorporated by reference in the Declaration of Condominium Property Regime of "1338 ALANI", as amended. Said Declaration was recorded May 1, 2009 as Land Court Document No. 3853826 of Official Records.
8. The terms and provisions contained in or incorporated by reference in the Condominium By-Laws of "1338 ALANI", as amended.
9. Terms and provisions as contained in that certain Cuthbert G. Corniel Revocable Trust dated February 2, 1993.
10. Terms and provisions as contained in that certain Charlene C. Corniel Revocable Trust dated February 2, 1993.

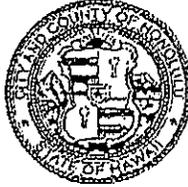
TMK No. (1) 1-6-015:050
Property: 1338 (Unit "B") & 1342 (Unit "A") Alani Street
Honolulu, Hawaii 96817

END OF EXHIBIT "C"

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4414 • FAX: (808) 527-6743 • INTERNET: www.cc.honolulu.hi.us

JEREMY HARRIS
MAYOR



ERIC G. CRISPIN, AIA
DIRECTOR

BARBARA KIM STANTON
DEPUTY DIRECTOR

Kathy Sokugawa
Acting Deputy Director

2004/ELOG-220 (DT)

PERMIT	CONDITIONAL USE PERMIT (MINOR)
File Number	: 2004/CUP-13
Applicant/ Landowner	: Cuthbert Godwin Corniel and Charlene Carlson Corniel
Agent	: Daniel Tamashiro
Location	: 1338 Alani Street - Kapalama
Tax Map Key	: 1-6-15: 50
Zoning	: R-5 Residential District
Date Received	: February 3, 2004
Date Accepted	: February 10, 2004

The Conditional Use Permit (Minor) application for joint development (of four lots) is APPROVED, subject to the following conditions:

1. Prior to issuance of a building permit, the applicant shall:
 - a. Submit a revised and executed joint development agreement for review and approval by the Director of Planning and Permitting. The submitted agreement shall include exhibits describing the lots to be jointly developed as they are recorded in the Bureau of Conveyances and/or Land Court of the State of Hawaii; and

- b. File the approved agreement with the Bureau of Conveyances and/or the Assistant Registrar of the Land Court of the State of Hawaii. Proof of such filing shall be in the form of a copy certified by the appropriate agency and shall be submitted to the Department of Planning and Permitting (Zoning Regulations and Permits Branch).

(NOTE: DO NOT RECORD THE JOINT DEVELOPMENT AGREEMENT PRIOR TO REVIEW AND APPROVAL BY THE DIRECTOR OF PLANNING AND PERMITTING.)

- 2. All lots or parcels identified in the exhibits of the approved joint development agreement shall be considered to be one zoning lot.
- 3. This application has only been reviewed and approved pursuant to the provisions of Section 21-5.380, and development shall comply with all other provisions of the Land Use Ordinance and/or other applicable land use permits.
- 4. Approval of this Conditional Use Permit shall not be construed as approval of any building/sign permit application; such applications are reviewed separately and shall comply with applicable codes and regulations.
- 5. This approval may be revoked by the Director of Planning and Permitting when there is a breach of any of the conditions stated above; provided that, for good cause, the Director may amend the above conditions.

THIS COPY, WHEN SIGNED BELOW, IS NOTIFICATION OF THE ACTION TAKEN.

 SIGNATURE	for the Director TITLE	March 17, 2004 DATE
--	---------------------------	------------------------

This approval does not constitute approval of any other required permits, such as building or sign permits.



L-711 STATE OF HAWAII
 OFFICE OF ASSISTANT REGISTRAR
 RECORDED
 MAR 19, 2004 01:00 PM
 Doc No(s) 3085768
 on Cert(s) 654,567

I hereby certify that this is
 a true copy from the records
 of the Bureau of Conveyances.

M. Kekoa-Haivaiak
 Director of Conveyances
 Assistant Registrar, Land Court
 State of Hawaii



Is/ CARL T. WATANABE
 ASSISTANT REGISTRAR

20 1/1 Z1

AFTER RECORDATION RETURN BY: MAIL () PICKUP (X) TO:
 J. TAMASHIRO, INC.
 1628 DEMOCRAT ST.
 HONO, HI. 96819
 Total Pages: 44
 ATTN: KIYOKI MIZUSAWA 551-0202
 (w) 847-2451

AGREEMENT FOR ISSUANCE OF CONDITIONAL USE PERMIT UNDER
 SECTION 21-5.380 OF THE LAND USE ORDINANCE (LUO)

THIS INDENTURE, made this 19th day of
March, 2004, by CUTHBERT GODWIN CORNIEL and CHARLENE
 CARLSON CORNIEL, husband and wife, fee simple owners of those
 certain parcels of land described in Exhibits "A-1" and "A-2",
 attached hereto and made a part hereof, hereinafter referred to as
 "Declarants".

W I T N E S S E T H T H A T:

WHEREAS, Section 21-5.380 of the Land Use Ordinance
 (LUO) provides that if an owner or owners of adjacent lots believe
 that joint development of their property would result in more

efficient use of their land, they may apply for a Conditional Use Permit to allow such development and to treat said lots as one (1) for zoning purposes; and

WHEREAS, Declarants are the owners of Lots 9-A and 9-B of Block 7, Section "A" as shown on Map 97 of Land Court Application 290 located in Kapalama, Honolulu, Oahu, Hawaii, identified as Tax Map Key No. 1-6-15:50, and as described in Exhibits "A-1" and "A-2" respectively attached hereto and incorporated herein by reference; and

WHEREAS, LUO Section 21-5.380 requires an applicant for a Conditional Use Permit to submit to the City and County of Honolulu ("City") an agreement binding himself and his successors in title to maintain a proposed development so that conformity with the applicable zoning regulations will be assured; and

WHEREAS, Declarants propose to develop all those parcels of land described in Exhibits "A-1" and "A-2", attached hereto, in accordance with the zoning regulations, in the belief that said proposed development would result in a more efficient use of said parcels; and

WHEREAS, Declarants desire to avail themselves of the benefits of LUO Section 21-5.380, and hereby make application for the issuance of a Conditional Use Permit pursuant thereto.

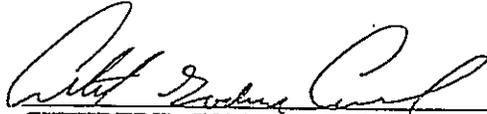
NOW, THEREFORE, Declarants hereby covenant and make the

following Declarations:

1. This Agreement is made pursuant to and in compliance with the provisions of LUO Section 21-5.380, relating to joint development of two (2) or more adjacent lots, the terms of which Section shall be effective when the Director of Planning and Permitting of the City and County of Honolulu, State of Hawaii, approves development of those parcels of land described in Exhibits "A-1" and "A-2", and issues a Conditional Use Permit therefor.
2. Declarants agree to develop in accord with all other provisions of the zoning regulations.
3. Declarants agree to file copies of this Agreement and the attachments referred to herein each time the Declarants or their successors, or permitted assigns or agents, files an application for a building permit for any structure within the real property which is the subject of this agreement.
4. Declarants agree that all of said parcels of land described in Exhibits "A-1" and "A-2" shall at all times remain an integral part of said development.
5. Failure to develop substantially in accordance with said Agreement and the zoning regulations shall constitute grounds for the City to revoke or suspend any building permits issued hereunder.
6. Failure to maintain the development in accordance with this Agreement shall constitute grounds for the City to revoke or suspend the Conditional Use Permit issued pursuant to this Agreement.
7. This Agreement shall not be terminated, extinguished, amended, or canceled without the express written approval of the Director of Planning and Permitting of the City and County of Honolulu, State of Hawaii.
8. The City and County of Honolulu, State of Hawaii, shall have the right to enforce this Agreement and the conditions contained herein by appropriate action at law or suit in equity against the Declarants and any person claiming an interest in such property.

9. This Agreement shall run with the land and shall bind, inure to the benefit of, and constitute notice to the respective successors, grantees, assignees, mortgagees, lienors, and any other person who claims an interest in such property, of the parties hereto.

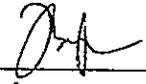
DECLARANTS


CUTHBERT GODWIN CORNIEL


CHARLENE CARLSON CORNIEL

STATE OF HAWAII)
)
CITY AND COUNTY OF HONOLULU)

On this 19th day of March, 2004, before me personally appeared CUTHBERT GODWIN CORNIEL and CHARLENE CARLSON CORNIEL, husband and wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.



BETH VEE
Notary Public, State of Hawaii

My commission expires: 7-22-2005

EXHIBIT "A-1"

ALL of that certain parcel of land situate on the corner of Houghtailing and Alani Streets, Kapalama, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOTS 9-A, area 4,685.0 square feet, in Block 7, of Section "A", of the "McInerney Park Tract", as shown on Map 97, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 290 of the Trustees under the Will and of the Estate of Bernice Pauahi Bishop, deceased.

BEING a portion of the premises described in and covered by Transfer Certificate of Title No. 654,567 issued to Charlene Carlson Corniel and Cuthbert Godwin Corniel.

SUBJECT, HOWEVER, to the following:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Reservations as contained in that certain Deed dated October 31, 1917, filed in said Office as Land Court Document No. 1373.

EXHIBIT "A-2"

ALL of that certain parcel of land situate on the corner of Houghtailing and Alani Streets, Kapalama, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 9-B, area 925.0 square feet, in Block 7, of Section "A", of the "McInerny Park Tract", as shown on Map 97, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 290, of the Trustees under the Will and of the Estate of Bernice Pauahi Bishop, deceased.

BEING a portion of the premises described in and covered by Transfer Certificate of Title No. 645,567 issued to Charlene Carlson Corniel and Cuthbert Godwin Corniel.

SUBJECT, HOWEVER, to the following:

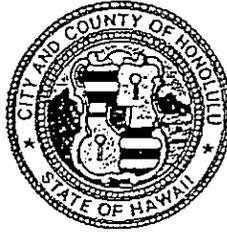
1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Reservations as contained in that certain Deed dated October 31, 1917, filed in said Office as Land Court Document No. 1373.
3. Grant for purpose of an easement for underground drainage, dated October 26, 1938, filed in said Office as Document No. 46217, in favor of THE CITY AND COUNTY OF HONOLULU.

DEPARTMENT OF FACILITY MAINTENANCE

CITY AND COUNTY OF HONOLULU

1000 ULUOHIA STREET, KAPOLEI HALE, SUITE 215, KAPOLEI, HAWAII 96707
TELEPHONE : (808) 692-5054 FAX: (808) 692-5857

JEREMY HARRIS
MAYOR



LARRY J. LEOPARDI, P.E.
DIRECTOR AND CHIEF ENGINEER

ALVIN K. C. AU
DEPUTY DIRECTOR

IN REPLY REFER TO:
DRM 04-369

April 16, 2004

Mr. Cuthbert Corniel
c/o Daniel Tamashiro
J. Tamashiro, Inc.
1628 Democrat Street
Honolulu, Hawaii 96819

Dear Mr. Corniel:

Subject: Drainage Easement Variance – Proposed Driveway Encroachment into City's Drainage Easement – 1338 Alani Street, Honolulu, Hawaii, TMK:1-6-15:50

Based on your letter dated April 5, 2004, the City will allow the proposed driveway encroachment into the City's drainage easement subject to the following conditions:

1. In the event it is necessary or convenient for the City to destroy, remove or alter the encroachment within the drainage easement in order to construct, reconstruct, maintain, operate or repair the drainage system, or in the event the encroachment is damaged during the maintenance, operation or repair of the drainage system, the City shall not be liable for the replacement or restoration of the same;
2. The City will retain the right to ingress and egress from said drainage easement as the City shall deem necessary or expedient for the proper maintenance, operation or repair of the drainage system;
3. The property owner shall indemnify and save harmless the City against loss or damage to property situated within or outside of the drainage easement and from liability for injury to or death of persons in the manner provided by law when such loss, damage, injury or death arises or proximately results from the negligence of the property owner, his heirs, executors, administrators and assigns; and
4. The property owner shall be responsible for the disclosure of this agreement to a succeeding owner or lessee (Successor). Such disclosure shall be in the form of a supplement to this agreement containing all the provisions of this agreement and duly acknowledged and accepted by the Successors with a copy being forwarded to the City.

Mr. Cuthbert Corniel
Page 2
April 16, 2004

It is understood that this does not relieve the property owner from complying with all applicable codes, rules, regulations, and/or permit procedures.

The property owner is required to indicate his acceptance of the above terms by signing and returning the original copy of this letter to us. **Should this letter not be returned in a timely manner, this agreement and variance may be cancelled.**

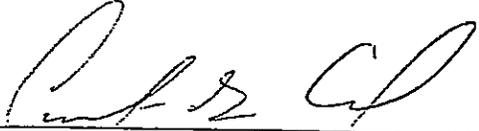
Should you have any questions, please call Mr. Tyler Sugihara, Acting Chief of the Division of Road Maintenance, at 523-4472.

Very truly yours,


LARRY LEOPARDI, P.E.
Director and Chief Engineer

cc: Department of Planning and Permitting

I have read this letter and agree with and accept the conditions stated herein:



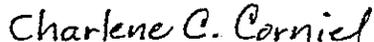
(Signature of Owner) Date

 4/26/04

(Signature of Owner) Date



(Print Name)

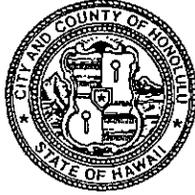


(Print Name)

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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

MUFI HANNEMANN
MAYOR



DAVID K. TANOUE
DIRECTOR

ROBERT M. SUMITOMO
DEPUTY DIRECTOR

2008/ELOG-2333 (EE)

March 23, 2009

Vernon T. Tashima, Esq.
Attorney at Law
Central Pacific Plaza, Suite 888
220 South King Street
Honolulu, Hawaii 96813



Dear Mr. Tashima,

Subject: Condominium Conversion Project
1338 Alani Street
Tax Map Key: 1-6-015: 050

This is in response to your letter dated September 22, 2008, requesting verification that the structures on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the two-story single-family detached dwelling at 1338 Alani Street, and the one-story single-family detached dwelling at 1342 Alani Street with at least four (4) all-weather-surface off-street parking spaces and driveway met all applicable code requirements when they were constructed in 2004 on this 11,220-square-foot R-5 Residential-District-zoned lot.

Investigation also revealed that on March 17, 2004, a Conditional Use Permit (File No. 2004/CUP-13) was approved for the joint development of Lots 8-A, 8-B, 9-A, and 9-B, into one lot (TMK: 1-6-015: 050) of 11,220 square-feet.

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

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.

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.

Vernon T. Tashima, Esq.
March 23, 2009
Page 2

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of our Commercial and Multi-Family Code Enforcement Branch at 527-6341.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue". The signature is fluid and cursive, with a large initial "D" and "T".

 David K. Tanoue, Director
Department of Planning and Permitting

DKT:dkk

doc685360

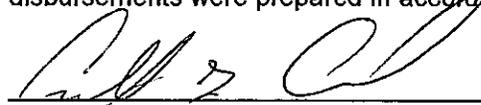
EXHIBIT " F "

(Section 4.2, Continued from page 12)
**ESTIMATE OF INITIAL MAINTENANCE FEES
 AND
 ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:	Monthly Fee x 12 months = Yearly Total
<u>Apartment</u>	
Unit A (1342 Alani Street)	none
Unit B (1338 Alani Street)	"
The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.	

Estimate of Maintenance Fee Disbursements:	Monthly Fee x 12 months = Yearly Total
<u>Utilities and Services</u>	
Air Conditioning	
Electricity	
<input type="checkbox"/> common elements only	
<input type="checkbox"/> common elements and apartments	
Elevator	
Gas	
<input type="checkbox"/> common elements only	
<input type="checkbox"/> common elements and apartments	
Refuse Collection	
Telephone	
Water and Sewer	
<u>Maintenance, Repairs and Supplies</u>	
Building	
Grounds	
<u>Management</u>	
Management Fee	
Payroll and Payroll Taxes	
Office Expenses	
<u>Insurance</u>	
<u>Reserves (*)</u>	
<u>Taxes and Government Assessments</u>	
<u>Audit Fees</u>	
<u>Other</u>	
TOTAL	none

I, CUTHBERT G. CORNIEL, the condominium developer for the "1338 ALANI" condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



 Signature

JUN 25 2009

 Date

EXHIBIT "G"

SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT

Section 5.1 Sales Documents Filed with the Real Estate Commission (Continued from page 13)

The Deposit Receipt Offer and Acceptance Agreement (the "Sales Contract") contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract states:

- (a) The total purchase price, method of payment and additional sums, which must be paid in connection with the purchase of an apartment (C-1).
- (b) That the sale is subject to the Buyer's approval of condominium documents (C-67).
- (c) That the Developer makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefit to be derived from the purchase of an apartment (C-70).
- (d) That the transaction shall be processed by an escrow company, licensed to do business in Hawaii (C-9).
- (e) Requirements relating to the purchaser's financing of the purchase of an apartment (C-24 and C-25).
- (f) That the Developer shall provide to Buyer all existing warranty documents covering the improvements, appliances, etc., but makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment of the Project (C-56).
- (g) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price (C-6).
- (h) Risk of loss passes to Buyer upon closing or possession, whichever ever occurs sooner (C-15).

The Sales Contract contains various other important provisions relating to the purchase of an apartment in the Project. Purchasers and prospective purchasers should carefully read the specimen Sales Contract on file with the Real Estate Commission.

EXHIBIT "H"

SUMMARY OF THE PROVISIONS OF THE ESCROW AGREEMENT

5.1 Sales Documents Filed with the Real Estate Commission (Continued from page 13)

Among other provisions of the Escrow Agreement, the Agreement provides that:

Disbursement from the escrow fund may be made to pay for construction costs upon certification and approval for payment by an architect or engineer, and approved by Seller's lender. However, the agreement further provides that no disbursement of Purchaser's funds shall be made until (a) Escrow is notified by Seller that Real Estate Commission has issued an effective date for a Developer's Public Report, superseding all prior reports, on the project and that each purchaser has been given a copy of said Developer's Public Report; (b) Purchaser executes the form of Receipt for Public Report and Notice of Right to Cancel and waives his right to cancel; and (c) the completion of construction of the project and the forty-six day lien period has expired or Seller has posted a Surety Bond or submits title insurance with lien waivers.

Further, Purchaser shall be entitled to a refund of Purchaser's funds, and Escrow shall pay the funds to Purchaser, without interest and less Escrow's cancellation fee upon receipt by Escrow of a written request from Seller to return to Purchaser the funds of such Purchaser then held hereunder by Escrow.

Subject to such deduction as may be provided in the Sales Contract, and an escrow cancellation fee, the Purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to the Purchaser, without interest, upon Purchaser's written request, and, if any, one of the following events has occurred:

(a) Seller has instructed Escrow in writing to return to the Purchaser the funds of the Purchaser then being held hereunder by Escrow; or

(b) Seller has notified Escrow in writing of the Seller's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated herein or otherwise available to the seller; or

(c) With respect to a Purchaser whose funds were obtained prior to the issuance of the Developer's Public Report, the Purchaser has exercised his right to cancel the contract pursuant to Section 514B-86, Hawaii Revised Statutes, as amended; and, upon any such cancellation, Purchaser shall be entitled to a prompt refund of all monies paid, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00; or

EXHIBIT "H"

(d) A Purchaser has exercised his right to rescind the contract pursuant to Section 514B-87, Hawaii Revised Statutes, as amended; or

(e) If, in accordance with Part V, Chapter 514B, Hawaii Revised Statutes:

i) no sales contract is offered to purchaser who was place on the Developer's reservation list of owner-occupants, or upon a request from a person who is on the final reservation list but who has elected not to execute a sales contract; or

ii) the Purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his unit within fifty (50) calendar days following the end of the ten (10) calendar-day period during which the Developer is limited to selling to owner-occupants.

Upon the return of said funds to the purchaser as aforesaid, Escrow shall return to Seller such Purchaser's Sales Contract and any conveyancing documents theretofore delivered to Escrow pursuant to such Sales Contract. Other documents delivered to Escrow relating to the sale of the units identified in such Sales Contracts will be returned to the person from whom or entity from which they were received.

(f) In the event of default of the Purchaser, Purchaser's initial deposits shall be retained by Seller, as liquidated damages.

END OF EXHIBIT "H"