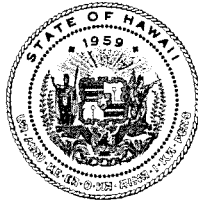


DAVID Y. IGE
GOVERNOR

JOSH GREEN
LIEUTENANT GOVERNOR



CATHERINE P. AWAKUNI COLÓN
DIRECTOR

CHARLENE L.K. TAMANAHA
LICENSING ADMINISTRATOR

STATE OF HAWAII
REAL ESTATE BRANCH
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
KING KALAKAUA BUILDING
335 MERCHANT STREET, ROOM 333
HONOLULU, HAWAII 96813
<http://www.hawaii.gov/hirec>

September 13, 2019

Memorandum

TO: CMBY 2011 INVESTMENTS, LLC
c/o Richard J. Kiefer, Esq.
44 Hana Highway, Suite 204
Kahului, Hawaii 96732

FROM: REAL ESTATE COMMISSION

SUBJECT: "PULEHUNUI INDUSTRIAL CONDOMINIUM"
Reg. No. 8411
Developer's Public Report

Enclosed is one true copy of the Developer's Public Report with an effective date issued by the Real Estate Commission (Commission).

Pursuant to §514B-56, Hawaii Revised Statutes (HRS), the developer shall immediately submit to the Commission an amendment to the developer's public report or an amended developer's public report reflecting "any changes either material or pertinent, or both" with supporting information.

The submission of an amendment to or an amended developer's public report does not require the developer to suspend sales. However, pursuant to §514B-66, HRS, the Commission may order sales to cease.

The developer shall advise the real estate broker(s) of the change and disclose to purchasers any change in the information contained in the developer's public report pending the issuance of an effective date for any amendment to the developer's public report or amended developer's public report.

Chapter 514B, HRS, imposes a number of duties and responsibilities on developers. **A selected few of the many statutory duties and responsibilities include:**

1. Publication of the owner occupant announcement pursuant to §514B-95.5, HRS, at least once in each of the two successive weeks, and at any time following the issuance of an effective date of the first public report, and for neighbor island projects, an additional publication in at least one newspaper published at least weekly in that neighbor county.

* **Submit a copy of the published announcement or advertisement to the Commission.**
2. Delivery and receipt of a true copy of the public report to prospective purchasers pursuant to §514B-88, HRS.
3. Registering the unorganized association of apartment owners (AOUO) with the Commission pursuant to §514B-103, HRS, when the AOUO has not held its first meeting and it is at least one year after the recordation of the purchase of the first unit.
4. Registering the unorganized association of apartment owners with the Commission pursuant to §514B-134, HRS, where the developer or a managing agent manages the operation of the property from the date of recordation of the first apartment conveyance until the organization of the association of unit owners.
5. Notifying in writing, pursuant to §514B-148, HRS, and §16-107-63(d), HAR, where the association has not held its first meeting and it is thirty-six months after the filing of the declaration.
6. Compliance with the laws and rules discussed in this memo and all other applicable laws and rules as set forth in Chapter 514B, HRS, and any Commission rules, policies and procedures.
7. Until the initial sales of all units is completed, an **annual report** must be filed to update the developer's public report with payment of nonrefundable fees, at least **30 days prior to the anniversary date of the effective date** for the developer's public report. See §514B-58, HRS. Failure to file the annual report may subject the developer to the penalties set forth in §514B-69(b), HRS.

Developer and developer's attorneys are advised to continually update themselves with Chapter 514B, HRS, as amended.

Enclosure

- *Attachments: 1) Sample of Receipt for Developer's Public Report
2) Sample of Notice of Right to Cancel Sales Contract
3) Sample of Developer's Annual Report

***Note:** *These attachments and other forms can be downloaded from:*
http://hawaii.gov/dcca/real/rec_forms/.

cc: Richard J. Kiefer, Esq. (w/o enclosure and attachments)