

## DEVELOPER'S ANNUAL REPORT

Condominium Project Name: KAUAI KAILANI

Project Address: 4-856 Kuhio Highway, Kapaa, HI 96746

Registration Number: 7461 (Conversion) Date: January 14, 2015

HRS §514B-58 requires the Developer to annually file a report to update the material contained in the latest Developer's Public Report and any amendments thereto ("Report") at least thirty days prior to the anniversary date of the Report's effective date. If there is no change to the Report, the Developer shall so state. *Submit a non-refundable filing fee of fifty dollars (\$50) with this report to Real Estate Commission, 335 Merchant Street, Room 333, Honolulu, HI 96813. Make check payable to Commerce and Consumer Affairs.*

The filing of the Annual Report does **not** relieve the Developer, its successor, or assign of the obligation to file amendments to the latest Report, pursuant to HRS §514B-56, or to report any material or pertinent changes regarding the information contained in or omitted from the latest Report.

**Developer states that:** (check one box only)

- Initial sales of all units have been completed. Developer is not required to file any subsequent annual report; or
- There are no changes to the latest Report, or
- There are updates to the latest Report and any amendments thereto. The updates are listed below. Also, if the update is a pertinent or a material change, the Developer has included or will include the update in an amended Report or in an amendment to the Report, and has submitted or will be submitting to the Commission a draft of an amended Report or an amendment to the Report in accordance with all applicable laws.

**Updates to the latest Developer's Public Report:** List the updates to the latest Report and any amendments thereto (include the update's title and description, and refer to the page or exhibit in the Report where the update can be found).

Please see attached Exhibit A.

- If additional space is needed, check this box and continue list on back of this page or attach separate sheets.

**Developer also states that:** (check and complete all applicable)

- In accordance with section 514B-92, HRS or section 514B-93, HRS, purchasers' funds, deposits or payments made under a sales contract are being used to pay for project construction costs, and in the case of a conversion for repairs;
- Construction of the project is complete and the date of completion is \_\_\_\_\_ ; or
- Construction is continuing and the required completion or performance bond issued by a surety licensed in the state in an amount equal to one hundred per cent of the cost of construction as previously submitted to the Commission and any subsequent determined additional or supplemental cost to complete construction remains in full force and effect; or
- Construction is continuing and the required completion or performance bond issued by a material house in the state in an amount equal to one hundred per cent of the cost of construction as previously submitted to the Commission and any subsequent determined additional or supplemental cost to complete construction remains in full force and effect; or


- Construction is continuing and the required irrevocable letter of credit issued by a federally insured financial institution or other substantially similar instrument or security approved by the Commission in an amount equal to one hundred per cent of the cost of construction as previously submitted to the Commission and any subsequent determined additional or supplemental cost to complete construction remains in full force and effect.

**The Developer declares, subject to the penalties set forth in HRS §514B-69, that this Project continues to conform to all zoning, building ordinances, codes, and permitting requirements for the county in which the Project is located, pursuant to HRS §§514B-5 and 32(a)(13).**

The Developer certifies that all the information contained in this Annual Report and the latest Developer's Public Report, and all documents furnished by the Developer to Project purchasers and prospective purchasers have been reviewed by the Developer and are correct and complete to the best of the Developer's knowledge, information, and belief.

GCT Properties, LLC  
Printed Name of Developer

January 14, 2015  
Date

By:   
Duly Authorized Signatory\*  
Gary Oda, Managing Member  
Printed Name & Title of Person Signing Above

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

*This form is available to individuals with special needs by calling the Senior Condominium Specialist at (808) 586-2643.*

## Exhibit A to Annual Report

1. Section 2.5 (Persons Connected with the Project – Condominium Managing Agent), page 9: The business phone number for the condominium managing agent has been updated. The phone number for Castle Resort & Hotels, Inc. is 808-524-0900.
2. Section 3 (Creation of Project), page 10: The Condominium Declaration has been amended several times for the purpose of assigning parking stalls as limited common elements of certain units. However, unless otherwise instructed by the Real Estate Commission, the Developer does not intend to include the amendments to the Condominium Declaration that pertain solely to the assignment of parking stalls in the Project in the list of amendments to the Condominium Declaration in Section 3 of the Public Report.
3. Section 5.5 (Status of Construction, Date of Completion or Estimated Date of Completion), page 14: Section 5.5 will be updated to reflect the status of the remodeling. Remodeling of the Orchid Bldg. is scheduled to be completed in 2015. Remodeling of the Plumeria Bldg. has been completed.
4. Schedule 1 and Schedule 2 to Exhibit C: The Developer has applied for and obtained a building permit for the conversion of the following units from 2-bedroom units to 3-bedroom units: Unit Nos. 108, 110, 112, 207, 208, 210, 211, 307, 308, 310, and 311. Schedules 1 and 2 to Exhibit C of the Public Report reflected the Developer's estimate of changes that would occur once an amendment to the Condominium Declaration and Condominium Map reflecting these conversions were recorded. Currently, the Developer is in the process of preparing an amendment to the Condominium Declaration and the Condominium Map that will reflect the changes as approved in the building permits actually issued by the County.
5. Exhibit N: The 2015 Operating Budget, including the estimate of initial maintenance fees, for the Project has been approved and Exhibit N to the Public Report will be updated accordingly. A copy of the 2015 Operating Budget will be attached to the amendment to the public report.
6. Information Regarding Parking Stalls: As of December 15, 2014, 18 units in the Project had been sold, 7 of which included an assigned parking stall. The Condominium Declaration has been amended several times for the purpose of assigning parking stalls as limited common elements of certain units. There are a total of 51 parking stalls in the Project, however, the Developer cannot predict how many parking stalls will remain unassigned and available for use by owners who do not purchase parking stalls.