

IMPORTANT - - Read This Developer Prepared Report Before Buying

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

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

CONDOMINIUM PROJECT NAME:	AZURE ALA MOANA
PROJECT ADDRESS:	641 Keeaumoku Street Honolulu, Hawaii 96814
REGISTRATION NUMBER:	8183
EFFECTIVE DATE OF REPORT:	August 19, 2019
THIS AMENDMENT:	<input checked="" type="checkbox"/> Must be read together with <input checked="" type="checkbox"/> Developer's Public Report: Effective Date _____ <u>July 25, 2018</u> <input type="checkbox"/> Amended Report: Effective date _____ <input type="checkbox"/> Supersedes all prior amendments: Includes all prior amendment(s) and <u>must</u> be read together with <input type="checkbox"/> Developer's Public Report: Effective Date _____ <input type="checkbox"/> Amended Report: Effective date _____
DEVELOPER(S):	Azure Ala Moana LLC

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 Hawaii Real Estate Commission ("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, as 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.

For all sales information, please contact the Developer and real estate broker on page 9 of the Developer's Public Report.

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

The law defines "pertinent change", as determined by the commission, as 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.

This Amendment has not been prepared or issued by the 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" 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 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

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):

Summary of changes from Developer's Public Report, effective July 25, 2019:

1. Page 3, Section 1.1 has been updated to reflect the Tax Map Key No. as indicated by the Office of the Tax Assessor.
2. Page 5, Section 1.12 and Exhibit "F" have been updated to reflect the updated title report dated June 10, 2019, from Title Guaranty of Hawaii, LLC.
3. Page 9, Section 2.4 has been updated to reflect that Albert C. Kobayashi, Inc. has been selected as the general contractor for the Project.
4. Page 16, Section 5.6.2. Box A has been checked in connection with the use of purchasers' deposits and Box B has been unchecked. This means that Developer has submitted all information and documents required by the Real Estate Commission of the State of Hawaii ("**Commission**") to permit the disbursement of purchaser deposits prior to closing for the payment of certain Project costs. Such information and documents include the following:
 - a. A Project budget showing all costs that are required to be paid in order to complete the Project;
 - b. Evidence satisfactory to the Commission of the availability of sufficient funds to pay all costs required to be paid in order to complete the Project;
 - c. A copy of an executed construction contract, dated May 1, 2019, between Developer, as the owner, and Albert C. Kobayashi, Inc., as the contractor;
 - d. A copy of the superstructure permit for the Project issued on May 6, 2019;
 - e. A copy of the Performance Bond for the Project, dated May 20, 2019, by and between Albert C. Kobayashi, Inc., as Principal, and Travelers Casualty and Surety Company of America, as Surety.

PLEASE READ BOX A CAREFULLY. Based on the submission of the information noted above, your deposits may be used to pay for Project costs, construction costs, architectural, engineering, finance and legal fees, and other incidental expenses of the Project.

Changes continued:

5. Page 19c, Section 6. A new Paragraph 21 has been added to explain the purpose of the Superstructure Permit for the Project.

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. 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, belief, true, correct, and complete. The Developer hereby agrees to promptly 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 as amended at least 30 days prior to the anniversary date of the effective date of this report.

Azure Ala Moana LLC

Printed Name of Developer



Duly Authorized Signatory*

8/8/2019

Date

Richard B. Stack, Jr., Executive Vice President

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.**

****In the event of multiple Developers, each Developer must sign on their own signature page.**

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	N/A
Address of Project	641 Keeaumoku Street Honolulu, Hawaii 96814
Address of Project is expected to change because	N/A
Tax Map Key (TMK)	(1) 2-3-021-046
Tax Map Key is expected to change because	Each unit will be assigned a separate CPR number
Land Area	49,290 sq. ft. (approx.)
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	1
Floors Per Building	41 floors
Number of New Building(s)	1
Number of Converted Building(s)	0
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Reinforced concrete and 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
See Exhibit "A"						

410*	Total Number of Units
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*There are 330 Residential Units, 78 Rental Units, and 2 Commercial Units

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

1.9 Common Elements

<p>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.</p>	
<p>Described in Exhibit "E"</p>	
<p>Described as follows:</p>	
Common Element	Number
Elevators	4 (Residential), 2 (Rental), 2 (Commercial)
Stairways	3
Trash Chutes	1

1.10 Limited Common Elements

<p>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.</p>
<p>Described in Exhibit "E"</p>
<p>Described as follows:</p>

1.11 Special Use Restrictions

<p>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.</p>	
<input checked="" type="checkbox"/>	Pets: dogs, cats or other typical household pets and service animals are permitted in Residential Units and Rental Units, pursuant to the limitations in Section VI.L of the Declaration and the House Rules (see Exhibit "K")
<input checked="" type="checkbox"/>	Number of Occupants: See Declaration, Section VI.C.3 (See also Section C.3 of Exhibit "D")
<input checked="" type="checkbox"/>	Other: See Exhibit "D"; House Rules and restrictions on home-based businesses described in Exhibit "D", paragraph C.1.
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

<p>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).</p>
<p>Exhibit "F" describes the encumbrances against title contained in the title report described below.</p>
<p>Date of the title report: June 10, 2019</p>
<p>Company that issued the title report: Title Guaranty of Hawaii, LLC</p>

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer</p>	<p>Name: Azure Ala Moana LLC</p> <p>Business Address: 1440 Kapiolani Boulevard, Suite 1406 Honolulu, Hawaii 96814</p> <p>Business Phone Number: 808-955-7018 E-mail Address: info@prospacholdings.com</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>Keeaumoku Operating LLC – Manager</p> <p>The following are the appointed officers of Azure Ala Moana LLC:</p> <ul style="list-style-type: none"> - Xianxin Chen: Chairman - Richard B. Stack, Jr.: Executive Vice President
<p>2.2 Real Estate Broker</p>	<p>Name: Heyer & Associates LLC</p> <p>Business Address: 1288 Ala Moana Blvd., Suite 108 Honolulu, Hawaii 96814 Attn: Karl Heyer IV</p> <p>Business Phone Number: 808-692-0060 E-mail Address: info@heyer-associates.com</p>
<p>2.3 Escrow Depository</p>	<p>Name: Title Guaranty Escrow Services, Inc.</p> <p>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: Albert C. Kobayashi, Inc.</p> <p>Business Address: 94-535 Uke'e Street Waipahu, Hawaii 96797</p> <p>Business Phone Number: 808-671-6460</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Hawaiian Properties, Ltd.</p> <p>Business Address: 1165 Bethel Street, 2nd Floor Honolulu, Hawaii 96813</p> <p>Business Phone Number: 808-539-9777</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Imanaka Asato; Attn: Owen T. Iida</p> <p>Business Address: 745 Fort Street, 17th Floor Honolulu, Hawaii 96813</p> <p>Business Phone Number: 808-521-9500</p>

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

<p>Box A</p> <p><input checked="" 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: 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.</u></p>
<p>Box B</p> <p><input type="checkbox"/></p>	<p>The Developer has <u>not</u> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <u>Important Notice Regarding Your Deposits</u> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

Project, or (c) the services and amenities (and the costs of such services or amenities) which may be provided to Owners.

13. **Marketing Materials.** Any marketing materials used by Developer in the promotion and sales of the Residential Units and of the Project shall not be a representation or warranty by Developer of the Residential Unit layout, décor, coloring, furnishings, or fixtures provided with the unit, or the types of amenities provided in the Project. The marketing materials are intended to give a purchaser a general idea of the standard and quality of the Project, and are not intended to represent the precise décor, coloring, furnishing, fixtures, or amenities that will be included in the Project.
14. **Condominium Map.** Nothing in the Condominium Map is intended to be or is a representation or warranty by Developer. Typical type floor plans may have slight deviations as to the location of columns in the unit, doors, and fixtures. The layout and areas of the units with typical depictions are intended to be consistent.
15. **Future Rail Route.** The Project may be in the vicinity of the proposed future light rail route by the County, which may cause noise, dust, vibrations, traffic congestion, and/or other inconveniences or nuisances associated with the development, construction, and operation of such light rail transit system ("**Rail Effects**"). By signing and accepting a deed to a unit, an Owner accepts the Rail Effects and waives any claims or rights of action or suits against Developer or Developer's successors and assigns arising from any impairment of the Owner's use and enjoyment of the unit or the Project, or from any inconvenience, property damage or personal injury arising directly or indirectly from the Rail Effects.
16. **Flood Zone (X); Tsunami Evacuation Zone.** The Project is located in a Flood Zone (X) and federal flood insurance is not required for the Project. The Project is not located within the tsunami evacuation zone.
17. **Use of Developer-Owned Units.** Units owned by Developer are exempt from the use restrictions set forth in the Declaration and, accordingly, may be used for any lawful purpose. This may impact other units in the Project to the extent that such use is found objectionable.
18. **Presale Contingency.** Developer has no obligation to proceed with development or building of the Project, and may cancel the purchase agreements, if Developer has not obtained binding purchase agreements to sell at least seventy-five percent (75%) of the Residential Units in the Project on or before one hundred eighty (180) calendar days after the date of the first executed purchase agreement for the sale of a unit in the Project. If Developer elects to cancel purchase agreements, purchasers will be entitled to a full refund of all monies paid to Developer plus any interest earned thereon. Note that this presale contingency is for the benefit of Developer only, is not for the purchasers' benefit, and may be waived in Developer's sole and absolute discretion.
19. **Location of Units Near the Recreational Deck.** Certain Residential Units located on or near the ninth (9th) level of the Tower are located in close proximity to the Recreational Deck, which is also located on the ninth (9th) level of the Tower. As a result, such Residential Units may be exposed to greater noise and other nuisances than the Residential Units located on other levels of the Tower.
20. **Video Surveillance.** The Common Elements of the Project may be subject to video surveillance at all times. Covert cameras may be installed in various common areas, including, without limitation, elevators. The intended purpose for such surveillance is post-incident investigation and not deterrence.
21. **Superstructure Permit.** Developer has obtained the superstructure permit for the Project, which allows Developer to construct the superstructure of the building. Issuance of the superstructure permit evidences that the plans for the structure of the building, as approved, conforms to the building code. Developer will continue to pursue the remaining permits for the Project, including the final building permit for all necessary finishes.

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes, if any, that may be due and owing.
2. Mineral and water rights of any nature.
3. -AS TO PARCEL FIRST:-

(A) LEASE

LESSOR : TAKESHI YOKONO and KIMIYO KOJIMA YOKONO, husband and wife, and HARUTO SHINTAKU and KATSUKO INOUE SHINTAKU, husband and wife, partners in S & Y ENTERPRISES, a general partnership

LESSEE : RIETER'S, INC., a Hawaii corporation

DATED : June 25, 1971

FILED : Land Court Document No. 558207

TERM : five (5) years from notice of readiness of occupancy or when tenant opens for business, more particularly described therein

Leasing and demising a portion of the land and building located at 641 Keeaumoku Street, Honolulu, Hawaii, that certain ground floor space of irregular dimensions measuring approximately 69 feet in width by 59 feet in depth and consisting of a total area of approximately 3,615 square feet.

-Note:- Title guaranty of Hawaii, Incorporated is unable to locate of record an attornment or consent from fee owner.

Said above Lease is subject to the following:

i) MORTGAGE

MORTGAGOR : RIETER'S, INC., a Hawaii corporation

MORTGAGEE : CITY BANK OF HONOLULU, a Hawaii corporation

DATED : October 21, 1971

FILED : Land Court Document No. 558208

AMOUNT : \$140,000.00

ABOVE MORTGAGE ASSIGNED

TO : U.S. SMALL BUSINESS ADMINISTRATION

DATED : December 26, 1974

- ii) Any matters arising from or affecting the same.
- iii) There is no evidence of RIETER'S, INC. having been formed or registered with the applicable state and/or country agency.

4. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME
FOR "AZURE ALA MOANA" CONDOMINIUM PROJECT

DATED : July 2, 2018

FILED : Land Court Document No. T-10413290

MAP : 2401 and any amendments thereto

The foregoing includes, but is not limited to, matters relating to association liens which may be superior to certain mortgages.

5. The terms and provisions contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF UNIT OWNERS

DATED : July 2, 2018

FILED : Land Court Document No. T-10413291

6. SETBACK : 30-FT CORNER ROUNDING

AT : Makaloa and Keeaumoku Streets

SHOWN : on ALTA/NSPS Survey prepared by John R.K. Akina, Land Surveyor, with Walter P. Thompson, Inc., dated April 30, 2019

7. MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

MORTGAGOR : AZURE ALA MOANA LLC, a Hawaii limited liability company

MORTGAGEE : FIRST HAWAIIAN BANK, a Hawaii corporation, as agent for the "Lenders" who are parties to that certain Loan Agreement referred to therein.

DATED : May 23, 2019

FILED : Land Court Document No. T-10734113

AMOUNT : \$150,000,000.00

8. FINANCING STATEMENT

DEBTOR : AZURE ALA MOANA LLC

SECURED PARTY : FIRST HAWAIIAN BANK

RECORDED : Document No. A-70820832

RECORDED ON : May 23, 2019

9. FINANCING STATEMENT

DEBTOR : AZURE ALA MOANA LLC

SECURED PARTY : FIRST HAWAIIAN BANK

RECORDED : Document No. A-70820833

RECORDED ON : May 23, 2019

10. ABSOLUTE ASSIGNMENT OF RENTS AND LESSOR'S INTEREST IN LEASES

ASSIGNOR : AZURE ALA MOANA LLC, a Hawaii limited liability company

ASSIGNEE : FIRST HAWAIIAN BANK, a Hawaii corporation, as agent for the "Lenders" who are parties to that certain Loan Agreement referred to therein

DATE : May 23, 2019

RECORDED : Document No. A-70820834

AMOUNT : \$150,000,000.00

11. Encroachments, if any, which would be shown on a correct survey.

12. Any unrecorded leases and matters arising from or affecting the same.

13. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the project land.

END OF EXHIBIT "F"