

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

CONDOMINIUM PROJECT NAME	COMMODORE WAIKIKI
Project Address	1868 & 1880 Kahakai Drive Honolulu, Hawaii 96814
Registration Number	7274 (Conversion)
Effective Date of Report	October 1, 2012
Developer(s)	Commodore, LLC, a Hawaii limited liability company

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.]

SPECIAL NOTICE:

1. This Public Report does NOT constitute an approval of the project by the Real Estate Commission.
2. Conversion. This is a conversion of units and buildings that were constructed around 1948. All sales will be in "as-is" - "where is" condition. Developer is not required to make any repairs.
3. Parking. All the 43 residential units ("Residential Units") do not have an assigned parking stall. The Project has thirteen (13) parking stalls ("Parking Units") and the "Parking Units" are being sold separately from the Residential Units. See Exhibit "B", Limited Common Elements.
4. It is brought to the attention of Purchasers that the Project is located within a designated special flood hazard area.
5. THIS REPORT AND OTHER PROJECT INSTRUMENTS AND DOCUMENTS WERE PREPARED BY THE DEVELOPER AND/OR ITS AGENT AND NOT AN ATTORNEY.

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

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..... 14
5.7	Rights Under the Sales Contract 16
5.8	Purchaser's Right to Cancel or Rescind a Sales Contract 16
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..... 17
5.8.3	Purchaser's Right to Rescind a Binding Sales Contract After a Material Change 17
6.	MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT..... 18
EXHIBIT A:	Description of Units
EXHIBIT B:	Common Elements and Limited Common Elements
EXHIBIT C:	Encumbrances Against Title
EXHIBIT D:	Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursements
EXHIBIT E:	Developer's Reserved Rights
EXHIBIT F:	Summary of Sales Contract
EXHIBIT G:	Summary of Escrow Agreement
EXHIBIT H:	Statement of Architect
EXHIBIT I:	City and County of Honolulu, Department of Planning and Permitting Letters dated August 6, 2012 and September 17, 2012

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	1868 & 1880 Kahakai Drive Honolulu, Hawaii 96814
Address of Project is expected to change because	
Tax Map Key (TMK)	(1) 2-3-36: 16 & 17
Tax Map Key is expected to change because	Addition of CPR Nos.
Land Area	15,411 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	4
Number of New Building(s)	0
Number of Converted Building(s)	2
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, gymsum board, wood and aluminum and allied materials

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
Residential						
Units	43					
Parking Units	13					
See Exhibit "A"						

56	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 Stall in the Project:	13 (see Page 1a for further disclosure)
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	0 (see Page 1a for further disclosure)
Attach Exhibit _____ 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.	

1.5 Boundaries of the Units

Boundaries of the unit: See Page 18a, Section G.

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): Generally, alterations to Units are permitted only with the prior approval of the Project's Board of Directors. All purchasers should review the restrictions, requirements and conditions for Unit alterations which are contained in Section 19.0 of the Declaration.
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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 "B" _____ .
As follows:

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

<input type="checkbox"/>	Swimming pool
<input checked="" 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): utility rooms, mailboxes/bicycle/trash area

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 "B" _____ .
 Described as follows:

Common Element	Number
Elevators	0
Stairways	4
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 "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: Only if allowed by the House Rules
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: Timesharing and vacation rentals are not permitted
<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 19, 2012

Company that issued the title report: Fidelity National 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	43	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	A-2
<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 checked="" type="checkbox"/>	Other (Specify): Parking Units	13	<input checked="" 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code				

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 type="checkbox"/>	<input checked="" 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>In accordance with Section 24-4.110(a)(1) of the Land Use Ordinance, City and County of Honolulu, a structure can be rebuilt to its former condition if permitted by the Building Code and commenced within 2 years.</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</p> <p><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>All structural components and mechanical and electrical installations material to the use and enjoyment of the units are in good condition commensurate with their age which is based solely on the statement of the Architect attached as Exhibit "H".</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p> <p>No statement is made as to useful life.</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>Verified Statement from a County Official</p>	
<p>Regarding any converted structures in the project, attached as Exhibit "I" 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: Commodore, LLC, a Hawaii limited liability company</p> <p>Business Address: 1357 Kapiolani Blvd., Suite 810 Honolulu, Hawaii 96814</p> <p>Business Phone Number : (808) 386-5086</p> <p>E-mail Address:</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>Rodney Howard, Member Mary Pattee, Member</p>
<p>2.2 Real Estate Broker</p>	<p>Name: Coldwell Banker Pacific Properties Business Address: 1314 S. King St., 2nd Floor Honolulu, HI 96814</p> <p>Business Phone Number: (808) 596-0456</p> <p>E-mail Address:</p>
<p>2.3 Escrow Depository</p>	<p>Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 521-0211</p>
<p>2.4 General Contractor</p>	<p>Name: Business Address: Business Phone Number:</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Rental Solutions Business Address: 1188 Bishop St., #1409 Honolulu, HI 96813</p> <p>Business Phone Number: (808) 546-7555</p>
<p>2.6 Attorney for Developer</p>	<p>Name: This report was prepared by the Developer pro se and Business Address: May Hung, its agent 94-665 Kauluikua Place, Mililani, HI 96789</p> <p>Business Phone Number: (808) 623-5336</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	May 21, 2012	T-8205317

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	September 12, 2012	T-8290432

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	May 21, 2012	T-8205318

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	2158
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 checked="" type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input type="checkbox"/>	
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%	67%
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"/>	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: See Exhibit "E" attached hereto.

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 checked="" type="checkbox"/>	Not affiliated with the Developer
<input 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 "D" 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 checked="" type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input checked="" type="checkbox"/>	Water
<input checked="" 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 type="checkbox"/>	Gas for the Unit only
<input type="checkbox"/>	Water
<input 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 "F" 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: July 10, 2012 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit "G" 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.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgages	If Developer defaults under its mortgage then the Buyer's contract may be canceled. Upon cancellation all of the Buyer's deposits will be refunded less any escrow cancellation fees.

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, unless the appliances are new, in which case any manufacturer's warranty would be assigned to the purchaser.

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

<p>Status of Construction:</p> <p style="text-align: center;">Buildings completed in 1948.</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:</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</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 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

<p>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):</p>	
<input type="checkbox"/>	<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"/>	<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"/></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 not 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:

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

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

B. **LEAD WARNING STATEMENT.** Pursuant to federal law, 42, U.S.C. 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

C. **ASBESTOS DISCLOSURE.** Purchaser is aware that asbestos materials are hazardous to one's health particularly if asbestos fibers are released into the air and inhaled. In the past (before 1979, but possibly since) asbestos was a commonly used insulation material in heating facilities and in certain types of floor and ceiling materials, shingles, plaster products, cement and other building materials. Purchaser is aware that Purchaser should make appropriate inquiry into the possible existence of asbestos on the Property and in the Unit. Structures having "popcorn" or "cottage cheese" type ceilings may contain asbestos fibers or asbestos-containing material. Such ceilings should not be disturbed since it could release asbestos fibers in the air. Any disturbance should be done only by licensed abatement contractors. The Developer discloses that it does not have an assessment or inspections relating to "asbestos".

**6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT
(cont.)**

D. BOUNDARIES OF RESIDENTIAL UNITS. The respective Units shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the floors and ceilings surrounding each Unit or any pipes, wires, conduits or other utility or service lines running through a Unit which are utilized for or serve more than one Unit, the same being deemed common elements. Each Unit shall be deemed to include all the walls, windows, window and door screens, doors (including all hardware), and partitions (including the framing for the interior walls) which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein. All plumbing (including any shower pan), electrical and mechanical components, which services only the Unit, shall be deemed a part of the Unit (even if such components are located in a common wall or area).

E. BOUNDARIES OF PARKING UNITS. Each Parking Unit consists of that portion of the Project containing the rectangular space which lies within the painted striping marking the boundaries of the Parking Unit (but does not include, such striping), as shown on the Condominium Map, exclusive of any adjacent walls and pillars, stairways and any existing and future pipes, wires, conduits, ducts, vents, and other service and utility lines and spaces which are utilized for or serve more than one Unit or the common areas. Each Parking Unit shall include the air space up to a height, measured perpendicularly from the ground of 6 feet 6 inches from the ground.

F. DEVELOPER NOT ORIGINAL BUILDER. The Project and Buildings were constructed on or around 1948 and Developer was not the original owner, developer or builder of the Buildings, Units and Project. Concrete cracks may be expected because of concrete shrinkage. Any prospective Purchaser hereby releases Developer from any damages resulting from any existing or future concrete cracks in the Buildings and Unit. Further, the electrical wiring in the Unit was installed when the Project was originally constructed in 1948. Accordingly, there may be small appliances or other usages that are customarily used today that were not used in 1948 such as window air conditioning units, blow dryers, irons, etc. The use of such appliances have been known to trip one or more fuses within the Units in the Project.

G. NO WARRANTIES OR REPRESENTATIONS. The Developer is not making any representation or warranty about the Unit, its furnishing and appliances, any electrical, plumbing or mechanical component of the Unit, and the Project. A purchaser must conduct his or her own inspection of the Unit, its appliances, and all other features of the Unit and the Project. THE DEVELOPER IS NOT OBLIGATED TO MAKE ANY REPAIRS TO ANY PART OF THE UNIT OR PROJECT.

H. LANDLORD/TENANT. If Buyer is purchasing a Unit subject to an existing rental agreement between Seller and a tenant, Buyer understands that, from and after closing, Buyer will be obligated to perform all of Seller's obligations under such rental agreement, including without limitation the return of Buyer's security deposit pursuant to Hawaii's Landlord-Tenant Code, and Buyer will be entitled to all rent from such tenant.

**6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT
(cont.)**

D. BOUNDARIES OF RESIDENTIAL UNITS. The respective Units shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the floors and ceilings surrounding each Unit or any pipes, wires, conduits or other utility or service lines running through a Unit which are utilized for or serve more than one Unit, the same being deemed common elements. Each Unit shall be deemed to include all the walls, windows, window and door screens, doors (including all hardware), and partitions (including the framing for the interior walls) which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein. All plumbing (including any shower pan), electrical and mechanical components, which services only the Unit, shall be deemed a part of the Unit (even if such components are located in a common wall or area).

E. BOUNDARIES OF PARKING UNITS. Each Parking Unit consists of that portion of the Project containing the rectangular space which lies within the painted striping marking the boundaries of the Parking Unit (but does not include, such striping), as shown on the Condominium Map, exclusive of any adjacent walls and pillars, stairways and any existing and future pipes, wires, conduits, ducts, vents, and other service and utility lines and spaces which are utilized for or serve more than one Unit or the common areas. Each Parking Unit shall include the air space up to a height, measured perpendicularly from the ground of 6 feet 6 inches from the ground.

F. DEVELOPER NOT ORIGINAL BUILDER. The Project and Buildings were constructed on or around 1948 and Developer was not the original owner, developer or builder of the Buildings, Units and Project. Concrete cracks may be expected because of concrete shrinkage. Any prospective Purchaser hereby releases Developer from any damages resulting from any existing or future concrete cracks in the Buildings and Unit. Further, the electrical wiring in the Unit was installed when the Project was originally constructed in 1948. Accordingly, there may be small appliances or other usages that are customarily used today that were not used in 1948 such as window air conditioning units, blow dryers, irons, etc. The use of such appliances have been known to trip one or more fuses within the Units in the Project.

G. NO WARRANTIES OR REPRESENTATIONS. The Developer is not making any representation or warranty about the Unit, its furnishing and appliances, any electrical, plumbing or mechanical component of the Unit, and the Project. A purchaser must conduct his or her own inspection of the Unit, its appliances, and all other features of the Unit and the Project. THE DEVELOPER IS NOT OBLIGATED TO MAKE ANY REPAIRS TO ANY PART OF THE UNIT OR PROJECT.

I. BROKER'S LISTING AGREEMENT. As of the effective date of this Developer's Public Report, the Developer has not executed a listing agreement for the sale of individual units or parking spaces with a duly licensed Hawaii real estate broker. Thus, the Developer cannot offer to sell or sell individual units or parking spaces until (1) the Developer executes a listing agreement for the sale of individual units or parking spaces; (2) amends this Developer's Public Report to reflect the new information; and (3) delivers this public report and amendment to the prospective purchaser. The conditions for a binding sales contract are listed on Pages 16-17, Paragraph 5.8.1.

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.

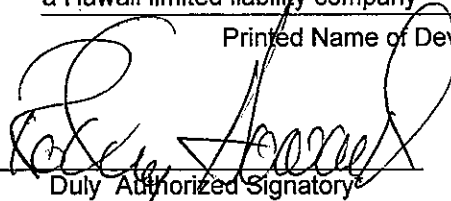
For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified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

COMMODORE, LLC,
a Hawaii limited liability company

Printed Name of Developer

By:


Duly Authorized Signatory

May 21, 2012
Date

Rodney Howard, Its Member

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a corporation by an officer; 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.

COMMODORE, LLC,
a Hawaii limited liability company

Printed Name of Developer

By: Mary Pattee
Duly Authorized Signatory*

May 21, 2012
Date

Mary Pattee, Its Member

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a corporation by an officer; 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.**

EXHIBIT "A"

DESCRIPTION OF UNITS AND PERCENTAGE COMMON INTEREST APPURTENANT TO THE UNITS
IN PROJECT

RESIDENTIAL UNITS

1868 KAHAKAI DRIVE (Building 1868)

<u>Unit #</u>	<u>Net Living Area Sq. Ft.</u>	<u>Bedrms/Baths</u>	<u>Lanai (Sq. Ft.)</u>	<u>%Interest</u>
108	392	1/1		1.92
109	402	1/1		1.92
110	589	2/1		2.80
111	444	1/1		2.07
112	405	1/1		1.92
114	405	1/1		1.92
208	392	1/1		1.92
209	402	1/1		1.92
210	597	2/1		2.80
211	449	1/1		2.07
212	405	1/1		1.92
214	405	1/1		1.92
308	392	1/1		1.92
309	402	1/1		1.92
310	597	2/1		2.80
311	449	1/1		2.07
312	405	1/1		1.92
314	405	1/1		1.92
403	747	2/1	699	3.53
404	838	2/1	447	3.96

RESIDENTIAL UNITS

1880 KAHAKAI DRIVE (Building 1880)

<u>Unit #</u>	<u>Net Living Area Sq. Ft.</u>	<u>Bedrms/Baths</u>	<u>Lanai (Sq.Ft.)</u>	<u>%Interest</u>
101	406	1/1		1.92
102	406	1/1		1.92
103	315	Studio		1.47
104	592	2/1		2.80
105	408	1/1		1.92
106	404	1/1		1.92
107	404	1/1		1.92
201	406	1/1		1.92
202	406	1/1		1.92
203	451	1/1		2.07
204	592	2/1		2.80
205	408	1/1		1.92
206	404	1/1		1.92
207	404	1/1		1.92
301	406	1/1		1.92
302	406	1/1		1.92
303	451	1/1		2.07
304	592	2/1		2.80
305	408	1/1		1.92
306	404	1/1		1.92
307	404	1/1		1.92
401	818	2/1	447	3.87
402	767	2/1	1,188	3.63

Total % interest for Residential Units: 95.45%
Total % interest for Parking Units: 4.55%

TOTAL % INTEREST: 100.00%
=====

PARKING UNITS

<u>Stall No.</u>	<u>% Interest</u>
1	0.35
2	0.35
3	0.35
4	0.35
5	0.35
6	0.35
7	0.35
8	0.35
9	0.35
10	0.35
11	0.35
12	0.35
13	0.35
	<hr/>
	4.55%
	=====

Floor Area of a Residential Unit. The floor area of a Residential Unit is the net living area and is measured from the interior surface of the Residential Unit's perimeter walls, without any deduction for interior walls, vents, and flues. Because there are differences in the methodology that professionals use in determining and measuring living area other professionals may end up with a different area or computation of the same space. The foregoing is not a representation or warranty of what the Residential Unit is comprised of or its size. If there are any differences between the foregoing descriptions and the Condominium Map, the Condominium Map shall control. The Condominium Map is also not a representation or warranty of the improvements that exist for the Project.

Area of a Parking Unit. Each Parking Unit consists of the unenclosed space shown on the Condominium Map and can never be enclosed, and the boundary defining such space is the boundary as shown on said Condominium Map. Each Parking Unit shall include the right of the Owner to utilize the parking stall including the air space above it sufficient to park a motor vehicle. A Unit owner of a Parking Unit shall not be allowed to sell or transfer a Parking Unit to any party who does not own a Residential Unit.

Upgrades. The Developer reserves the right to renovate and/or upgrade the flooring, cabinets, appliances and fixtures in any Residential Unit; provided that it is done prior to the closing of the sale of such Residential Unit. Such upgrades may also include new windows, window coverings, screens and paint. Declarant may elect not to make any upgrades or improvements to a Residential Unit(s).

EXHIBIT "B"

Common Elements

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

- A. The land described herein in fee simple.
- B. The foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load bearing walls of each Residential Unit, roof, exterior walls, unfinished ceilings and floors, stairs, stairways, laundry room and area, trash enclosure, if any, walkways around the Buildings, driveways and landscaped areas.
- C. All pipes, wires, conduits, ducting, vents, piping, ducts or other utility or service lines running through one Residential Unit which are utilized for or serve more than one Residential Unit, all fire safety systems (including any portion which extends into each Residential Unit, if any) and any other central and appurtenant installations for utility services used or necessary to the existence, maintenance and safety of the Project, whether originally installed as a part of the Project or subsequently installed by the Association or the Declarant for the Project.
- D. Any and all other structures, apparatus and installations of common use, and all other parts of the Project necessary or convenient to the existence, maintenance and safety of the Project, or normally in common use.
- E. The utility rooms, laundry room, mailboxes and bicycle/trash area, as shown on the Condominium Map.
- F. Each "common element", as shown on the Condominium Map.
- G. All limited common elements described below.

Limited Common Elements

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

- A. Mailboxes. The mailbox assigned to a Residential Unit shall be limited to the use of such Residential Unit. Each Residential Unit shall at all times have at least one mailbox appurtenant to it. The Declarant shall determine the initial numbering and assignment scheme for the mailboxes. Declarant reserves the right to change the assignment in the event the Residential Units are re-numbered.
- B. Other. All common elements of the Project which are rationally related to less than all of the Residential Units shall be limited to the use of such Unit or Units to which the same are related and shall be deemed limited common elements of such Units.

EXHIBIT "C"

Encumbrances Against Title

1. For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. Any facts, rights, interests or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
7. Any rights, interests, or claims which may exist or arise by reason of the facts disclosed by survey, dated April 28, 2006, prepared by Dennis K. Hashimoto, Licensed Professional Land Surveyor, Certificate No. 5688.
8. Easement "A-4" (10 feet wide), for storm drain purposes, along the easterly boundary of Lot 53-B, as set forth by Land Court Order No. 6955, filed September 19, 1946. (As to Parcel Second - Lots 53-A and 53-B).
9. Grant of Easement in favor of City and County of Honolulu dated March 21, 1957, recorded as Land Court Document No. 203797, for underground drainage purposes, under and across said Easement A-4. (As to Parcel Second - Lots 53-A and 53-B).
10. Mortgage dated May 19, 2006, filed in said Office as Document No. 3432677, in favor of First Hawaiian Bank, a Hawaii corporation.
11. The terms and provisions contained in the Absolute Assignment of Rentals and Lessor's Interest in Leases, in favor of First Hawaiian Bank, a Hawaii corporation, recorded on May 24, 2006, as Document No. 2006-097491.
12. Financing Statement in favor of First Hawaiian Bank, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2006-097492. Continuation Statement recorded as Document No. 2011-046084.
13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration of Condominium Property Regime for "Commodore Waikiki" Condominium Project filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on June 19, 2012, as Document No. T-8205317, as amended.
14. Condominium Map No. 2158, filed in said Office.
15. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Bylaws of the Association of Unit Owners of "Commodore Waikiki" filed in said Office on June 19, 2012, as Document No. T-8205318.

EXHIBIT "D"

ESTIMATED OPERATING EXPENSES
For Period November 1, 2012 to October 31, 2013
As Prepared by Developer

Estimated Annual Expenses

Property Management Fee:	\$ 48,000.00
Building Repairs and Maintenance (Common Areas):	\$ 18,000.00
Insurances:	\$ 16,200.00
Water/Sewer:	\$ 34,000.00
Gas:	\$ 3,000.00
Common Area Electricity:	\$ 12,000.00
Rubbish Removal:	\$ 4,800.00
Reserve:	\$ 24,500.00
Miscellaneous:	\$ 1,500.00
TOTAL ANNUAL EXPENSES:	\$162,000.00
Estimated Monthly Expenses:	\$ 13,500.00

Estimated Monthly Expenses Per Residential Unit:

1880 KAHAKAI DRIVE (Building 1880)

<u>Unit #</u>	<u>Monthly Fee</u>	<u>Unit #</u>	<u>Monthly Fee</u>	<u>Unit #</u>	<u>Monthly Fee</u>	<u>Unit #</u>	<u>Monthly Fee</u>
101	\$258	107	\$258	206	\$258	305	\$258
102	\$258	201	\$258	207	\$258	306	\$258
103	\$198	202	\$258	301	\$258	307	\$258
104	\$378	203	\$279	302	\$258	401	\$522
105	\$258	204	\$378	303	\$279	402	\$490
106	\$258	205	\$258	304	\$378		

1868 KAHAKAI DRIVE (Building 1868)

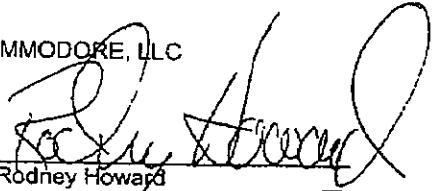
<u>Unit #</u>	<u>Monthly Fee</u>	<u>Unit #</u>	<u>Monthly Fee</u>	<u>Unit #</u>	<u>Monthly Fee</u>
108	\$258	208	\$258	308	\$258
109	\$258	209	\$258	309	\$258
110	\$378	210	\$378	310	\$378
111	\$279	211	\$279	311	\$279
112	\$258	212	\$258	312	\$258
114	\$258	214	\$258	314	\$258
				403	\$476
				404	\$535

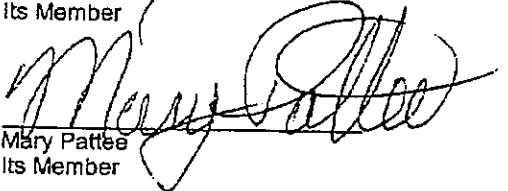
Estimated Monthly Expenses Per Parking Unit:

<u>Unit #</u>	<u>Monthly Fee</u>	<u>Unit #</u>	<u>Monthly Fee</u>	<u>Unit #</u>	<u>Monthly Fee</u>	<u>Unit #</u>	<u>Monthly Fee</u>
1	\$50	4	\$50	7	\$50	10	\$50
2	\$50	5	\$50	8	\$50	11	\$50
3	\$50	6	\$50	9	\$50	12	\$50
						13	\$50

The Developer certifies that the maintenance fees and costs as estimated by the Developer is based on generally accepted accounting principles.

COMMODORE, LLC

By 
Rodney Howard
Its Member

By 
Mary Pattee
Its Member

"Developer"

EXHIBIT "E"

The following is what is contained in Section 24.0 of the Declaration:

The Declarant shall have the right to execute, acknowledge, process and record any and all instruments necessary or appropriate for the purposes of carrying out the provisions and exercising the rights, powers and privileges granted by this Section 24.0, and including but not limited to the provisions of Sections 4.0C, 4.1, 4.4A, 6.0D, 18.1 and 18.2 (collectively the "Reserved Rights"), all as the true and lawful attorney-in-fact of the respective owners of Units in this Project and also the Association of Unit Owners, and the Board of Directors, if applicable or necessary, in furtherance of the foregoing. The grant of the power of attorney is coupled with an interest and shall be irrevocable. If not previously terminated, the Reserved Rights shall terminate on December 31, 2022. The Declarant shall not be required to obtain the consent or joinder of any person, including the Association, the Board of Directors, any Unit owner, or any mortgagee of a Unit owner in order to exercise any of the Reserved Rights. The Reserved Rights include the right to amend this Declaration, the Bylaws of the Association, and the Condominium Map as may be necessary that may be necessary or desirable to correct any technical defects or to make non-substantial changes, to comply with any request of an institutional lender for the Project or any Unit, or title insurer, as may be required by law, the Real Estate Commission of the State of Hawaii, any governmental agency administering governmental loan programs (including without limitation the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Department of Housing and Urban Development, the Veterans Association, the State Housing Finance and Development Corporation and any successor entities or agencies) to comply with the requirements of Chapter 514B, Hawaii Revised Statutes or as may be necessary or desirable as determined by Declarant as a result of conditions or requirements imposed upon Declarant by any government agency of the state, county or local government related to the development of the lands comprising the Project or by any governmental agency of any state, territory, possession or foreign country or other foreign jurisdiction as a condition precedent to the sale of the Units in any such jurisdiction; provided, however, that no amendment which would change the common interest appurtenant to a Unit or substantially change the design, location or size of a Unit or the building in which it is located shall be made without the consent to such amendment by all persons having an ownership interest in such Unit. Declarant is authorized to execute any consent, joinder, approval, or any other instrument on behalf of each Unit owner, the Association, and Board of Directors in furtherance of the foregoing.

In exercising the foregoing Reserved Rights, the Declarant may at any time file and process to final approval an application for building permits, grant easements, terminate easements, file Land Court applications and amendments, execute and file instruments and documents, record amendments, deeds, or other instruments necessary or appropriate to carry out any of the foregoing.

Each and every owner acquiring an interest in a Unit in the Project consents to the Reserved Rights contained in this Section 24.0 and the amendments to this Declaration, the Bylaws and the Condominium Map and the filing thereof.

EXHIBIT "F"

Summary of Sales Contract

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

Among other things, the Sales Contract:

1. Provides a section for financing to be completed and agreed to by the parties which will set forth how Purchaser will pay the purchase price.
2. Identifies the escrow agent and states that purchaser's deposit will be held in escrow until the Sales Contract is closed or canceled.
3. Requires that Purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
4. Permits the Developer without the consent or approval of a purchaser to modify the Declaration, Bylaws, Condominium Map, House Rules, or other documents provided that purchaser may cancel the Sales Contract and obtain a refund if such modification:
 - A. substantially and materially impairs the use and enjoyment of the Unit;
 - B. substantially and materially alters the arrangement of the rooms or usable space of a Unit or building;
 - C. renders unenforceable a purchaser's loan commitment;
 - D. increases the purchaser's share of common expenses or maintenance fees;
 - E. reduces the obligations of Developer of common expenses on unsold Units.
5. Provides that the Developer is selling the Units in "AS-IS WHERE-IS" condition. This means that the Developer is not making any warranties or representations with respect to the Units and Project.
6. If purchaser dies (any one of them) prior to closing, Developer has the right to return purchaser's funds, less any escrow cancellation fees and cost, and cancel the Sales Contract.
7. Provides that the closing cost shall be paid as follows:
 - A. By purchaser: title insurance, drafting of any note and mortgage, drafting of Unit Deed, purchaser notary fees, recording fees, all escrow fees, and also a start fee for common expenses, if any.
 - B. By Developer: Developer notary fees.
8. Provides the following remedies, in the event of default under the Sales Contract:

By purchaser:

 - a. Developer may bring an action against purchaser by breach of contract
 - b. Developer may retain initial deposit;
 - c. Purchaser shall be responsible for expenses incurred.

By Developer:

- a. Purchaser may bring an action against Developer for breach of Contract;
- b. Purchaser shall be entitled to a return of all deposits without any interest.

Any awards to the prevailing party in any action are subordinate to escrow's expenses.

9. Provides that purchaser may not assign his/her interest in the Sales Contract without the prior written consent of Developer.

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

EXHIBIT "G"

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 Title Guaranty Escrow Services, Inc. Under the Escrow Agreement dated July 10, 2012, these things will or may happen:

(A) Developer or Escrow will let purchasers know when payments are due and all monies received from a purchaser will be deposited in Escrow. Any interest earned on the deposits will belong to Developer.

(B) Escrow will arrange for purchasers to sign all necessary documents.

(C) The Escrow Agreement specifies when purchaser funds may be disbursed upon closing of a sale. The conditions include:

i) Escrow receives the purchasers' signed "Receipt for the Developer's Public Report(s)" and "Notice of Right to Cancel Sales Contract";

ii) Escrow receives a certification from the Developer that the Sales Contract is effective and that the rescission right requirements in favor of purchasers have been complied with by the Developer; and

iii) The Unit Deed conveying the unit to the purchaser has been recorded in the Bureau of Conveyances, or the Office of the Assistant Registrar of the Land Court, State of Hawaii, as the case may be.

(D) The Escrow Agreement says under that conditions a refund will be made to a purchaser. Refunds can occur under the following situations:

i) If Purchaser elects to cancel the transaction in accordance with the "Receipt for the Developer's Public Report" and "Notice of Right to Cancel Sales Contract". The Receipt provides that purchasers may cancel the Sales Contract and purchaser's Receipt is mailed or sent by telegram to Developer before (1) the Unit is conveyed to purchaser, or (2) midnight of the 30th day after delivery of the Developer's Public Report(s) to me, whichever is earlier.

ii) The Developer and purchaser agree to terminate the Sales Contract.

iii) If the Developer exercises any right to cancel the transaction which it may have reserved.

NOTE: If a transaction is cancelled, the purchaser must return all documents to the Developer.

(E) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract. If a purchaser defaults, all deposits previously placed into Escrow will be forfeited by purchaser and Escrow may release such funds to Developer. See paragraph 11 of Escrow Agreement.

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

STATEMENT OF REGISTERED PROFESSIONAL ARCHITECT
AS TO CONDITION OF
STRUCTURE AND MECHANICAL/ELECTRICAL INSTALLATIONS

Real Estate Commission
Department of Commerce and Consumer Affairs
State of Hawaii
Seventh Floor, 1010 Richards Street
Honolulu, HI 96813

RE: COMMODORE WAIKIKI AT
1868 & 1880 KAHAKAI DRIVE
HONOLULU, HAWAII 96814
TMK(1) 2-3-036:016 & 017

I have made a visual observation of the two (2) buildings at the aforementioned address, which is a proposed conversion of the existing structures into a condominium project. Without having made any invasive examination of covered components, I made the following report:

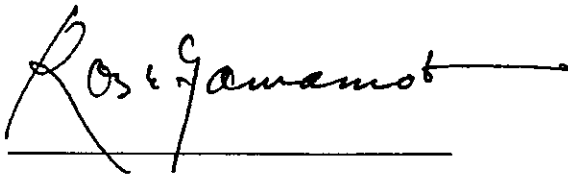
1. On July 28, 2012, I visited the site and the buildings of the above mentioned property. According to public records, both 4-story buildings were built in 1948.
2. The buildings were constructed with masonry walls and concrete floors. There were no visible evidences of unstable structural components and any damages to the structural materials.
3. There were no roof leaks reported at the present time.
4. Doors and windows were constructed with wood. Windows are mostly sliding and single hung windows and appear to be the original windows but still in operable conditions.
5. The mechanical (plumbing) installations consist of water (hot and cold) and sewer lines. Apparently, they are in operating conditions. There were no mechanical/plumbing problems reported at this time.

6. The electrical installations consist of meter boxes, circuit breakers, wiring, electrical service, etc. The electrical, in general, appears to be in operating conditions.

7. No representation is made regarding the expected useful life of the structural components, mechanical and electrical installations.

I further state that this report may not be relied upon by any purchaser of a unit in the Project. Given the age of the structures each prospective purchaser should hire and retain his own professional home inspector or other professional person to evaluate the condition of the unit(s). Further, although the buildings were permitted at the time of construction, however, presently the buildings are considered "non-conforming" with today's building and zoning codes. But they are legal.

DATED: Honolulu, Hawaii, this 30th day of July, 2012.

A handwritten signature in black ink that reads "Roy K. Yamamoto". The signature is written in a cursive style and is positioned above a solid horizontal line.

Roy K. Yamamoto

Registered Professional

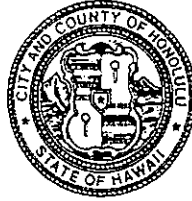
Architect No. 4649

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

EXHIBIT "I"

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

PETER B. CARLISLE
MAYOR



DAVID K. TANOUÉ
DIRECTOR

JIRO A. SUMADA
DEPUTY DIRECTOR

2012/ELOG-251(LT)

August 6, 2012

Ms. May Hung
94-665 Kauluikua Place
Mililani, Hawaii 96789

Dear Ms. Hung:

Subject: Condominium Conversion Project
1868 Kahakai Drive
Tax Map Key: 2-3-036: 017

This is in response to your letter dated February 2, 2012, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the four-story twenty-unit apartment building with five all-weather-surface off-street parking spaces met all applicable code requirements when it was constructed in 1948 on this 6,911-square-foot A-2 Medium-Density-Apartment-District-zoned lot.

Investigation revealed the following:

1. The number of all-weather-surface off-street parking spaces (5) is considered nonconforming.
2. The apartment building is considered a nonconforming structure because it encroaches into the required front-yard, side-yard, and rear-yard setbacks.

For your information, the Department of Planning and Permitting cannot determine all other legal nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

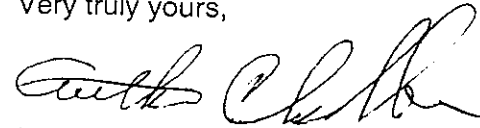
No variances or other permits were granted to allow deviations from any applicable codes.


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 or record for subdivision and zoning purposes.

Ms. May Hung
August 6, 2012
Page 2

If you have any questions regarding this matter, please contact Alex Sugai of our Commercial and Multi-Family Code Enforcement Branch at 768-8152.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue", written in a cursive style.

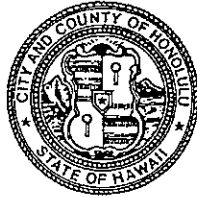
 David K. Tanoue, Director
Department of Planning and Permitting

DKT:ft
[959907]

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.honoluluapp.org • CITY WEB SITE: www.honolulu.gov

PETER B. CARLISLE
MAYOR



DAVID K. TANQUE
DIRECTOR

JIRO A. SUMADA
DEPUTY DIRECTOR

2012/ELOG-251(RLK)

September 17, 2012

Ms. May Hung
94-665 Kauluikua Place
Mililani, Hawaii 96789

Dear Ms. Hung:

Subject: Condominium Conversion Project
1880 Kahakai Drive
Tax Map Key: 2-3-036: 016

This is in response to your letter dated February 2, 2012, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the four-story twenty-three-unit apartment building with eight all-weather-surface off-street parking spaces met all applicable code requirements when it was constructed in 1947 on this 8,500-square-foot A-2 Medium-Density-Apartment-District-zoned lot.

Investigation also revealed the following:

1. The number of all-weather-surface off-street parking spaces (8) is considered nonconforming.
2. The apartment building is considered a nonconforming structure because it encroaches into the required front-yard, side-yard, and rear-yard setbacks.

For your information, the Department of Planning and Permitting cannot determine all other legal nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

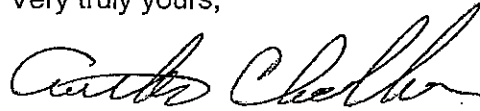
No variances or other permits were granted to allow deviations from any applicable codes.

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.

Ms. May Hung
September 17, 2012
Page 2

If you have any questions regarding this matter, please contact Alex Sugai of our Commercial and Multi-Family Code Enforcement Branch at 768-8152.

Very truly yours,

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

~~David K. Tanoue~~ David K. Tanoue, Director
Department of Planning and Permitting

DKT:ft
[972601]