

IMPORTANT - - Read This Developer Prepared Report Before Buying

This Report Is Not a Commission Approval or Disapproval of This Condominium Project

DEVELOPER'S PUBLIC REPORT FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	KAMANI AT KEHALANI (PHASE 12)
Project Address	Off Oma'oma'o Street, Wailuku, Hawaii 96793
Registration Number	8325 (partial conversion)
Effective Date of Report	March 27, 2019
Developer(s)	HBT OF KEHALANI LLC

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 ("HRS"), as amended from time to time. The law defines "material facts" as "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 ("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 the 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, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to immediately submit 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; however, a purchaser may have rights to cancel or rescind a sales contract under specific circumstances.

For all sales information, please contact the Developer and real estate broker on page 9.

Individuals with special needs may request this material by calling the State of Hawaii Real Estate Commission at 586-2644.

Special Attention - - Significant Matters

Use this page for special or significant matters which should be brought to the purchaser's attention. Subject Headings and page numbers where the subject is explained must be used.

The Developer's inclusion of a disclosure or an explanation of any or all of the following applicable significant matters in this part of the Developer's Public Report shall not be construed to constitute the Commission's:

- Approval or disapproval of the project;
- Representation that the Developer has fully or adequately disclosed either all material facts or all pertinent changes, or both, concerning the project;
- Representation that the Developer's disclosures of other material facts elsewhere in this report are less important; or
- Judgment of the value or merits of the project.

The Commission reserves the right to request that the Developer include these special and significant matters elsewhere in the Developer's Public Report.

This is a Condominium Project and not a subdivision. Although the Purchaser will own his/her Unit, the land upon which the entire Project is located will be owned in common by all of the Project's Unit Owners as a common element. The land is subject to certain encumbrances, including but not limited to waterline easements and kuleana water rights. Purchasers are encouraged to seek professional advice. A list of the encumbrances is also attached as Exhibit "F".

The Developer intends, but is not legally bound, to construct additional phases with Units in the "Future Phases Area" also referred to as Unit 139. The Developer has reserved an easement over and upon the Project as may be reasonably necessary for the completion of the development and construction of the Project and the correction of defects, if any, in the Project. The Developer has reserved the right, for itself and its successors and assigns to designate, locate, relocate and to grant to any public or governmental authority or other entity rights-of-way and other easements. The Developer has also reserved the right, for itself and its successors and assigns to create and construct new units, the right to reduce the size of the Project, the right to construct and/or merge projects, and the right to modify Unit 139. The Project in its entirety shall not exceed 138 units. See Exhibit "A" and the Declaration.

The Phase 1 Developer's Public Report (Register No. 7691) covered the first 10 units in the Project. The Phase 2 Developer's Public Report (Registration No. 7835) covered an additional 12 units in the Project. The Phase 3 Developer's Public Report (Registration No. 7882) covered an additional 12 units in the Project. The Phase 4 Developer's Public Report (Registration No. 7947) covered an additional 24 units in the Project. The Phase 5A Developer's Public Report (Registration No. 7985) covered an additional 12 units in the Project. The Phase 5B Developer's Public Report (Registration No. 8090) covered an additional 14 units in the Project. The Phase 6 Developer's Public Report (Registration No. 8050) covered an additional 10 units in the Project. The Phase 7 Developer's Public Report (Registration No. 8104) covered an additional 8 units in the Project. The Phase 8 Developer's Public Report (Registration No. 8123) covered an additional 12 units in the Project. The Phase 9 Developer's Public Report (Registration No. 8167) covered an additional 8 units in the Project. The Phase 10 Developer's Public Report (Registration No. 8199) covered an additional 8 units in the Project. The Phase 11 Developer's Public Report (Registration No. 8255) covered an additional 4 units in the Project. This Phase 12 Developer's Public Report covers an additional 4 units in the Project and is to be used for the sale thereof. Prospective purchasers are urged to read Exhibit 1 of Exhibit J (Disclosure Abstract) of this Developer's Public Report carefully and note that the Unit Maintenance fees and Budget were set as of February 20, 2019 and may increase.

Any additions and/or revisions to the Condominium Map will be filed with the Bureau of Conveyances, State of Hawaii, along with an Architect's/Engineer's Certification at the completion of the project.

Unit 1 and Unit 2 are newly constructed units. Unit 3 and Unit 4 are conversions of units built in July 2016. Unit 3 and Unit 4 were used as a sales office and a design center, however both units will be sold for residential use. Each unit will be sold with the same warranties provided by Developer. Unit 3 and Unit 4 appliances were installed in 2016 and the warranties covering such appliances will be set forth in the Sales Contract specific to Unit 3 and the Sales Contract specific to Unit 4.

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General Information on Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, HRS, 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.

For more general information on condominiums, please go to <http://www.hawaii.gov/hirec>. Contact the Hawaii Real Estate Commission's Condominium hot line at (808) 586-2644 from 9:00 AM to 3:00 PM, Monday through Friday. Contact the Developer and real estate broker on page 9 for any sales information.

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 that at first 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	Off Oma'oma'o Street, Wailuku, Hawaii 96793
Address of Project is expected to change because (describe)	Numbers and Street names will be assigned.
Tax Map Key (TMK)	(2) 3-5-001-090
Tax Map Key is expected to change because	CPR numbers will be assigned.
Land Area (square feet or acres)	16.757 acres
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	2
Floors Per Building	2
Number of New Building(s)	2
Number of Converted Building(s)	0
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, wood, composition shingle, glass

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
Ho'okipa (X)	0	3/2	1,425 sf	26 entry	142 lanai 493 garage	2,096 sf
Laule'a (Y)	0	3/2.5	1,465 sf	57 entry	159 lanai 359 garage	2,046 sf
Mau Loa (Z)	4	3/2.5	1,457 sf	40 entry	106 lanai 391 garage	1,994 sf
See Exhibit <u> B </u>						

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

1.4 Parking Stalls

Total Parking Stalls in the Project:	8
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	2
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 Exhibit "B".

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): See Exhibit "C".

1.7 Common Interest

<u>Common Interest:</u> Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in the Declaration, is:
Described in Exhibit _____.
As follows: Each apartment shall have an undivided 1/138 fractional interest.

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

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input type="checkbox"/>	Other (describe):

1.9 Common Elements

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

Described in Exhibit D .

Described as follows:

Common Element	Number
Elevators	
Stairways	
Trash Chutes	

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 checked="" type="checkbox"/>	Pets: Permitted with restrictions, among other things a reasonable number.
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See Declaration, Bylaws and proposed House Rules generally.
<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 F describes the encumbrances against title contained in the title report described below.

Date of the title report: February 13, 2019

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