

**AMENDMENT 1 TO  
DEVELOPER'S PUBLIC REPORT  
FOR A CONDOMINIUM**

|                           |   |
|---------------------------|---|
| CONDOMINIUM PROJECT NAME: | 941 KAIPII STREET   |
| PROJECT ADDRESS:          | 941 Kaipii Street<br>Kailua, Hawaii 96734   |
| REGISTRATION NUMBER:      | 7535  |
| EFFECTIVE DATE OF REPORT: | <b>August 10, 2015</b>  |
| THIS AMENDMENT:           | <input checked="" type="checkbox"/> Must be read together with<br><input checked="" type="checkbox"/> Developer's Public Report dated <u>June 16, 2014</u><br><input type="checkbox"/> Amended Report dated _____<br><input type="checkbox"/> Supersedes all prior amendments: Includes all prior amendment(s) and <u>must</u> be read together with<br><input type="checkbox"/> Developer's Public Report dated _____<br><input type="checkbox"/> Amended Report dated _____ |
| DEVELOPER(S):             | AC INVESTMENTS KAIPII LLC, a Hawaii limited liability company   |

**Preparation of this Amendment**

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desires to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS means any change that directly, substantially, and adversely affects the use or value of (1) A purchaser's unit or appurtenant limited common elements; or (2) Those amenities of the project available for the purchaser's use.

The law defines "pertinent change" to mean, as determined by the commission, a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) The size, construction materials, location, or permitted use of a unit or its appurtenant limited common element; (2) The size, use, location, or construction materials of the common elements of the project; or (3) The common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developer's Public Report or an amended Developer's Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

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*This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.*

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

The law defines "material facts" to mean any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale.

This amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

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Summary of Changes from Earlier Developer's Public Report:

This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

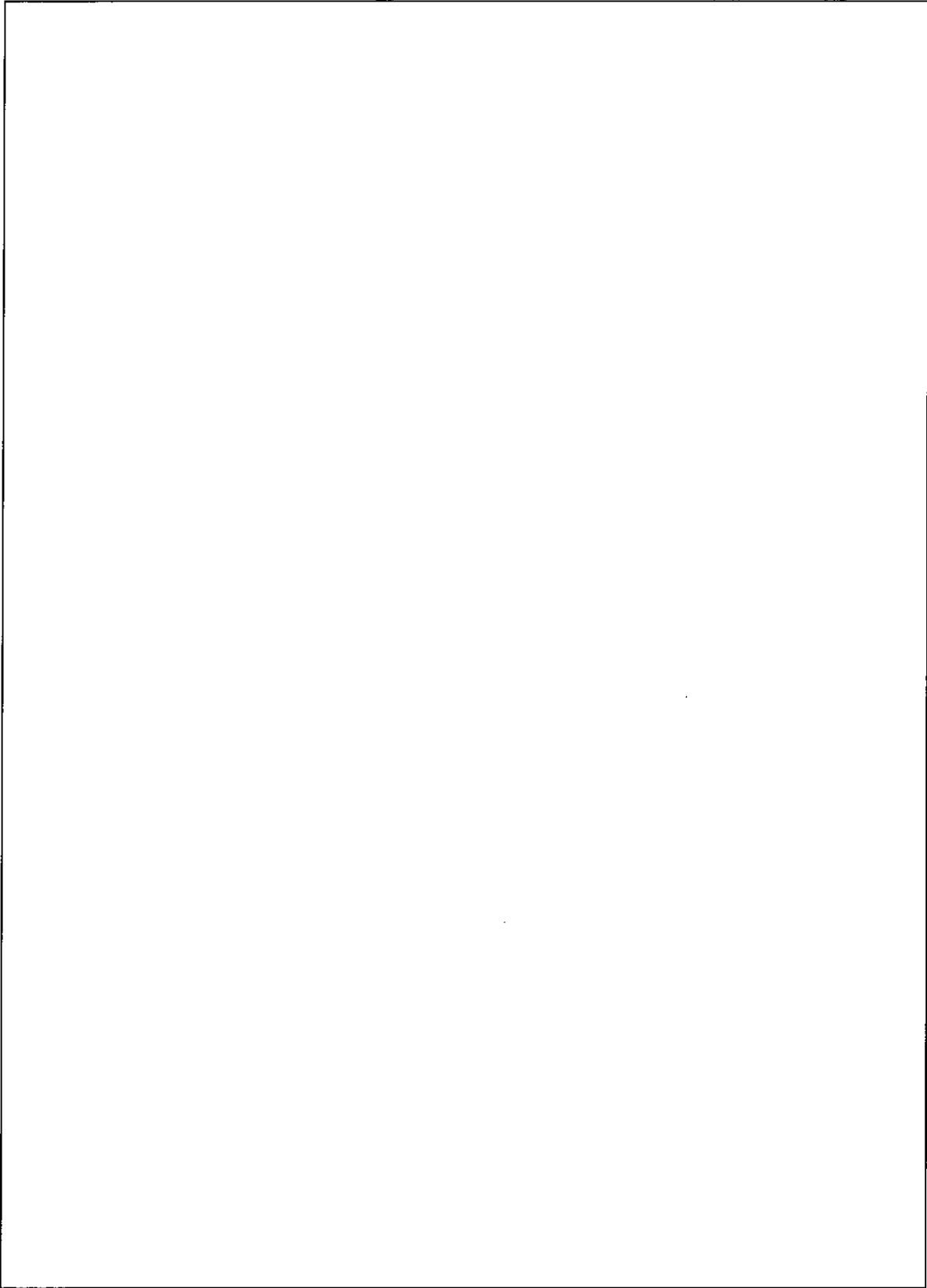
Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

1. The Estimate of Initial Maintenance Fees for the Project have changed. See revised Exhibit J.
2. Updated title reports for the Units have been filed herewith, which show that (1) the reference to the unrecorded General Revocable Trust Agreement dated June 22, 1984, has been removed; and (2) the blanket lien has been partially released from Unit 941-A and a new mortgage covers Unit 941-A. See revised page 5 and Exhibit G.

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Changes continued:



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

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

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

AC INVESTMENTS KAII LLC, a Hawaii limited liability company

Printed Name of Developer

  
Duly Authorized Signatory\*

July 28, 2015

Date

Mark J. Chelini, Member/Manager

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.**

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**1.9 Common Elements**

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

Described in Exhibit  D .

Described as follows:

| Common Element | Number |
|----------------|--------|
| Elevators      | 0      |
| Stairways      | 0      |
| Trash Chutes   | 0      |

**1.10 Limited Common Elements**

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

Described in Exhibit  E .

Described as follows:

**1.11 Special Use Restrictions**

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

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

Date of the title report: June 10, 2015 and June 24, 2015

Company that issued the title report: Title Guaranty of Hawaii, Inc.

**EXHIBIT J**  
**Estimate of the Initial Maintenance Fees**

PROJECT: 941 KAIPII STREET  
941 Kaipii Street, Kailua, Hawaii 96734

The Developer hereby certifies:

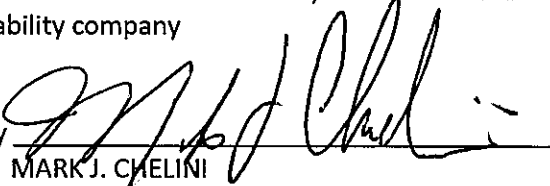
1. The estimated maintenance fee for each Unit is more fully described on the following attached page.
2. The estimate is based on generally accepted accounting principles.

Note: Developer discloses that no reserve study was done in accordance with Section 514B-148, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

3. OBLIGATION TO PAY COMMON EXPENSES. A Unit Owner shall become obligated to start paying the Unit Owner's share of common expenses thirty (30) days after receiving written notice from the Developer or their successor.

AC INVESTMENTS KAIPII LLC, a Hawaii limited liability company

By

  
MARK J. CHELINI  
Its Member/Manager

"Developer"

**ESTIMATED INITIAL OPERATING EXPENSES**

For Period August 1, 2015 to July 31, 2016

As Prepared by Developer

Estimated Annual Expenses

|   |                   |
|---|-------------------|
| Water/Sewer*  | \$-0-             |
| Electricity*  | \$-0-             |
| Fire/Liability Insurance**                              | \$4,703.90        |
| Management Fee  | \$-0-             |
| Driveway and Entry Gate Maintenance                     | \$360             |
| Reserves***   | \$2,000           |
| Miscellaneous:  | \$-0-             |
| <b>TOTAL ANNUAL EXPENSES</b>                            | <b>\$7,063.90</b> |
| <br>Estimated Monthly Expenses                          | <br>\$588.66      |
| <br>Estimated Monthly Maintenance Fee<br>for Each Unit: | <br>\$294.33      |

Note: \* All utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges.

\*\* A master fire and liability insurance policy is intended to be obtained for the Project.

\*\*\* Annual reserves are based on:

Exterior Painting (estimated at once every 10 years): \$15,000

Roof Replacement (estimated at once every 30 years): \$500

**END OF EXHIBIT J**



**EXHIBIT G**  
**Encumbrances Against Title**

1. Real property taxes due and payable. For more information, contact the Real Property Assessment Office, City and County of Honolulu.
2. Mineral and water rights of any nature in favor of the State of Hawaii.
3. GRANT to HAWAIIAN ELECTRIC COMPANY, INC. and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, now known as HAWAIIAN TELCOM, INC., dated June 23, 1955, recorded in Liber 2979, Page 227, granting an easement for utility purposes.
4. The terms and provisions contained in the DEED dated August 31, 1982, recorded in Liber 16543, Page 387.
5. The terms and provisions contained in the DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "941 KAIPII STREET" CONDOMINIUM PROJECT dated May 12, 2014, recorded as Document No. A-52460572. (Project covered by Condominium Map No. 5280 and any amendments thereto.)
6. The terms and provisions contained in the BY-LAWS OF THE ASSOCIATION OF UNIT OWNERS dated May 12, 2014, recorded as Document No. A-52460573.
7. -AS TO UNIT 941:-  
  
MORTGAGE in favor of MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., solely as a nominee for CENTRAL PACIFIC BANK, a Hawaii corporation, dated March 15, 2013, recorded as Document No. A-48290222.
8. -AS TO UNIT 941-A:-  
  
MORTGAGE in favor of MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., solely as nominee for CENTRAL PACIFIC BANK, a Hawaii corporation, dated November 25, 2014, recorded as Document No. A-54520280.

**END OF EXHIBIT G**