

**DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	KUAIHELANI CONDOMINIUM
Project Address	126 & 128 Ragsdale Place Honolulu, Hawaii 96817
Registration Number	7485
Effective Date of Report	March 21, 2014
Developer(s)	Norman Cheng and Jamie Cheng Bronson Pai and Paige Pai

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 condominium does not constitute a legal subdivision. The limited common areas and any dotted lines between the units as shown on the Condominium Map are intended to show the separation between the limited common elements only and do not represent legally subdivided lots.

A zoning adjustment was obtained pursuant to Revised Ordinances of Hawaii Chapter 21-4 to allow the retaining wall in the northwest side yard of the Property to exceed the maximum height allowed under the Land Use Ordinance. The zoning adjustment 2012/ZA-21 and dated June 30, 2013 is attached hereto as Exhibit "F". Major modifications or reconstruction of the wall will require a new zoning adjustment approval. The purchaser should carefully review the zoning adjustment conditions and the Honolulu Land Use Ordinance to determine what limitations apply to the repair, replacement, or reconstruction of the retaining wall.

In addition, the Project utilizes gas water heaters in lieu of a solar water heating system as required by Hawaii Revised Statutes Chapter 196-6.5. Variances were obtained to allow the Project to utilize gas water heaters. The variance approvals are attached hereto as Exhibit G.

TABLE OF CONTENTS

	<u>Page</u>
Preparation of this Report.....	1
General Information On Condominiums.....	2
Operation of the Condominium Project.....	2
1. THE CONDOMINIUM PROJECT.....	3
1.1 The Underlying Land.....	3
1.2 Buildings and Other Improvements.....	3
1.3 Unit Types and Sizes of Units.....	3
1.4 Parking Stalls.....	4
1.5 Boundaries of the Units.....	4
1.6 Permitted Alterations to the Units	4
1.7 Common Interest.....	4
1.8 Recreational and Other Common Facilities.....	4
1.9 Common Elements.....	5
1.10 Limited Common Elements.....	5
1.11 Special Use Restrictions	5
1.12 Encumbrances Against Title.....	5
1.13 Uses Permitted by Zoning and Zoning Compliance Matters	6
1.14 Other Zoning Compliance Matters.....	6
1.15 Conversions	7
1.16 Project In Agricultural District.....	8
1.17 Project with Assisted Living Facility.....	8
2. PERSONS CONNECTED WITH THE PROJECT.....	9
2.1 Developer.....	9
2.2 Real Estate Broker.....	9
2.3 Escrow Depository.....	9
2.4 General Contractor.....	9
2.5 Condominium Managing Agent.....	9
2.6 Attorney for Developer	9
3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS	10
3.1 Declaration of Condominium Property Regime	10
3.2 Bylaws of the Association of Unit Owners	10
3.3 Condominium Map.....	10
3.4 House Rules.....	11
3.5 Changes to the Condominium Documents.....	11
3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents.....	11
4. CONDOMINIUM MANAGEMENT.....	12
4.1 Management of the Common Elements	12
4.2 Estimate of the Initial Maintenance Fees.....	12
4.3 Utility Charges to be Included in the Maintenance Fee.....	12
4.4 Utilities to be Separately Billed to Unit Owner	12
5. SALES DOCUMENTS.....	13
5.1 Sales Documents Filed with the Real Estate Commission.....	13
5.2 Sales to Owner-Occupants.....	13
5.3 Blanket Liens.....	13
5.4 Construction Warranties	13
5.5 Status of Construction, Date of Completion or Estimated Date of Completion.....	14

TABLE OF CONTENTS

	Page
5.6	Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance 14
5.6.1	Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance..... 14
5.6.2	Purchaser Deposits Will Be Disbursed Before Closing..... 15
5.7	Rights Under the Sales Contract 17
5.8	Purchaser's Right to Cancel or Rescind a Sales Contract 17
5.8.1	Purchaser's 30-Day Right to Cancel a Sales Contract..... 17
5.8.2	Right to Cancel a Sales Contract if Completion Deadline Missed..... 18
5.8.3	Purchaser's Right to Rescind a Binding Sales Contract After a Material Change 18
6.	MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT..... 19
EXHIBIT A:	Description of the Units
EXHIBIT B:	Parking Stalls Assigned to Each Unit
EXHIBIT C:	Common Interest
EXHIBIT D:	Common Elements
EXHIBIT E:	Limited Common Elements
EXHIBIT F:	Encumbrances Against Title
EXHIBIT G:	Zoning Adjustment Letter dated June 30, 2013-
EXHIBIT H:	Variance Approval Letters dated September 30, 2012
EXHIBIT I:	Estimate of the Initial Maintenance Fees
EXHIBIT J:	Summary of the Sales Contract
EXHIBIT K:	Summary of the Escrow Agreement

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 bought, 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 Unit 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	
Address of Project	126 & 128 Ragsdale Place, Honolulu, HI 96813
Address of Project is expected to change because	
Tax Map Key (TMK)	(1) 2-2-051-036 CPR Nos. 0001 and 0002
Tax Map Key is expected to change because	
Land Area	20,036 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	2
Floors Per Building	2
Number of New Building(s)	2
Number of Converted Building(s)	0
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood frame structure on concrete slab. Hollow tile retaining wall.

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
126	1	4/3	3250		1,453	4,703
128	1	4/3.5	3,403		915	4,318
See Exhibit <u> A </u> .						

2	Total Number of Units
---	------------------------------

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

1.4 Parking Stalls

Total Parking Stall in the Project:	Nine (9)
Number of Guest Stalls in the Project:	Zero (0)
Number of Parking Stalls Assigned to Each Unit:	Unit 126 has 5 stalls and Unit 128 has 4 stalls
Attach Exhibit <u>B</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 shall consist of its entire structure and shall include all footings, floors, foundations, perimeter walls and roofs of the building, all exterior surfaces and finishes, decks, lanais, porches, steps, garages, carports, and all other improvements now or hereafter located upon the limited common element land area of the unit for the exclusive use of such unit.

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):
Unit owners may improve, renovate, enlarge, remove or replace the improvements to or in their unit so long as they are in compliance with all applicable laws and do not exceed the unit's proportionate share of the development rights as set forth in Section 17.03 of the Declaration.

1.7 Common Interest

Common Interest: 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 C .
As follows:

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 type="checkbox"/>	Other (describe):

1.9 Common Elements

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

Described in Exhibit D _____.

Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

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

Described in Exhibit E _____.

Described as follows:

1.11 Special Use Restrictions

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

<input type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input type="checkbox"/>	Other:
<input checked="" 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 F _____ describes the encumbrances against title contained in the title report described below.

Date of the title report: January 15, 2014

Company that issued the title report: Fidelity National Title

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-10
<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 Declaration 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			Variance obtained for northwest retaining wall to exceed maximum height - See Exhibit G.	

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>			

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 type="checkbox"/> Applicable</p> <p><input checked="" 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>Developer's statement of the expected useful life of each item reported above:</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p>	
<p>Estimated cost of curing any violations described above:</p>	

<p>Verified Statement from a County Official</p>	
<p>Regarding any converted structures in the project, attached as Exhibit ____ 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 non-conforming 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>	

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.</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</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>	

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>The nature and the scope of services to be provided.</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p>	
<p>The duration of the provision of the services.</p>	
<p>Other possible impacts on the project resulting from the provision of the services.</p>	
<p>Other disclosures and information.</p>	

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer(s)</p>	<p>Name: Norman and Jamie Cheng Bronson and Paige Pai</p> <p>Business Address: 733 Bishop Street, Suite 1900 Honolulu, Hawaii 96813</p> <p>Business Phone Number : 808-537-6100</p> <p>E-mail Address: ncheng@starnlaw.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>2.2 Real Estate Broker</p>	<p>Name: Benn Pacific Group, Inc. Business Address: 1585 Kapiolani Blvd, Suite 1040 Honolulu, Hawaii 96814</p> <p>Business Phone Number: 808-548-2366</p> <p>E-mail Address: trevor@bennpacific.com</p>
<p>2.3 Escrow Depository</p>	<p>Name: Guardian Escrow Services, Inc. dba Premier Escrow Business Address: 614 Kapahulu Avenue, Suite 101 Honolulu, Hawaii 96815</p> <p>Business Phone Number: 808-687-6652</p>
<p>2.4 General Contractor</p>	<p>Name: ZY Builders Corporation Business Address: 1212 Punahou Street, Unit 603 Honolulu, Hawaii 96826</p> <p>Business Phone Number: 808-542-4430</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: NONE - Self Managed by the Association Business Address:</p> <p>Business Phone Number:</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Norman Cheng Business Address: 733 Bishop Street, Suite 1900 Honolulu, Hawaii 96813</p> <p>Business Phone Number: 808-537-6100</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	November 6, 2013	T-8723251

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	January 21, 2014	T-8794260

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	November 6, 2013	T-8723252

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	2225
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 type="checkbox"/>	
Developer does not plan to adopt House Rules	<input checked="" 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%	100%
Bylaws	67%	100%

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

<input checked="" type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input type="checkbox"/>	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:

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 <u> 1 </u> 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 type="checkbox"/>	Other (specify)

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 checked="" 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

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>J</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: March 10, 2014 Name of Escrow Company: Guardian Escrow Services, Inc. dba Premier Escrow Exhibit <u>K</u> 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"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ____.
<input type="checkbox"/>	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.

<u>Type of Lien</u>	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Wells Fargo Mortgage	A lender has priority over a buyer's right under a sales contract and has a right to terminate a sale contract upon foreclosure of its mortgage before an apartment sale is closed. If foreclosed, the Buyer's deposit shall be refunded (less and escrow cancellation fees) and the sales contract between Seller and Buyer shall be cancelled.

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: None

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

<p>Status of Construction: Units are under construction as of the date of this application for the Developer's Public Report. Estimated completion date is March 31, 2014</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 a 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: March 31, 2014</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: NONE</p>

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

<input type="checkbox"/>	<p>Spatial Units. The Developer hereby declares by checking the box to the left that it is offering spatial units for sale and will not be using purchasers' deposits to pay for any costs to pay for project construction or to complete the project.</p> <p>Should the developer be using purchasers' deposits to pay for any project construction costs or to complete the project including lease payments, real property taxes, architectural, engineering, legal fees, financing costs; or costs to cure violations of county zoning and building ordinances and codes or other incidental project expenses, the Developer has to met certain requirements, described below in 5.6.1 or 5.6.2..</p>
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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 checked="" type="checkbox"/>	<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>
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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"/>	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
<input type="checkbox"/>	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.

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

<p>Box A</p> <p><input type="checkbox"/></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"/></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 reason 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.

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:
Honolulu Land Use Ordinance rules for zoning adjustments for retaining walls. |

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 at 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 After a Material Change

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 any 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, modifications 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

1. CHAPTER 672E, HAWAII REVISED STATUTES, EFFECTIVE JULY 1, 2004, CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT OR OTHER ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE CONTRACTOR WHO DESIGNED, REPAIRED, OR CONSTRUCTED YOUR HOME OR FACILITY. NINETY DAYS BEFORE YOU FILE YOUR LAWSUIT OR OTHER ACTION, YOU MUST SERVE ON THE CONTRACTOR A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE. UNDER THE LAW, A CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR AND/OR PAY FOR THE REPAIR OF THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY A CONTRACTOR. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER THE LAW AND FAILURE TO FOLLOW THEM MAY NEGATIVELY AFFECT YOUR ABILITY TO FILE A LAWSUIT OR OTHER ACTION.

2. Any sales of the Units in this Condominium Project will not be closed until the 45-day mechanic's lien period has expired in accordance with Hawaii Revised Statutes Section 507-43.

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.

Norman Cheng

Printed Name of Developer

By:



Duly Authorized Signatory*

March 14, 2014

Date

Norman Cheng, individual

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

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.

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Jamie Cheng

Printed Name of Developer

By:  March 14, 2014
Duly Authorized Signatory Date

Jamie Cheng, individual

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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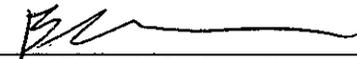
The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located,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

Bronson Pai

Printed Name of Developer

By:  March 14, 2014
Duly Authorized Signatory* Date

Bronson Pai, individual

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

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.

Paige Pai

Printed Name of Developer

By:


Duly Authorized Signatory*

March 14, 2014

Date

Paige Pai, individual

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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EXHIBIT A
Description of the Units

1. Unit 126. Unit 126 is located at the rear of the Property and consists of one freehold estate consisting of a four-bedroom, three-bath, two-story residential structure. The net living area is approximately 3,250 square feet. The structure also includes a partially covered lanai, entry landing, two-car garage, and carport totaling approximately 1,453 square feet. The total floor area for Unit 126 is 4,703 square feet.

2. Unit 128. Unit 128 is located at the front of the Property closest to Ragsdale Place and consists of one freehold estate consisting of a four-bedroom, 3.5-bath, two-story residential structure. The net living area is approximately 3,403 square feet. The structure also includes a partially covered patio and a two-car garage totaling approximately 915 square feet. The total floor are for Unit 128 is 4,318 square feet.

EXHIBIT B
Parking Stalls Assigned to Each Unit

UNIT 126: There are a total of five (5) parking stalls assigned to Unit 126 as shown on Sheet 10 of Condominium Map 2225. Two of the stalls are in an enclosed garage. One stall is in the carport adjacent to the covered garage. The final two stalls are tandem stalls located directly behind the two-car enclosed garage.

UNIT 128: There are a total of four (4) parking stalls assigned to Unit 128 as shown on Sheet 10 of Condominium Map 2225. Two of the stalls are in an enclosed garage. The other two stalls are tandem stalls located directly behind the two-car enclosed garage.

EXHIBIT C
Description of the Common Interest

UNIT 126: Unit 126 shall have appurtenant thereto 50% of the Common Interest in the Project.

UNIT 128: Unit 128 shall have appurtenant thereto 50% of the Common Interest in the Project.

EXHIBIT D
Description of Common Elements

The common elements of the Project and which the units have immediate access to include:

- a. The land in fee simple as described in Exhibit "A".
- b. A common driveway consisting of approximately 1,860.48 square feet as shown on the Condominium Map.
- c. Any fences or walls that are located within the common element driveway land area.
- d. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, drainage, hot and cold water and like utilities which service more than one unit and any easements for such utility services, if any.
- e. The common easements for drainage and all common or shared installations for underground utilities including electricity, water (including both the water meter and sub-meter, if any), telephone, and cable television which run upon or under the limited common or common elements, if any.
- f. All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project including any easements for drainage, utilities and for ingress and egress to and from Ragsdale Place or any other public right-of-way.

EXHIBIT E
Description of Limited Common Elements

The land area delineated and designated in the Condominium Map as limited common elements are limited common elements of a unit and consist of the following:

a. The land surrounding and under Unit 126, as shown on the Condominium Map, is a limited common element of Unit 126 and is for the exclusive use of Unit 126 and consists of approximately 9,700 square feet.

b. The land surrounding and under Unit 128, as shown on the Condominium Map, is a limited common element of Unit 128 and is for the exclusive use of Unit 128 and consists of approximately 8,475.52 square feet.

c. Any utility systems or lines which are located within the limited common land area and which service or benefit only one unit.

d. Any fences or walls that are located within the limited common land area of a unit, or portions thereof that fall within a unit's limited common land area.

e. Any driveway, parking area, and/or walkways located within a unit's limited common land area which service or benefit only one unit.

f. Unless otherwise specified, all costs, of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne entirely by the unit to which it is appurtenant.

g. Any other common element of the Project that is rationally related to fewer than all the units shall be deemed a limited common element appurtenant to and for the exclusive use of such unit or units to which it is rationally related.

EXHIBIT F
Encumbrances Against Title

1. Covenants, conditions and restrictions (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in the following:

DEED

DATED: August 8, 1936

RECORDED: August 26, 1936 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as Document No. 36951.

2. Condominium Map No. 2225, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.
3. Terms and provisions contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "KUAHELANI CONDOMINIUM"

DATED: November 6, 2013

FILED: Land Court Document No. T-8723251.

As amended by that certain FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR KUAHELANI CONDOMINIUM dated January 21, 2014 and filed as Land Court Document No. T-8794260.

4. By-Laws of the Association of Apartment Owners of Kuaihelani Condominium, dated November 6, 2013, recorded November 19, 2013 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as Document No. T-8723252.
5. A mortgage to secure an indebtedness as shown below, and any other obligations secured thereby:

Amount: \$625,000.00

Dated: May 23, 2012

Loan No.: 0340879444

Mortgagor: Norman Ho Yin Cheng and Jamie Yukiko Cheng, husband and wife and Bronson Lee Hiroshi Ah Gun Pai and Paige Nobuko Iwalani Pai, husband and wife

Mortgagee: Wells Fargo Home Mortgage of Hawaii, LLC, a Limited Liability Company organized and existing under the laws of The State of Delaware

Recorded: May 30, 2012 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as Document No. T-8185126.

EXHIBIT G
Zoning Adjustment Letters

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) 768-8041
DEPT. WEB SITE: www.honolulu.gov/dpp • CITY WEB SITE: www.honolulu.gov

KIRK CALDWELL
MAYOR



GEORGE I. ATTA, FAICP
DIRECTOR

ARTHUR D. CHALLACOMBE
DEPUTY DIRECTOR

2012/ELOG-2009(WA)
2012/ZA-21

June 20, 2013

Norman Cheng
733 Bishop Street, Suite 1900
Honolulu, Hawaii 96813

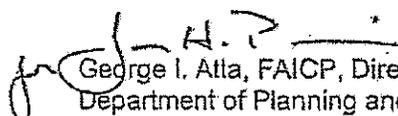
Dear Mr. Cheng:

Subject: Zoning Adjustment No. 2012/ZA-21
126 Ragsdale Place - Dowsett Highlands
Tax Map Key 2-2-51: 36

On December 26, 2012, the above Zoning Adjustment (ZA), for retaining wall height was approved subject to conditions. Subsequent to mailing the permit approval, we discovered that the permitted maximum height of the retaining wall was incorrectly cited as 6.5 feet, rather than the combined height of 10 feet. Attached is an appropriately revised copy of the approval, with an exhibit date-time stamped June 18, 2013, labeled "Exhibit B-1".

Please contact William J. Ammons of our staff at 768-8025 if you have any questions.

Very truly yours,


George I. Atta, FAICP, Director
Department of Planning and Permitting

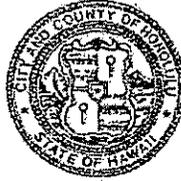
GIA:nw

Enclosure: 2012/ZA-21 Revised Approval

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

KIRK CALDWELL
 MAYOR



GEORGE I. ATTA, FAICP
 DIRECTOR

ARTHUR D. CHALLACOMBE
 DEPUTY DIRECTOR

2012/ZA-21 (WA)

PERMIT:	ZONING ADJUSTMENT (REVISED)
File Number:	2012/ZA-21
Project:	Cheng/Pai Residence – Retaining Walls
Applicant/Landowner:	Norman and Jamie Cheng Bronson and Paige Pai
Agent:	Norman Cheng
Location:	126 Ragsdale Place - Dowsett Highlands
Tax Map Key:	2-2-51: 36
Zoning:	R-10 Residential District
Date Accepted:	October 17, 2012

The Revised Zoning Adjustment (ZA) permit application, to allow a variable height concrete masonry unit (CMU) retaining wall within the required five-foot side yard, similar to plans labeled Exhibit B-1 is APPROVED, subject to the following conditions:

1. The retaining wall shall be constructed substantially as shown on Exhibits B-1, which shall be the approved plans for the project, and have been so marked and made a part of the file maintained by the Department of Planning and Permitting (DPP). Any modification to the project and/or the approved plans shall be subject to the prior review of and approval by the Director of the DPP. Minor modifications shall be processed in accordance with Section 21-2.20(k) of the Land Use Ordinance (LUO). Major modifications shall require a new Zoning Adjustment.
2. Prior to the issuance of a building permit for the project, the Applicant shall submit revised plans and drawings showing the finished grade and its relationship to the retaining wall to the Zoning Regulations and Permits Branch of the DPP.
3. This Zoning Adjustment shall be for the life of the approved retaining wall, only.
4. This application has only been reviewed and approved pursuant to the provisions of Section 21-2.140-1(l) (Zoning Adjustments: Retaining Walls), and development shall comply with all other LUO provisions.

5. Approval of this Zoning Adjustment does not constitute compliance with other governmental agencies' requirements, and shall not be construed as approval of any building permit application. These are subject to separate review and approval. The Applicant shall be responsible for ensuring that the final plans for the project approved under this Zoning Adjustment comply with all applicable governmental agencies' provisions and requirements, and shall comply with all applicable codes and regulations.
6. The Director of the DPP may modify the conditions of this approval by imposing additional conditions, modifying existing conditions, or deleting conditions deemed satisfied upon a finding that circumstances related to the approved project have significantly changed so as to warrant a modification to the conditions of approval.
7. In the event of the noncompliance with any of the conditions set forth herein, the Director of the DPP may terminate all uses and/or structures approved under this permit or halt their operation until all conditions are met or may declare this permit null and void or seek civil enforcement.

The Applicant proposes to construct a variable height CMU retaining wall within the required five-foot left (northwest) side yard. The northern corner of the site is sloped, and the retaining wall will contain fill. The wall will vary in height from approximately 2 to 10 feet; the 10-foot section will be more than 140 feet from the nearest street. The entire wall is approximately 77 feet in length, of which about 32 feet is above the 6-foot maximum height limit for retaining walls in a required yard. The Applicant states that there will be significant adverse impacts on the width of the driveway access to the property if the Applicant is required to comply with the 6-foot height limit for the retaining wall.

The existing sloped areas will be filled up to varying heights below the top of the new retaining wall, but may not exceed a maximum 6-inch height above finish grade. See LUO Figure 21-4.2(A). LUO Section 21-4.40(a) states that retaining walls containing a fill within required yards shall not exceed a height of 6 feet, measured from existing or finish grade, whichever is lower, to the top of the wall along the exposed face of the wall. Therefore, the proposed retaining wall approved by this Zoning Adjustment shall not exceed a maximum height of 10 feet above finish grade along the exposed face of the wall. LUO Section 21-4.40(d) states that safety railing or fences constructed of the same materials as the retaining wall shall not exceed a total combined height of 6 feet measured from the finish grade along the exposed face of the wall. Additional fence height of different material not capable of retaining material may be erected, not to exceed a height of 6 feet measured from the finish grade of the retained material. As the plans submitted with this Zoning Adjustment application did not clearly depict the relationship of the proposed retaining wall to the finished grade, the Applicant shall submit revised plans and drawings showing the finished grade and its relationship to the retaining wall to the Zoning Regulations and Permits Branch of the DPP.

A portion of the front retaining wall along Ragsdale Place, on the southern corner of the site, is within the required 10-foot front yard and exceeds 6 feet in height. However, it will be protecting a cut and therefore does not require a Zoning Adjustment. LUO Section 21-4.40(b) states that there shall be no height limit for retaining walls which protect a cut, except that a retaining wall which protects a cut and contains fill shall not exceed a total of 6 feet in height

measured from the intersection of the wall and the existing or finish grade, whichever is lower, to the top of the wall along the exposed face of the wall.

Under the above-described circumstance, the request to exceed the maximum retaining wall height within required yards is justified given the topography of the property. The retaining wall can only be seen from the abutting northwestern side property, and will not be adverse to the neighborhood and community as viewed from the public street. Furthermore, this Zoning Adjustment is consistent with the purpose and intent of the yard and retaining wall regulations that are being adjusted. The proposal will not significantly detract from the livability or appearance of the area and will be consistent with the desired character of the area. Since there is only one type of Zoning Adjustment being requested (retaining wall within a required yard), there will be no cumulative effects with respect to the overall purpose and intent of the residential zoning district. And, any potential impact resulting from the Zoning Adjustment will be mitigated by appropriate conditions of approval. Therefore, this proposal has met the criteria for Zoning Adjustment approval.

Any party (to the case) wishing to appeal the Director's action must submit a written petition to the Zoning Board of Appeals (ZBA) within 30 calendar days from the date of mailing or personal service of the Director's written decision (ZBA Rules Relating to Procedure for Appeals, Rule 22-2, Mandatory Appeal Filing Deadline). Essentially, the ZBA rules require that a petitioner show that the Director based his action on an erroneous finding of a material fact and/or that the Director acted in an arbitrary or capricious manner, or manifestly abused his discretion. Generally, the ZBA can only consider the evidence previously presented to the Director of the Department of Planning and Permitting. The filing fee for appeals to the ZBA is \$200 (payable to the City and County of Honolulu).

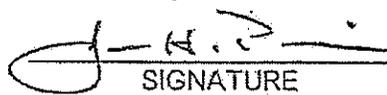
Failure to comply with ZBA Rules Chapter 22, Procedure for Appeals, may result in the dismissal of the appeal. Copies of the ZBA rules are available at the Department of Planning and Permitting. Appeals should be addressed to:

Zoning Board of Appeals
c/o Department of Planning and Permitting
650 South King Street, 7th Floor
Honolulu, Hawaii 96813

Please contact William Ammons of our staff at 768-8025 if you have any questions concerning this Zoning Adjustment.

GIA:nw

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

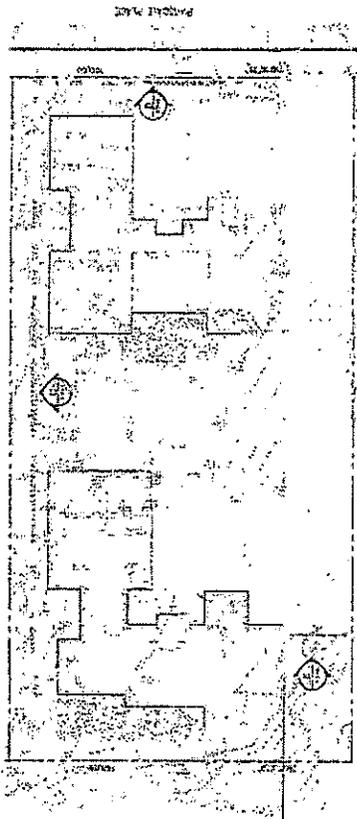
 _____
SIGNATURE

 Director
TITLE

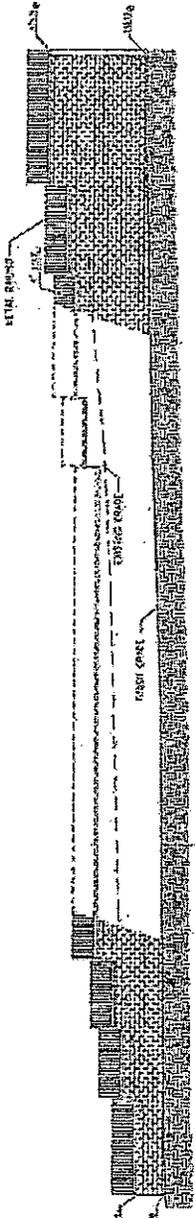
June 20, 2013
DATE

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

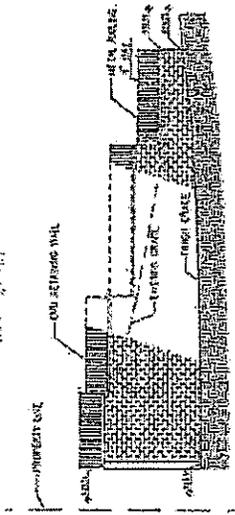
 <p>Robert J. Kulk Professional Engineer No. 10000 State of Florida</p>	<p>WCM ENGINEERING 125 S. 126th Avenue, #100 Miami, FL 33187</p>	<p>ASK-01</p>
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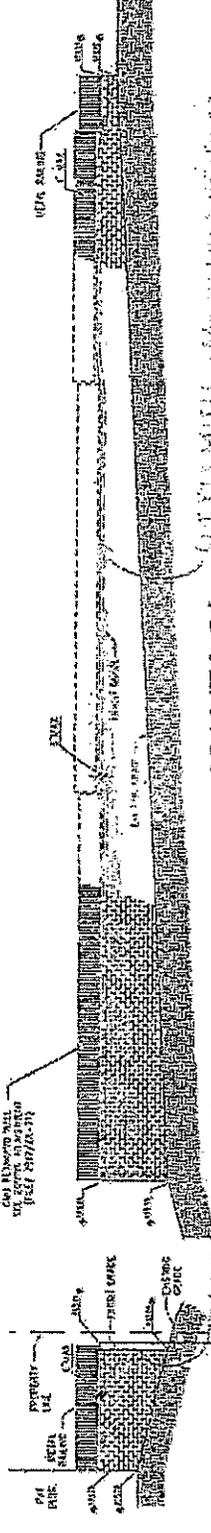
RETAINING WALL - PLAN
SCALE 1/4" = 1'-0"



RETAINING WALL - ELEVATION C
SCALE 3/32" = 1'-0"



RETAINING WALL - ELEVATION D
SCALE 1/8" = 1'-0"



RETAINING WALL - ELEVATION A
SCALE 1/8" = 1'-0"

2012/ZA-21
EXHIBIT B-1

RETAINING WALL - ELEVATION B
SCALE 1/8" = 1'-0"



EXHIBIT H
Variance Approval Letters

#1234



WCITARCHITECTURE

September 14, 2012

To: Energy Resources Coordinator, DBEDT
c/o Denise Fenn
Fax to: (808) 586-2536, or
Email to: dfenn@dbedt.hawaii.gov

Submitted By: Andy Shaw Return email: ashaw@wciarch.com

Subject: Request for Variance from HRS Chapter 196-6.5, solar water heater system required for new, single family residential construction

Location: 126 Ragsdale Place, Honolulu, Oahu, Hawaii 96817 (A) PAI
(PRINT complete address, if available, including Island)

Building Permit Application Number (if available): _____

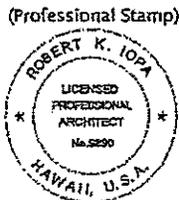
Tax Map Key: 220510360000

Justification for approval: (check only one option)

- ___ (1) Installation impractical due to poor solar resource; and/or installation is cost-prohibitive based upon a life cycle cost-benefit analysis that incorporates the average residential utility bill and the cost of the new solar water heater system with a life cycle that does not exceed 15 years. (For this option, please use "Water Heating Life Cycle Cost Comparison," an Excel spreadsheet downloaded from <http://hawaii.gov/dbedt/info/energy/SWHVariance/requestInfo>, and attach it to this Request);
- ___ (2) A renewable energy technology system, as defined in HRS section 235-12.5 (photovoltaics, solar thermal or wind), is substituted for use as the primary energy source for heating water; or
- X (3) A gas demand water heater device approved by Underwriters Laboratories, Inc., is installed; provided that at least one other gas appliance is installed in the dwelling. For the purposes of this paragraph, "demand water heater" means a gas, tankless, instantaneous water heater that provides hot water only as it is needed.
For a list of manufacturers of UL certified instantaneous gas water heaters, go to this website: <http://database.ul.com/cgi-bin/XYV/template/LISEXT/1FRAME/index.html>. Type LUVK into the "UL Category Code" box; then click on the "Search" button.

If selecting option #3, above, identify other gas appliance(s) installed: Dryer

I affirm that I am an architect or mechanical engineer licensed under HRS Chapter 464 and attest that to the best of my knowledge this request for a variance conforms to the requirements in Chapter 196-6.5.



R+K+H

Signature

APPROVED DISAPPROVED

MWB/DF
Energy Resources Coordinator
DBEDT, State of Hawaii

9/20/12
Date

08/20/2012



1235

WCITARCHITECTURE

September 14, 2012

To: Energy Resources Coordinator, DBEDT
c/o Denise Fenn Fax to: (808) 586-2536, or
Email to: dfenn@dbedt.hawaii.gov

Submitted By: Andy Shaw Return email: ashaw@wcitarch.com

Subject: Request for Variance from HRS Chapter 196-6.5, solar water heater system required for new, single family residential construction

Location: 128 Ragsdale Place, Honolulu, Oahu, Hawaii 96817 (B) CH209
(PRINT complete address, if available, including island)

Building Permit Application Number (if available): _____

Tax Map Key: 220510360000

Justification for approval: (check only one option)

- (1) Installation impractical due to poor solar resource; and/or installation is cost-prohibitive based upon a life cycle cost-benefit analysis that incorporates the average residential utility bill and the cost of the new solar water heater system with a life cycle that does not exceed 15 years. (For this option, please use "Water Heating Life Cycle Cost Comparison," an Excel spreadsheet downloaded from <<http://hawaii.gov/dbedt/info/energy/SWHVariance/requestinfo>>, and attach it to this Request.);
- (2) A renewable energy technology system, as defined in HRS section 235-12.5 (photovoltaics, solar thermal or wind), is substituted for use as the primary energy source for heating water; or
- (3) A gas demand water heater device approved by Underwriters Laboratories, Inc., is installed; provided that at least one other gas appliance is installed in the dwelling. For the purposes of this paragraph, "demand water heater" means a gas, tankless, instantaneous water heater that provides hot water only as it is needed.
For a list of manufacturers of UL certified instantaneous gas water heaters, go to this website: <http://database.ul.com/cgi-bin/XYV/template/LISEXT/1FRAME/index.html>. Type LUVK into the "UL Category Code" box; then click on the "Search" button.

If selecting option #3, above, identify other gas appliance(s) installed: Cooktop

I affirm that I am an architect or mechanical engineer licensed under HRS Chapter 464 and attest that to the best of my knowledge this request for a variance conforms to the requirements in Chapter 196-6.5.



R+k
Signature

APPROVED DISAPPROVED

Denise Fenn
Energy Resources Coordinator
DBEDT, State of Hawaii

9/20/12
Date

08/20/2012

EXHIBIT I

Estimate of Maintenance Fees

There shall be no annual maintenance fees and no monthly maintenance fees for the project. Electricity, gas, cable TV, water and sewer are metered and billed separately to each unit.

Any repairs or maintenance that needs to be done to any common areas shall be charged to the owners in accordance with the Declaration and Bylaws of the project.

EXHIBIT J

SUMMARY OF SALES CONTRACT

The Sales Contract contains the purchase price, description and location of the apartment and other terms and conditions under which a Purchaser will agree to buy an apartment in the Project.

Among other things, the Sales Contract:

1. Provides that the Seller is selling the apartments in Existing "As Is" Condition.
2. Provides a "Scheduled Closing Date."
3. Identifies the escrow agent
4. Provides the customary closing cost allocations:
 - a. Charge to Buyer: 40% of the premium for standard coverage title insurance and any additional costs relating the issuance of extended coverage policy (including a lender's policy), cost of drafting mortgage and note or agreement of sale, cost of obtaining Buyer's consents, Buyer's notary fees, All recording fees except documents to clear Seller's title, 50% of Escrow fee, Condominium and Association ownership transfer fees, FHA or VA discount points and any mortgage fees.
 - b. Charge to Seller: 60% of the premium for standard coverage title insurance, cost of drafting conveyance documents and bills of sale, cost of obtaining Seller's consents, 50% of Escrow fees, cost of required staking or survey, recording fees to clear Seller's title, FHA or VA mandatory closing fees, Conveyance Tax, FIRPTA (Federal withholding tax) and HARPTA (State withholding tax).

Escrow may charge the appropriate party other closing costs as directed by the parties.

5. Provides that Buyer's obligation to buy is contingent upon Buyer obtaining financing.
6. Provides the following remedies, in the event of default under the Sales Contract:
 - a. by Buyer: Seller may terminate the Sales Contract and (i) bring an action for damages for breach of contract or (ii) retain the initial deposit and all additional deposits provided for in the Sales Contract. Buyer shall be responsible for any costs incurred in accordance with the Sales Contract.

- b. by Seller: Buyer may: (i) bring an action for damages for breach of contract, and (ii) seek specific performance of the Sales Contract. Seller shall be responsible for any costs incurred in accordance with the Sales Contract.
- 7. Provides that if any dispute or claim arises out the Sales Contract during the transaction or at any time after closing between Buyer and Seller and the parties are unable to resolve the dispute, Buyer and Seller agree in good faith to attempt to settle such dispute or claim by non-binding mediation.

The Sales Contract contains various other provision which the purchaser should become acquainted with. If there is a conflict between the terms of this summary and the Sale Contract, the later shall control.

EXHIBIT K

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Escrow is Premier Escrow. Under the Escrow Agreement dated March 10, 2014, these things will or may happen:

- (a) Seller shall pay over to Escrow all monies received by Seller from Buyer for any reason with respect to the Project.
- (b) Upon receipt of notice in writing from Seller that any payments are due under any sales contract, Escrow shall give notice in writing to each Purchaser under a sales contract held by Escrow and shall call for such payment to be made to Escrow.
- (c) All funds received by Escrow shall be deposited, within a reasonable time of their receipt by Escrow and in reasonably convenient and practical sum, in an interest-bearing account in a federally insured bank or savings and loan institution to be held therein subject to all of the terms and provisions hereof. All interest earned on the deposits will belong to Seller.
- (d) A Buyer shall be entitled to a return of his funds if any one of the following has occurred:
 - (i) Seller and Buyer has requested Escrow in writing to return to Buyer the funds of Buyer then being held hereunder by Escrow; or
 - (ii) Seller or Buyer has notified Escrow of Seller's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to Seller or Buyer; or
 - (iii) The Buyer shall have notified escrow of Buyer's exercise of Buyer's right to cancel or terminate the Sales Contract pursuant to HRS Section 514B-90; or
 - (iv) There is a material change in the Project for which rescission of the Sales Contract is permitted pursuant to Section 514B-87 of the Hawaii Revised Statutes. In the event of a valid exercise of a purchaser's right of rescission pursuant to Chapter 514B-87(c), the purchaser(s) shall be entitled to a prompt and full refund of any moneys paid.
- (e) Escrow shall disburse Buyer's funds when the Real Estate Commission has issued an effective date for the developer's public report and Escrow has received a copy of Buyer's receipt for such public report and waiver of right to cancel, or thirty (30) days have elapsed since Buyer receipted for such public report.
- (f) The Escrow Agreement says what will happen to Buyer's funds upon a default under the Sales Contract. If Buyer defaults, all deposits previously placed into Escrow will be forfeited by Buyer and Escrow may release such funds to Seller. See Paragraph 9 of the Escrow Agreement.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted. If there are any conflicts between the terms of this summary and the Escrow Agreement, the latter shall control.